



Eclipx Group Limited

Risk Management Policy

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RISK MANAGEMENT POLICY

ECLIPX GROUP LIMITED (THE COMPANY)

1. Background

1.1 Overview

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. The Board believes that it is desirable and appropriate that the Company accept certain operational and financial risks in those areas in which it has commercial expertise. These risks are taken as part of the Company's everyday business and growth initiatives allow the Company to receive a financial return on its capital. Procedures adopted by the Company to manage these risks improve the quality of the Company's performance and returns to its shareholders.

1.2 Purpose

The purpose of this Risk Management Policy (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) oversee the establishment and implementation of the risk management system; and
- (b) review the effectiveness of the Company's risk management system, 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.

In specific areas, the Board is assisted by the Audit & Risk Committee. The Audit & Risk 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 Committee which meets periodically to identify and assess specific risks.
- (b) The Audit & Risk Committee will have a thorough understanding of the Company's activities and should be conversant with the Company's business plans, objectives and values;
- (c) The Audit & Risk Committee will review, at least annually, the following:
 - (i) Risk Appetite Statement;
 - (ii) Risk Management Framework;
 - (iii) Risk Management Policy;
 - (iv) an assessment of the potential impact of identified business risks and the likelihood of occurrence;
 - (v) a ranking of the business risk in accordance with the likely impact on the Company;
 - (vi) an assessment of the acceptability of each identified risk;
 - (vii) a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
 - (viii) an assignment of the responsibilities for the management of each risk.

Risk management encompasses all areas of the Company's activities. The Audit & Risk Committee will ensure that the Company manages business risks through a systematic process of identifying key risks and controls and implementing additional risk mitigation activities where required. These are to be documented, reported, and monitored by Management and reported to the Audit and Risk Committee at least annually. If the Chair of the Audit & Risk Committee deems appropriate, material matters will be referred to the Chair of the Board, who will then make the determination if these matters should be referred to the Board for their consideration.

2.3 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 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 to manage environmental, workplace and occupational health and safety matters;

- (h) oversight of the Company's financial affairs by the Audit & Risk Committee;
- (i) regular performance reporting enabling the identification of performance against targets and evaluation of trends;
- (j) a health and safety policy and management standards to ensure that the Company complies with its obligations and responsibilities in relation to health and safety, environmental issues, and the communities in which it operates; and
- (k) 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 specified in the table in paragraph 4, and takes effect from that date and replaces any previous policy in this regard.

The Board and the Audit and Risk 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.

4. Document control

Version	Management Approval	Board Approval
1.0	Garry McLennan / 19 March 2015	26 March 2015
1.1	Garry McLennan / 17 October 2016	24 October 2016
1.2	Garry McLennan / 8 December 2017	18 December 2017