

**Attacq Limited**  
**RISK MANAGEMENT POLICY**

*Updated: May 2018*

*Version 2*

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## **1 Purpose**

- 1.1 The purpose of this policy is to establish the requirement for implementing and maintaining effective risk management throughout Attacq Limited ('Attacq') and its group companies.
- 1.2 All personnel need to understand the policy and apply the principles in the execution of their responsibilities.
- 1.3 An Enterprise Risk Management Framework has been developed in support of this policy providing guidelines for the management of risk to be carried on a sound, consistent, transparent and efficient basis.

## **2 Introduction**

- 2.1 In terms of Principle 11 of the King IV Report on Corporate Governance – 2016, the Attacq Board and management has implemented a risk management process that is based on best practice which includes the COCO II Risk Management Framework and the revised ISO 31000:2018 Risk Management Principles.
- 2.2 The risk management process aims to promote a robust and comprehensive risk management programme that is embedded throughout the organisation, supporting Attacq's strategic objectives, and providing the necessary comfort to stakeholders, employees, customers, suppliers, and the communities in which Attacq operates.
- 2.3 Risk Management incorporates the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the Attacq environment.
- 2.4 Risk is inherent in all administrative and business activities. Attacq management and staff continuously manage risk.

## **3 Enterprise Risk Management Framework**

- 3.1 An Enterprise Risk Management Framework has been developed to:
  - 3.1.1 set out Governance and Roles and Responsibilities;
  - 3.1.2 provide an overview of the Attacq risk management processes;



- 3.1.3 define common risk management terminology;
- 3.1.4 clarify the risk management organisational structure and related roles and responsibilities;
- 3.1.5 provide guidance related to the key components of an effective risk management initiative;
- 3.1.6 provide a customisable yet consistent approach to the application of risk management across Attacq;
- 3.1.7 ensure that the risk management function is integrated within the business planning processes, and
- 3.1.8 ensure that the Business Continuity Plan is included in the consideration of Enterprise Risk Management to the extent that it is relevant in mitigating the occurrence of a risk.

#### **4 Scope of Application.**

This policy should be read in conjunction with the Risk Management Framework and is applicable to Attacq and its subsidiaries, management and staff.

#### **5 Prohibited Practices**

In accordance with the REIT provisions of the JSE Listing Requirements, this risk management policy prescribes industry practice and as such Attacq may not enter into any derivative transactions that are not in the normal course of Attacq's business.

#### **6 Policy Controls**

- 6.1 To achieve the purpose of this policy, the Enterprise Risk Management Framework provides and establishes a common understanding, language and methodology for identifying, assessing, treating, monitoring and reporting risks and which provides management and the Board with the assurance that key risks are being identified and managed. To ensure adherence to the Risk Management program, the following rules apply:

- 6.1.1 Risk management will be embedded into the critical business activities, functions and processes. Risk understanding and tolerance for risk (risk appetite) will be key considerations in decision making;
- 6.1.2 At a minimum, a risk assessment review should be performed at a board and management level once a year;
- 6.1.3 The Board has the overall responsibility for Risk Management and the Risk Management Policy. Under this policy, the Board decides on the risk appetite and delegates day-to-day management of risks and responsibility to management;
- 6.1.4 Risk issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used;
- 6.1.5 The Combined Assurance Forum, on behalf of the Audit and Risk Committee provides oversight over assurance providers of Attacq to ensure that the Audit and Risk Committee receive sufficient assurances that risks are being managed;
- 6.1.6 Risk controls will be designed and implemented to reasonably assure the achievement of organisational objectives. The effectiveness of these controls will be systematically and frequently reviewed, and where necessary, improved;
- 6.1.7 Risk Management performance will be monitored, reviewed and reported. Independent oversight by Attacq Internal Audit on the effectiveness of the risk management processes will provide assurance on the effectiveness of the process to Board, Audit and Risk Committee and management;
- 6.1.8 Each Area/Function of the organisation is responsible for implementing and managing appropriate risk control systems and processes within their operations. Progress against plans, significant changes in the business risk profile and actions taken to address risk and various actions and actions for risk treatment will be reported to the management and at least annually to the Board. The Chief



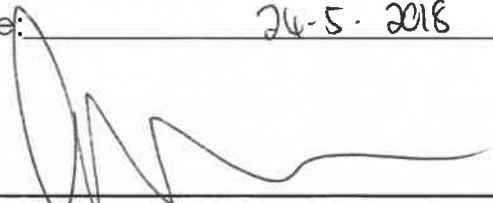


Operating Officer provides and maintains the risk systems, processes and procedures to the execution of the risk management responsibilities; and

6.1.9 This policy replaces all previous risk management policies approved by the Board. No amendment(s) may be made to any section of this policy without following the policy development procedures.

## 7 Policy Approval

7.1 The signatories hereof, being duly authorised, by their signatures hereto authorise the implementation/ adoption of the policy, for and on behalf of the parties represented by them.

Approval Authority	
	
Chairperson of the Audit and Risk Committee	
Date: 24-5-2018	
	
Chief Financial Officer	
Date: 24-5-2018	
	
Chief Operating Officer	
Date: 18-9-2018	