



Risk Management Policy

A Treasury Wine Estates Limited Policy

1. INTRODUCTION / CONTEXT

Treasury Wine Estates (TWEs) continued growth and success depends on our ability to understand and respond to the challenges of the environments in which we operate. By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders by 'safeguarding' our growth strategy.

TWE is committed to the ongoing development of a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture. This ensures that we are taking and managing risk in an informed way. The purpose of this Policy is to define the minimum required practices related to the management of risk across TWE operations.

2. WHO THIS POLICY APPLIES TO

This is a group-wide policy and applies to all operations in all countries within which TWE operates. The policy is supported by the Risk Management Framework.

3. KEY PRINCIPLES

The effective management of risk is vital to the continued growth and success of TWE. For risk management to be effective, all operations must apply the following principles in the context of their particular business and its objectives:

- Risk management will create and protect value by generating awareness around the amount of risk that we are taking
- Risk management is integrated into organisational processes
- Explicit risk management helps decision-makers make informed choices
- Risk management is focused on sources of uncertainty around the achievement of strategic objectives
- Risk management must be tailored to the context and fit for purpose
- Risk management is dynamic, iterative and responsive to change.

4. POLICY STATEMENT

TWE has adopted the risk management process described in the Australian/New Zealand Standard on risk management (AS/NZS ISO 31000:2009 Risk management – Principles and guidelines).

In addition, the Group is subject to the provisions of the Australian Stock Exchange's principles on good corporate governance, one of which requires that an Australian listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework. The Group is committed to complying with this principle.

The way in which this process is to be enacted within TWE is described in the Risk Management Framework. All risk management systems and methodologies must be consistent with this process.

The broad effect of this is set out in the 'Responsibilities' section below.

In line with the commitment to the effective management of risk, TWE commits to the allocation of necessary resources to those responsible for the management of the processes.

5. VARIATION FROM POLICY REQUIREMENTS

Any variations from the above policy requirements must be approved by the Chief Financial Officer.

RESPONSIBILITIES

Everyone at TWE is responsible for the effective management of risk, including identifying risks, responding to risks, mitigating risks, and reporting risks. Key responsibilities include:

- Business unit management are responsible for implementing the systems and processes required for the day-to-day identification and assessment of risks, and ensuring that they are operating effectively in accordance with the Group's risk management policies and procedures.
- The Risk, Compliance and Governance Committee (RCGC) is responsible for ensuring the risk management framework remains valid and relevant; and, ensuring that risk management activities are integrated, consistent and systematically managed on an enterprise wide basis.
- The Executive Leadership Team (ELT) is responsible for the systems and processes that support the day-to-day identification and assessment of risks and the implementation of the Group's risk management policy and procedures. It is also responsible for reviewing the group's risk profile no less than every six months; fostering a risk-aware culture; and reporting to the Audit and Risk Committee on the effectiveness of the risk management framework and of the company's management of its material business risks. The ELT is assisted in this task by the RCGC.
- The Group Risk Management function are responsible for implementing the Enterprise Risk Management Program, and providing risk assistance to the ELT and the Business.
- The Audit and Risk Committee assists the Board in overseeing the Group's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.
- The Board is ultimately responsible for the implementation and oversight of the Group's systems of risk management. The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board.

6. CONSEQUENCES FOR BREACH OF THIS POLICY

A breach of any of the provisions of this Policy may constitute a disciplinary offence and will be dealt with in accordance with TWE's disciplinary procedure. Depending on the gravity of the offence, it may be treated as gross misconduct and could render you liable to summary dismissal.

7. RELATED TWE DOCUMENTS

This Policy should be read in conjunction with the following documents:

- TWE Risk Management Framework
- Workplace Health & Safety Policy
- Fraud & Corruption Policy
- Code of Conduct Policy
- Audit & Risk Committee Charter
- Risk, Compliance & Governance Committee Charter

8. APPROVAL

Approval of this Policy is required annually by the Audit & Risk Committee (ARC).