

RISK MANAGEMENT POLICY

1. PURPOSE

This document sets out the policy of National Tyre & Wheel Limited ACN 095 843 020 (**Company**) in relation to the identification, assessment, management and reporting of risk.

2. COMMITMENT TO RISK MANAGEMENT

- (a) The Company is committed to ensuring that all staff, particularly those with management responsibilities, have a sound understanding of the principles of risk management.
- (b) The Company recognises that risks are inherent in any business activity, that there is a place for responsible risk taking, and that its risk management framework needs to support the Company in managing risks appropriately given the nature of its business.

3. RESPONSIBILITIES

- (a) The Board is responsible for overseeing the establishment and implementation of the Company's risk management system and to assess for itself, at least annually, that the system is operating effectively.
- (b) The Audit and Risk Committee of the Board has specific responsibility in the area of risk management. It advises the Board on the appropriateness of the Company's risk management policy and oversight structure and reports on matters of concern communicated to the Committee by management and internal and external auditors.
- (c) Senior management is responsible for implementing the risk management policy, reviewing and assessing its effectiveness on a regular basis and reporting to the Audit and Risk Committee and the Board on major risks and action plans.
- (d) All staff have a responsibility to identify, assess, manage and report risks to management within their areas of operation.

4. RISK IDENTIFICATION

4.1 Risks

The Company will identify and monitor areas of risk on an ongoing basis. These may be risks specific to particular technology, services or projects, including:

- (a) changes in competitors' technology and services;
- (b) changes in market demand and market prices for comparable products; and
- (c) changes in legislation or the regulatory environment.

4.2 Special Risks

Some risks may arise that transcend particular services or projects. These risks include:

- (a) changes in economic outlook and sentiment, share market activity;
- (b) changing government policies in the jurisdictions in which the Company operates;
- (c) legal proceedings commenced against the Company (if any);
- (d) changes in government regulation and policy;

- (e) events in the nature of force majeure or otherwise beyond the control of the Company; and
- (f) changes in workplace health and safety laws.

4.3 Reporting to Committee and Board

Senior management will continue to review and report to the Audit and Risk Committee and the Board on a regular basis:

- (a) the major risks relevant to the Company's business;
- (b) the degree of risk involved – what are the probabilities that the risk will materialise? If it does, what is the significance of the potential impact?
- (c) current approach to managing the risk; and
- (d) if appropriate, any inadequacies in the current approach and possible improvements to more effectively address the risk.

Adopted by the Board of National Tyre & Wheel Limited, 6th November 2017