

Domino's Pizza Enterprises Limited

Board Policy 02/05: Risk Management

Adopted by the Board on 11 April 2005 and revised on 23 June 2009 and 21 September 2022

(ASX Corporate Governance Principles and Recommendations: Recommendation 7.1 and 72.)

1 Purpose of this Policy

- 1.1 The Board of Domino's Pizza Enterprises Limited (DPE) defines risk as impact of uncertainty on the organisation's objectives.
- 1.2 The DPE Board recognises the need to effectively manage risk to achieve the organisation's strategic objectives and fulfil its governance and fiduciary responsibilities to protect and enhance value for its shareholders.
- 1.3 The purpose of the policy is to enable the fulfilment of the Board's risk management duties and responsibilities.

2 Policy

General approach

- 2.1 Underpinning this policy, the Board adopts an active approach to risk management which recognises that the Company is engaged in activities, which necessarily demand that the Company take measured risks to achieve its strategic objectives, while meeting its legal and compliance obligations.
- 2.2 Accordingly, and in the interests of the enhanced performance of the Company, the Board embraces a responsible approach to risk management, as a risk-aware and not a risk-averse Company. In doing so, the material risks or those risks that could materially impact on the organisation's objectives, as identified by the Board, are those set out in its risk management framework and risk registers. The approach includes:
 - 2.2.1 Identifying material risks;
 - 2.2.2 Assessing the likelihood and impacts of such risks;
 - 2.2.3 Implementing appropriate internal controls to mitigate the Company's risk exposure by minimising, eliminating or transferring the risk; and
 - 2.2.4 Monitoring and reporting on changes to material risks.

Risk management

- 2.3 The Board requires the Group Chief Executive Officer (Group CEO) to ensure that an approach to managing risk is implemented as part of the day-to-day operations of the Company, identifying and managing the material risks in the following categories:
 - 2.3.1 Strategic risks;
 - 2.3.2 Financial risks;
 - 2.3.3 Compliance risks (including legal, contractual, regulatory and ASX); and
 - 2.3.4 Operational risks.

- 2.4 Risk management plans are prepared to record material risks, risk assessments and mitigating controls across the above risk categories for each DPE operating region. These plans will be part of day to day business and project decision-making within the Company.
- 2.5 Key responsibilities of the Board and Management are defined as follows:
- 2.5.1 The DPE Board is responsible for overseeing the implementation of a risk management framework and evaluating the effectiveness of this framework in both achieving the organisation's objectives and fulfilling the Board's fiduciary responsibilities to shareholders. This includes setting and articulating the risk appetite for the organisation.
 - 2.5.2 The Audit and Risk Committee is responsible for monitoring management's performance against the risk management framework and whether the Company is operating within its risk appetite. This includes reviewing reports from management and internal audit on the identification, assessment and mitigation of existing and emerging material risks to the Company as well as any material incidents.
 - 2.5.3 Management is responsible for implementing and operating the risk management framework including people, processes and systems and reporting regularly to the Board and Audit and Risk Committee on material risks to the Company.
- 2.6 Specifically, in managing risk, the Board and Management are to adhere to the following principles:
- 2.6.1 When considering new strategies or projects, management is to analyse the major risks of those opportunities being secured or being lost, and will consider appropriate strategies for minimising those risks where they are identified.
 - 2.6.2 The Company will, where thought prudent by the Group CEO or the Board, take appropriate external advice to determine the best way to manage a particular risk.
 - 2.6.3 Financial risk will be managed by the whole of the Board working closely with the Group CEO and the Group Chief Financial Officer, to ensure that the financial statements and other financial reporting are rigorously tested prior to submission for audit.
 - 2.6.4 An insurance program is put in place, having regard to the Company's business and the insurable risks associated with the business. Advice will be taken from the Company's insurers and brokers where necessary.
 - 2.6.5 Material changes to the Company's risk profile including environmental and social risks are disclosed in accordance with DPE's Continuous Disclosure and External Communications Policy.

Review of effectiveness of Risk Management Plans

- 2.7 The Audit and Risk Committee are responsible for reviewing the Company's risk management framework annually to satisfy itself it continues to be sound and the entity is operating with due regard to the risk appetite set by the Board and disclose, in relation to each reporting period, whether such a review has taken place.
- 2.8 Management will assist the Committee by arranging an annual internal review to be conducted independently of any review by the Company's external auditor.
- 2.9 The Internal Reviewer will report their findings as to the adequacy and effectiveness of the Risk Management Plans to the Group CEO who will report the review outcomes to the Board.
- 2.10 The Group CEO will, at least on an annual basis, provide written assurances to the Board in writing that:
 - 2.10.1 All assurances given by Management in respect of the integrity of financial statements are founded on sound systems of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - 2.10.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
- 2.11 The structure and role of the Company's internal audit function will be disclosed.