

# Risk Management Principles

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We view risk management as a continual process, integral to achieving our corporate objectives, effectively managing our assets and creating and maintaining shareholder value.

These Risk Management Principles outline the key elements of the risk management framework.

## Risk management

The identification and proper management of risk is an important priority of the Board and Management. In developing a culture of risk management, each manager within our global businesses is responsible for appropriate responses to manage risk.

To enable this, we:

- have implemented a systematic process to assist in the identification, assessment, treatment and monitoring of organisational risks,
- provide resources to Management and our employees to support the effective management of risks, and
- review and communicate risk management practices on a regular basis.

The key elements of the risk process are:

### 1. Oversight of the Risk Management System

Our Board is responsible for setting WiseTech's risk strategy and risk appetite and overseeing the risk management framework, as set out in the Responsibility and Authority section below.

### 2. Risk identification and profile

To ensure key risks are identified and analysed, we:

- define risks in the context of the Group's strategy,
- prepare risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk, and
- regularly review and update the risk profiles.

We optimise our ability to achieve business objectives by maintaining a system of internal controls that assists Management and provides an advance warning of risks. Although no system of internal control can provide absolute assurance that risks will be fully mitigated, these systems are designed to ensure that key risks are addressed and reduced to an acceptable level.

### 3. Assessment of effectiveness

We assess the effectiveness of our risk management framework through a well-structured continuous improvement process to ensure risks and controls are continually monitored and reviewed. This includes appraisal of actions taken by risk owners to manage risks, input from Internal Audit and other assurance processes.

### 4. Reporting

The major monitoring and reporting mechanism is to the Board. We act to ensure the Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis.

## Responsibility and authority

### 1. Our board

Our Board is responsible for approving WiseTech's risk appetite, reviewing and ratifying the systems of risk management, and addressing specific issues as escalated by the Risk Committee.

Our Audit Committee advises the Board on financial and tax risk management, internal audit and internal control systems.

### 2. The Risk Committee

Our Board has delegated day-to-day responsibility for implementation of the risk management framework to the Risk Committee. The Risk Committee is a management committee comprising senior executives and is chaired by the CEO. The aim of the Risk Committee is to provide our Board with assurance that the major business risks are being identified and consistently assessed and that plans are in place to address risk.

The Risk Committee is responsible for each of the following core functions:

- oversight of the preparation of the Risk Register,
- oversight of the implementation of the principles, actions and requirements derived from the Risk Register and monitoring its implementation within our global businesses,
- ensuring the provision of the necessary resources to identify and manage risks,
- regular review of progress against action plans for all risk items,
- regular review of the current list of risk items and making any necessary changes to the risk status of individual items,
- regular review of the status of risk items
- appraisal of risk owners' actions taken to manage risk and correction of substandard performance,
- oversight of internal compliance and control systems for the implementation of action plans,
- ensuring the co-operation necessary to assist the Internal Auditor in carrying out the internal risk-based audit program under the terms required by our Audit Committee,

- oversight of compliance with regulatory requirements; and
- providing regular reports to the Board and, for financial risks, to the Audit Committee on its activities.

### **3. Employees**

All staff are responsible for the ownership of and for undertaking their part in the actions and requirements of the Risk Register.

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