

BUSINESS RISK MANAGEMENT POLICY

Adopted:

Last reviewed: 13 February 2018, 14 February 2019

1. Introduction

Abacus Property Group (Group) is committed to establishing a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to the conduct of the Abacus' activities.

The Group has adopted a structured and disciplined approach to risk management. It has implemented a risk management program in accordance with the ISO 31000 :2009.

2. Purpose

This Policy outlines the Group's risk management framework and outlines the objectives, approach and key roles and responsibilities to effectively implement risk management throughout the organisation.

3. Scope

This Policy applies to all directors and employees including contractors of the Group and third parties engaged to act on Abacus' behalf.

4. Core principles of our Risk Management Framework

Our risk management is built on a foundation that includes:

- the Board and senior management are in a position to confidently make informed business decisions based on risk assessment;
- compliance with relevant legislation;
- a suite of policies and procedures which are supplemented by supportive systems and processes;
- delegation of responsibilities throughout the Group and accountability for outcomes;
- control processes including management reporting and Board oversight; and
- a strong operational culture that seeks to anticipate and mitigate risks before they occur, and that reflects on the lessons learned as and when issues arise.

5. Responsibility

The Group maintains a system of risk oversight, risk management and internal control over material business risks. Responsibility for risk management is shared across the Group at every level.



(a) Board

The Board is responsible for approving the Risk Management Framework and determining the overarching Risk Appetite of the Group. The Board is responsible for:

- ensuring that adequate risk management procedures exist and are being used;
- ensuring that the Group has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility; and
- ensuring compliance with all regulatory requirements.

(b) Audit and Risk Committee

The audit committees delegated Board responsibilities include:

- reviewing the Group's risk framework for identifying, monitoring and managing significant business risks;
- reviewing and approving the charter, annual audit plan and activities for the internal audit function;
- monitoring management's response to reviews and recommendations of the internal auditors regarding internal control systems and procedures; and
- reviewing the adequacy of resources and governance arrangements of the internal audit function.

(c) Employees

Abacus is committed to a strong risk management culture and all employees are responsible for managing risks within their areas of responsibility and ensuring they comply with all legislative, regulatory and company policy requirements. Including reporting any identified risks to an appropriate level of management in a timely manner.