
RISK MANAGEMENT AND COMPLIANCE POLICY

Introduction

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities while managing potential adverse risks.

The Board has delegated to the Audit & Risk Management Committee (the Committee) the primary responsibility for ensuring that risks are identified and monitored. The discharge of this responsibility is assisted by

- The adoption of a Risk Management Policy that has been disseminated to all Senior Executives, and
- The implementation of a sound system of internal controls and procedures, as overseen by the Committee.

The company's Risk Management Policy aims to:

- Identify, assess, monitor and manage risk; and
- Identify material changes to the company's risk profile.

Principles

The Risk Management Policy provides the guiding principle for management in the identification of risks across the organisation as a whole, and within individual business units. The analysis and evaluation criteria are used to continually assess the impact of risks upon nearmap's business objectives.

Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profile of the Company. Senior managers report regularly to the Board in relation to the effectiveness of the management of material business risks.

nearmap's business risk management process provides a comprehensive, integrated approach for carrying out risk management activities. This process will allow senior management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value.

The categories of risk include but are not limited to the following:

- Operational risk;
- Environmental risk;
- Sustainability risk;
- Compliance risk;
- Strategic risk;
- Ethical conduct risk;
- Reputation or brand risk;
- Technological risk;
- Product or service quality risk;
- Human capital risk;
- Financial reporting risk; and
- Market related risk.

A risk management model is being implemented and provides a framework for systematically understanding and identifying the types of business risks threatening nearmap as a whole or specific business activities within the Company including risk mitigation strategies.

Responsibilities

Managing Director

The MD is accountable to the Board, through the Committee for ensuring that the risk management system is implemented and maintained in accord with the Risk Management Policy. Assignment of responsibilities in relation to risk management is the prerogative of the MD.

Senior Executives

Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers.

Collectively the Senior Executive's are responsible for:

- The formal identification of strategic risks that impact upon nearmap's business;
- Allocation of priorities; and
- The development of strategic risk management plans.

The Senior Executive's review progress against agreed risk management plans.

Chief Financial Officer

In conjunction with the MD, the CFO is accountable for the implementation of the Risk Policy and for maintaining a programme of risk reassessment. The CFO also provides advice to the relevant Senior Executives on risk management matters relevant to their responsibilities.

The CFO is to assist senior management and the Board in the effective discharge of their responsibilities with regard to nearmap's internal control environment by ensuring the efficiency and effectiveness of Company processes and identifying opportunities to improve operating performances.

At appropriate intervals, the CFO shall determine the adequacy and effectiveness of the Company's system of internal accounting and operating controls and determine if the business unit/function are managing risks, in accordance with management instruction, policies and procedures, in a manner consistent with Company objectives.