

Car Parking Technologies Limited Risk Management Policy

The Board takes a proactive approach to risk management. The identification and proper management of risk within the Company is a priority for the Board and management.

This policy is designed to provide the broad framework for identifying and managing risk within CPZ's business. CPZ adopts the Principle 7 definition of risk which defines risk as "anything that hinders the sustainable achievement of objectives and results, including the failure to exploit opportunities". The purpose of this policy is to provide an overview of CPZ's risk management oversight and control and its approach to the development of risk management policies.

The risk profile of the Company contains both financial and non-financial factors. CPZ assesses its risk profile and reviews its risk register at least annually. Risk is assessed against all relevant areas of material business risk including but not limited to operational, environmental, sustainability, strategic, ethical conduct, reputation or brand, technological, product or service quality, human capital, financial reporting, market-related and compliance risks.

To mitigate these risks, the Company has in place a set of risk management policies and procedures, that together describe its risk profile and details all aspects of its risk management framework and internal control system, with a particular focus on those risks which are identified as being critical or material to the business.

In analysing business risks to CPZ, a number of different matters are taken into account. These will include the likelihood of a particular risk occurring and the consequences likely to arise if that risk does occur, as well as the existing business processes in place to remedy such a risk and the effectiveness of those processes.

1. Audit and Risk Management Committee

The Board is ultimately responsible for ensuring that proper risk management systems are sufficient to mitigate, to the most cost effective extent possible, the risks present in the Company's business. The Board delegates a portion of this responsibility to its Audit and Risk Committee ("the Committee") which is made up of Board members with particular experience in this regard.

The Committee is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board and the Committee. The Committee oversees the establishment, implementation and annual review of the Company's risk management policies.

In addition, the Committee takes responsibility for:

- monitoring and assessing corporate risk and any internal controls instituted;
- monitoring the establishment of an appropriate internal control framework, including information systems and considering enhancements; and
- annually reviewing external audit programs and/or reports to ensure that, where deficiencies in controls or procedures have been identified, appropriate remedial action is taken by management.

2. Management (as appropriate)

Management is instructed and empowered by the Board to implement appropriate risk management strategies including an internal control system, in co-operation with the Board and the Committee. In

addition, management is expected to report to the Board (or the Committee on its behalf), in a regular and comprehensive manner, on developments relating to CPZ's business and if appropriate suggest to the Board new and revised strategies for mitigating risks. Management is also expected to provide an annual statement to the Board as to whether the Company's material business risks are being managed effectively.

3. Formal Review

The Board will, either directly or via the Committee, work with management on an ongoing basis within the risk management framework outlined above to mitigate the risks to the Company's business as they may evolve over time.

An annual review of the Company's risk profile is to be undertaken and any material changes to the risk profile are to be noted. To assist the Committee to conduct the annual review, management and key executives are required to report to the Committee on:

- any new material risks identified;
- how such risks are being managed;
- the ongoing implementation of any risk management or internal control system; and
- whether any breaches of the risk management policies have occurred during the preceding 12 months.

Policy History

Established:	June 2011
Last review:	June 2011
Review frequency:	Annually or as required