

Triangle Industrial City Improvement District NPC

Company Registration no: 2005/029020/08

VAT Registration no: 4310248457

Unit 1 | Cnr Electron & Uranium Street | Stikland

Tel : 021-949 4564

www.trianglefarmcid.co.za



Risk Management Policy

1. Introduction

The Board of directors has committed Triangle Industrial CID NPC to a process of risk management that is aligned to the principles of good corporate governance, as supported by the CID's By-Law.

Risk and Risk Management

Risk refers to an unwanted outcome, actual or potential, to the Triangle Industrial CID's objectives and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.

Risk management is a systematic and formalised process instituted by the CID to identify, assess, manage and monitor risks.

1.1 Benefits of Risk Management

The Triangle Industrial CID implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the CID to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services,
- informed decisions underpinned by appropriate rigor and analysis,
- innovation,
- reduced waste,

- prevention of fraud and corruption,
- better value for money through more efficient use of resources, and
- better outputs and outcomes through improved project and programme management.

2. Purpose of the Policy

The purpose of this Policy is to articulate the Triangle Industrial CID's risk management philosophy. The Triangle Industrial CID recognizes that risk management is a systematic and formalized process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk.

3. Scope of the Policy

This policy applies throughout the CID in as far as risk management is concerned.

4. The Policy

The realisation of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as take informed decisions under conditions of uncertainty.

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery,
- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders,
- Maintaining an environment, which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

An entity-wide approach to risk management is adopted by the Triangle Industrial CID which means that every key risk in each part of the CID will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the CID'S systems and processes, ensuring that our responses to risks remain current and dynamic. All risk management efforts will be focused on supporting the CIDS objectives. Equally, they must ensure compliance with relevant legislation, and fulfill the

expectations of employees, communities and other stakeholders in terms of corporate governance.

5. Role players

Every employee is responsible for executing risk management processes and adhering to risk management procedures laid down by the Triangle Industrial CID management in their areas of responsibilities.

5.1 Risk Management Oversight

5.1.1 Executive Authority

The Chairman takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the CID against significant risks.

5.1.2 Risk Management Committee

The Risk Management Committee is appointed by the Board to assist them to discharge their responsibilities for risk management. The Committee's role is to review the risk management progress and maturity of the CID, the effectiveness of risk management activities, the key risks facing the CID, and the responses to address these key risks. The responsibilities of the Risk Management Committee are formally defined in its charter.

5.2 Risk Management Implementers

5.2.1 Board

The Board is the ultimate Chief Risk Officer of the CID and is accountable for the CIDS overall governance of risk. By setting the tone at the top, the Board promotes accountability, integrity and other factors that will create a positive control environment.

5.2.2 Management

Management is responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines.

5.2.3 Other staff

Other staff are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

6. External Audit

The external auditor provides an independent opinion on the effectiveness of risk management.

7. Policy review

This Policy shall be reviewed annually to reflect the current stance on risk management.

Approved by the Chairman:

Gregory Horsburgh

30 October 2024