

RISK MANAGEMENT POLICY

1. Introduction and purpose

- 1.1. URB Investments Limited (“URB” or the “Company”) considers risk management to be integral to the Company’s ability to achieve its corporate and strategic objectives.
- 1.2. URB accepts that risk is an inherent part of the normal business environment and recognises that risk can be managed by an effective risk management system.
- 1.3. The objective of this policy is to ensure that URB has in place a formal Risk Management Framework, which is both comprehensive and systematic in approach.
- 1.4 Risk is the effect of uncertainty on organisational objectives. Risks can be financial, strategic (political, economic, social, technological, legal or reputational) or operational affecting physical premises, people, procedures, processes, compliance or reporting.

2. Risk Appetite

- 2.1. URB’s Risk Appetite will be documented in the Risk Appetite Statement, which will be reviewed at least on an annual basis by URB’s Investment Manager and the Board.
- 2.2. The Risk Appetite Statement may also be reviewed outside of the annual cycle to take account of significant changes to URB’s business.
- 2.3. The Risk Appetite Statement will guide the development of the Risk Management Framework.

3. Risk Management Framework

- 3.1. URB’s Risk Management Framework requires that URB establish, implement and maintain a process for managing risk that includes as appropriate to the organisation:
 - a) assignment of responsibilities for risk management;
 - b) definition of risk criteria (e.g., likelihood, consequences, risk acceptance);
 - c) identification, assessment and communication of risks;
 - d) identification, implementation and management of actions to mitigate risks that exceed the defined risk acceptance criteria, and
 - e) acceptance and monitoring of risks remaining after implementation of mitigating actions.
- 3.2. Specifically, the Risk Management Framework should be able to:
 - a) identify the risks to which URB is exposed (including strategic, operational, financial, legislative, compliance, project and other risk classes deemed appropriate);
 - b) analyse those risks so that they can be assessed in such a way that they can be compared with other risks;
 - c) assess the risks to decide if they are acceptable with existing controls or need additional treatment;
 - d) identify treatment options for unacceptable risks and develop a risk treatment plan for unacceptable risks;
 - e) implement risk controls that are assessed as necessary and monitor the controls to ensure they are implemented as intended;
 - f) regularly review the effectiveness of the implementation of treatment controls;

- g) periodically review the context of the company and the risks to which it is exposed to ensure that all risks (including new risks) have been identified; and
- h) facilitate appropriate reporting to URB management, the Audit & Risk Committee, the Board, other stakeholders and relevant regulatory authorities.

4. Methodology

- 4.1. The Company will define risks and prepares risk profiles in light of its business plans and investment strategy. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk. The Company regularly reviews and updates risk profiles to ensure they remain current and accurate.
- 4.2. Risks will be assessed as to their likelihood and consequence to determine the inherent risk. The controls in place to mitigate inherent risks are then assessed to determine the residual risk.
- 4.3. In assessing the Company's risk tolerance level, consideration is given to any instance which might material affect the Company's monthly net tangible asset backing announcement released to the ASX.
- 4.4. Within the Risk Management Framework, the Investment Manager and any Property Manager appointed by the Company is required to formally profile its risk environment on an ongoing basis, including identification of key risks, assessment of control design and operation, and evaluation of key risk indicators.
- 4.5. Risks are managed at the level at which they can be resolved, or elevated to a higher level of management for resolution.
- 4.6. All identified key corporate risks will be documented in the Corporate Risk Register. The Corporate Risk Register will be reviewed by the Investment Manager and the Board on an annual basis.

5. Roles and Responsibilities

Board

- 5.1. The Board is responsible for setting the Risk Appetite of the Company, overseeing the Risk Management Framework established by the Investment Manager, and satisfying itself that the framework is sound. The Board has delegated these responsibilities to the Audit and Risk Committee.
- 5.2. The Audit and Risk Committee is responsible for:
 - a) developing the Risk Management Policy;
 - b) developing the Company's Risk Appetite Statement;
 - c) overseeing implementation of the Risk Management Framework, ensuring it continues to be sound and is able to satisfy the objectives of the Risk Management Policy;
 - d) ensuring the Investment Manager is identifying and managing the high level corporate and investment risks;
 - e) considering the Investment Manager's reports regarding the effectiveness of the Risk Management Framework;
 - f) making recommendations to the Board in relation to any incident involving fraud or other break down of the Company's internal controls;
 - g) making recommendations to the Board on the Company's insurance program;

- h) ensuring URB complies with its obligations under the Corporations Act to include in the Directors' report each year appropriate discussion of the Company's main internal and external risk sources that could adversely affect the entity's prospects in future years; and
 - i) ensuring URB complies with all risk-related disclosure requirements under the ASX Listing Rules.
- 5.3. To enable it to adequately satisfy these responsibilities, the Audit and Risk Committee has:
- a) unrestricted access to the Investment Manager and any other relevant external service provider of the Company; and
 - b) the power to direct any special investigations deemed necessary and to engage and consult independent experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

Investment Manager

- 5.4. The Investment Manager is responsible for:
- a) developing and implementing an appropriate Risk Management Framework;
 - b) co-ordinating the development and maintenance of the risk assessment procedures and guidelines that will be deployed throughout URB's business;
 - c) ensuring the Company operates within the Risk Appetite Statement established by the Board;
 - d) promoting and monitoring a culture of risk awareness and management and internal control within the Company and its service providers;
 - e) reporting on the effectiveness of the Risk Management Framework;
 - f) reporting key risks to the Audit and Risk Committee (and Board, where appropriate) on a regular basis;
 - g) ensuring the external auditors appointed by the Board:
 - i) perform adequate testing to confirm the Company maintains ownership of all investments recorded as assets within the financial statements, and that such assets are valued appropriately; and
 - ii) provide adequate testing to confirm that the Company does not maintain any derivative products or hold any other positions or obligations that are not sanctioned by the Board.

6. REPORTING

- 6.1. The Investment Manager will report at least annually to the Board through the Audit and Risk Committee on the effectiveness of the Risk Management Framework.
- 6.2. The Investment Manager will report to the Board on the key risks on a regular basis.
- 6.3. The Investment Manager must report half-yearly that it has invested the Company's assets in accordance with the Authorised Investment Rules as defined in the Investment Management Agreement ("IMA") and complied with the requirements of the IMA during the reporting period.