

CARTRACK HOLDINGS LIMITED

("Cartrack" or the "Company")

RISK MANAGEMENT POLICY

1. Policy statement and rationale

Cartrack is committed to the management of risk as an integral part of its operations, implementing strategies to minimise threats to the achievement of Cartrack's goals and objectives.

Effective risk management supports value creation by enabling management to: -

- deal effectively with potential future events that create uncertainty; and
- respond in a manner that reduces the likelihood of outcomes that erode value and increases the likelihood of outcomes that create and preserve value.

Cartrack will ensure that the necessary resources are applied to achieve its risk management objectives and management will take ownership for implementation, maintenance and monitoring of the risk management process.

2. Application

This policy applies to Cartrack and all its subsidiaries (collectively, "the Group").

3. Objectives

The risk management objectives of Cartrack are to: -

- Embed the management of risk as an integral part of its business processes;
- Establish an effective system of risk identification, analysis, evaluation and treatment within all areas of its business;
- Avoid exposure to significant reputational or financial loss;
- Contribute to the achievement of Cartrack's business objectives; and
- Assess the benefits and costs of implementation of available options and controls to effectively manage risks.

4. Risk appetite and tolerance

Risk appetite and tolerance will be determined by Management and approved by the board of directors ("the Board") and reviewed at least annually. Management will accordingly implement specific limits or tolerance levels aligned with these limits agreed by the Board at functional and operational levels within the business.

Appropriate risk tolerance will be guided by:

- a consistent method of determining the level of risk;
- a clear statement by management of what level of risk is tolerable; and
- a process to follow when risk exposure is considered to exceed stated tolerance levels.

5. Risk Management Plan

The management of risk will be achieved by way of a Risk Management Plan (“RMP”), designed to identify, measure, monitor and control risk. Management takes responsibility for the design and implementation of the RMP, subject to approval by the Board. Management is accountable to the Board for implementing and monitoring the system and process of risk management and integrating it into the daily activities of the Group. The CEO remains ultimately accountable to the Board for risk management within the Group.

6. Risk assurance

The Board should receive regular reports from management on the effectiveness of the Risk Management Plan, including significant response failings or weaknesses, the impact and resultant corrective interventions taken, as well as the degree to which the process has been embedded throughout Cartrack and the Group.

7. Risk disclosure

The Board shall include adequate risk disclosure in the integrated report, including:

- Any current, imminent or envisaged risk that may threaten the long-term sustainability of Cartrack; and
- Its views on the effectiveness of Cartrack’s risk management processes.

8. Education and training

Management is responsible for the development and provision of risk management awareness training as well as specific training to address any needs of employees regarding risk management.