



FX Hedging Risk Management Policy for Carfax Commodities Group of Companies

This FX Hedging Risk Management Policy governs the risk management activities for foreign exchange rates (the "FX Hedging Strategy") for the Carfax Commodities Group i.e., all Carfax Commodities majority owned entities. All Group Companies will follow to meet its obligations. This Policy defines the objective of the Hedging Strategy and assigns specific responsibilities for meeting the objective. This Policy shall be reviewed at least annually by the Board.

Our Approach to Foreign Exchange Risk

Employees understand that FX movements are a principal risk for Carfax. They are aware of the importance of implementing a robust FX Hedging Risk Management to mitigate the impact that changes in foreign exchange rates have on Carfax's financial results and economic condition. Risks due to fluctuations in foreign exchange rates are inherent in Carfax's day-to-day operations primarily due to its global business operations. The Hedging Strategy of the Company is to increase the predictability of cash flows and earnings by mitigating volatility, specifically by analysing the impact that the volatility of foreign exchange rates has on Carfax's financial results and economic condition and determining the appropriate exposure to that volatility.

Our Commitment

The Hedging Strategy at Carfax Commodities is guided by key principles focused on effective risk management:

Risk Reduction

The primary goal is to minimize the Company's exposure to foreign exchange (FX) rates to an acceptable level as soon as the exposure is realized. Strategies involving financial derivatives and other techniques are aimed at reducing financial exposure to FX fluctuations, not increasing it.

Speculation Prohibited

The Company will not engage in strategies that increase financial exposure beyond that of a fully unhedged position. Spot FX trades and financial derivatives may only be used in connection with existing or expected exposures.



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Speculation Prohibited

Only the FX spot market and financial derivatives understood by the Finance Department will be utilized. All derivatives must be liquid and easily valued. Authorized instruments for hedging include:

- Foreign Exchange Rate Swap
- Interest Rate Swap Arrangements

The Finance Department may evaluate additional financial derivatives, but any new instruments require CEO approval. The completed form is to be signed by the Carfax team member and then passed to the finance team.

Compliance and Reporting

The Carfax Commodities Board oversees this Policy, reviewing compliance annually or more frequently as needed. The CEO directly oversees all hedging strategies across Group Companies, with responsibilities that include:

- Receiving daily reports on FX exposures and activities from Corporate Accounting who manage the internal daily reporting of financial derivatives.
- Approving the Hedging Strategy and any strategic changes.
- Monitoring compliance and reporting quarterly to the Board of Directors.

The Process

Carfax acknowledges that financial derivatives entail counterparty credit exposure—the risk of loss from counterparty default. To manage this risk:

- The Finance Department maintains a list of pre-approved counterparties for derivative transactions, with CEO approval required.
- All counterparties must have an ISDA Master Agreement with the Company.
- Transaction limits will be set by the CEO, not defined by policy.

All derivative transactions must be documented by the Finance Department, with legal assistance as necessary, ensuring coordination with the CEO. The Hedging Strategy will operate within a strong control environment to guarantee adherence to Carfax's policies and procedures.



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Board oversight and governance

Our leaders play a critical role in promoting and ensuring a culture of ethics and compliance. They are responsible for ensuring employees understand and comply with our guiding values, standards and procedures.

Our culture of compliance is emphasised in the recruitment and induction process of new team members. Existing employees confirm their awareness and understanding of our compliance requirements when they begin working at Carfax and annually thereafter.