SUBJECT:

RISK MANAGEMENT POLICY

PURPOSE

The purpose of the Risk Management Policy is to establish a structured and consistent approach to identifying, assessing, managing, monitoring, and reporting risks that may impact the achievement of RBCT's objectives.

SCOPE

This policy applies to all RBCT activities. It forms part of RBCT's governance framework and applies to all employees, contractors and all stakeholders.

DEFINITIONS

Risk Management - coordinated activities to direct and control an organisation with regard to risk.
Risk Appetite - the amount of risk that the organisation is prepared to accept, tolerate, or be exposed to at any point in time.
Risk Tolerance - The organisation's readiness to bear a risk after risk treatment to achieve its objectives.

STATEMENT AND COMMITMENTS

Risk management is an integral part of RBCT's business processes. It is fundamental to good management practice and corporate governance. Based on the ISO 31000:2018 standard, it is integrated into all RBCT business activities and systems.

The Board and management of RBCT are committed to the implementation and maintenance of a formal risk management system, including the integration of risk management throughout the organisation, which is fundamental to achieving RBCT's strategic and operational objectives.

RESPONSIBILITIES

The Board of Directors

The Board governs risk in a way that supports the organisation in setting and achieving its strategic objectives.

- The Board assumes responsibility for the governance of risk by setting the direction for how risk should be approached and addressed at RBCT, and exercise ongoing oversight of risk management.
- The Board evaluates and agrees the nature and extent of the risks that the organisation is willing to take in pursuit of its strategic objectives.
- The Board delegates to management the responsibility to implement and execute effective risk management.
- The Board receives periodic independent assurance on the effectiveness of risk management.

Board Committees

The Board has formally appointed the following board subcommittees to monitor the relevant affairs of RBCT on behalf of the Board:

- Finance Committee (“FINCO”) (Audit and Risk Management);
- Operations Committee (“OPCO”);
- Remuneration Committee (“REMCO”);
- Social and Ethics Committee (“S&EC”); and
- Projects Committee (“PROCOM”).

Risk Committee

The Chief Executive Officer (“CEO”), General Manager Finance (“GMF”), General Manager Health, Safety, Environment and Compliance (“GMHSEC”), General Manager Operations (“GMO”), General Manager Human Resources (“GMHR”), General Manager Asset Management (“GMA”), Internal Audit Manager and Risk Specialist are standing members of this committee.

A minimum of three (3) Executives, the Risk Specialist and the Internal Audit Manager are required to establish a quorum.

The Risk Committee is responsible for the following:

- Evaluate and monitor the effectiveness of risk management.
- Oversee that the risk management plan, which is widely disseminated throughout RBCT and integrated in the day to day activities.
- Ensure frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Monitor RBCT's risk issues through quarterly meetings.

Chief Executive Officer

The CEO is responsible for the development and implementation of business strategies, budgets, setting performance benchmarks and creating a corporate culture compatible with the business objectives, risk appetite and risk tolerance of RBCT.

General Manager HSEC

The GMHSEC reports directly to the CEO on the implementation, operations and effectiveness of the risk management systems. The GMHSEC is the Chief Risk Officer and is responsible for the development and implementation of all risk management processes and methodologies.

Management

Management concerns itself with issues relating to the general operation of RBCT as a whole and specifically with the operation and performance of activities under their direct control.

Management has a mandate to ensure risks are contained within the approved risk tolerance levels and managed in accordance with RBCT's Risk Management Policy and Framework.

Employees, Contractors and other Stakeholders

It is the responsibility of all RBCT employees, contractors and other stakeholders to:

- Be aware of those aspects of the risk management system that are immediately relevant to their jobs. In particular, to be aware of and act in accordance with all policies, procedures, guidelines and work practices related to risk within their area of responsibility.
- Comply with all legislative and regulatory requirements, policies and procedures as well as communicate any breaches promptly and accurately to the appropriate supervisor or manager.

- Report any real or perceived risks to the health, safety and working environment of themselves, their peers or the general public to their immediate supervisor or manager.
- Report any real or perceived risks that may significantly affect the performance or reputation of RBCT or that may leave RBCT exposed to legal or regulatory action to their immediate supervisor or manager.
- Identify opportunities to improve operational efficiencies, optimise outcomes and minimise risk.

All employees are responsible for taking ownership of and carrying out their assigned actions and responsibilities within risk action and mitigation plans.

ENFORCEMENT AND REVIEW OF POLICY

Consistent compliance with this policy is essential to its effectiveness. This policy will be reviewed every three (3) years, when business processes change, or as and when required. Through the enforcement of this policy, RBCT will monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the organisation.

03	24/06/26	P Mjadu Risk Specialist	Z Mthiyane GM HSEC	AJ Waller CEO	General review
02	12/12/2023	P Mjadu Risk Specialist	Z Mthiyane GM HSEC	AJ Waller CEO	General review
01	01/10/2020	P Mjadu Risk Specialist	Z Mthiyane GM HSEC	AJ Waller CEO	Revised the following: • Replaced ISO 31000:2009 with ISO 31000:2018 • Risk Officer with Risk Specialist
0	01/07/2016	P Mjadu Risk Officer	Z Mthiyane GM HSEC	AJ Waller CEO	ORIGINAL
Rev. No.	Rev. Date	Prepared By	Name / Signature Approved By	Name / Signature Approved By	REVISION SUMMARY