



Risk Management Policy

Nuix Limited ACN 117 140 235 (the Company)
and its subsidiaries

VERSION	AUTHOR	DATE OF REVISION
1	Company Secretary	18 November 2020

1. INTRODUCTION

1.1 Background

Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

1.2 Purpose

The purpose of the Risk Management Policy (the **Policy**) is to ensure that:

- (a) appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on the Company's business;
- (b) the financial and non-financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- (c) appropriate responsibilities are delegated to control the identified risks effectively; and
- (d) any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure Policy.

For the purpose of this Policy, "risk" is defined as possible outcomes that could materially adversely impact on the Company's financial performance, assets, reputation, people or the environment.

1.3 Board responsibility

The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. As a minimum, the Board is required to:

- (a) establish the acceptable levels of risk within which the Board expects the management of the Company to operate and analysing whether the Company is operating with due regard to the risk appetite set by the Board; and
- (b) oversee the establishment and implementation of the risk management framework; and
- (c) review the effectiveness of the Company's risk management framework least once each reporting period,

in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of the Company's objectives.

The Board has established an Audit & Risk Management Committee to assist the Board by providing objective oversight of the implementation and operation of the Company's risk management framework. The Audit & Risk Management Committee will:

- (a) be appointed and removed by the Board;
- (b) be of sufficient size, independence and technical expertise to discharge its responsibilities effectively;

- (c) consist of at least 3 non-executive directors, the majority of whom must be independent; and
- (d) appoint a chair for any meeting of the Committee where the Chair of the Committee is absent.

One or both of the Board or the Audit & Risk Management Committee will, at least once each reporting period, review the effectiveness of the Company's risk management framework in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of the Company's objectives.

The Board and the Audit & Risk Management Committee will consider whether the Company's risk management framework continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board. This includes satisfying itself that the risk management framework deals adequately with financial and non-financial risk and contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

In specific areas, the Board is assisted by the Audit & Risk Management Committee. The Audit & Risk Management Committee is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgment of its people to take risk managed decisions within the framework of this Policy and to communicate openly on all risk related matters.

2. KEY PRINCIPLES AND CONCEPTS

2.1 Identified business risks

There are a number of risks which are inherent to the business activities which the Company undertakes.

These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the Board to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

2.2 Business risk management policies and practices

In order to properly identify and develop strategies and actions to manage business risks, the Company has put in place a business risk management framework based on the following key elements:

- (a) an Audit & Risk Management Committee which meets periodically to identify and assess specific risks. The Audit & Risk Management Committee should have a thorough understanding of the Company's activities and should be conversant with the Company's business plans, objectives and values;
- (b) an assessment of the potential impact of identified business risks and the likelihood of occurrence;
- (c) a ranking of the business risk in accordance with the likely impact on the Company;
- (d) an assessment of the acceptability of each identified risk;
- (e) a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and

- (f) an assignment of the responsibilities for the management of each risk.

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed.

The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting following an Audit & Risk Management Committee meeting by the Chair of the Audit & Risk Management Committee, and updated as needed.

The Board reviews the Company's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

2.3 Background Checks

The Company engages in background checks in regards to all prospective and current directors and employees. The purpose of this is to protect the security and health of all employees (prospective and current), safeguard the reputation, assets and resources of the company and ensure that individuals in responsible positions are worthy of the trust they are given.

Before appointing a director or senior executive, the Company will undertake a background check which includes checks as to the person's character, experience, education, criminal record and bankruptcy history.

All offers of employment are made conditional on the acceptable outcomes of a background check, except to the extent prohibited by applicable law. The background check will include a Criminal History Check or Criminal Watchlist Check and a Right to Work Check for all applicants. A basic credit check will also be conducted for leadership positions at the C-level and all positions with centralised and primary responsibility for significant Company financial resources. The Company will consider an applicant's job duties, among other factors, in determining what constitutes an acceptable outcome of the background check. Checks will be completed regardless of whether or not a competitive recruitment process is used. Except as prohibited by applicable law, Nuix may request any current employee to submit to a background check if such employee has not already undergone a background check during their application process.

All background check information will be kept confidential and will be used solely for employment purposes. The Company complies with all applicable laws regarding background checks.

The Chief Operating Officer is responsible for administering these checks and delegates authority to Human Resources to:

- (a) interpret and enforce these checks and conduct them;
- (b) authorise, initiate, conduct and oversee background checks;
- (c) make decisions regarding what type of background check is appropriate; and
- (d) provide written notifications of the outcome of background checks.

Any questions regarding these checks should be directed to HR@nuix.com.

2.4 Additional risk management policies and practices

In addition to the specific risk management process described in this Policy, the Company has the following procedures and practices which are designed to manage specific business risks:

- (a) an insurance program which is reviewed by the Audit & Risk Management Committee and by the Board;
- (b) regular budgeting and financial reporting;
- (c) the Company's business plan;
- (d) corporate strategy guidelines and procedures to review and approve the Company's strategic plans;
- (e) legally binding commitments and expenditure exceeding certain levels must be submitted to the Board for approval;
- (f) procedures/controls to manage financial exposures and operational risks;
- (g) procedures/controls/policies and management standards to ensure that the Company complies with its obligations and responsibilities in relation to environmental issues, occupational health and safety matters, and the communities in which it operates;
- (h) including considering disclosures regarding environmental or social risks made by the Company's peers;
- (i) procedures to periodically consider the Company's exposure to any climate change risk, with reference to the Financial Stability Board's Task Force on Climate-related Financial Disclosures;
- (j) oversight of the Company's financial affairs by the Audit & Risk Management Committee;
- (k) regular performance reporting enabling the identification of performance against targets and evaluation of trends; and
- (l) an Audit & Risk Management Committee, [Health, Safety & Environment Committee] and Remuneration & Nomination Committee which assist the Board in implementing this Risk Management Policy by focusing the Company and management on risk oversight and internal controls. These Committees also report to the Board on the status of the Company's material business risks through integrated risk management programs, covering areas such as environment, occupational health & safety, financial reporting and internal controls; and ongoing training and development programs.

Additionally, all other significant areas of the Company's operations are subject to regular reporting to the Board, including development, finance, legal, safety, environment, government and investor relations.

3. OTHER MATTERS

3.1 Amendment of Policy

This Policy can only be amended with the approval of the Board.

3.2 Adoption of Policy and Board review

This Policy was adopted by the Board on the date on the front page of this Policy and takes effect from that date and replaces any previous policy in this regard.

The Board and the Audit and Risk Management Committee must review and reassess this Policy at least once each calendar year. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees as appropriate.

Either the Board or the Audit and Risk Management Committee must review and reassess this Policy at least once each reporting period to enable the Board or the Audit and Risk Management Committee (as applicable) to satisfy itself that this Risk Management Policy and the Charter of the Audit and Risk Management Committee continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees as appropriate.