

Business Risk Management Policy

Abacus Property Group

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Policy

Abacus Property Group (Group) will conduct its operations in a manner that ensures that risks are identified, assessed and appropriately managed.

This policy applies to all risks including portfolio management, technological systems, environment, business continuity, financial loss and Abacus reputation.

Abacus will adopt a structured and disciplined approach to risk management. It will do this by developing and implementing a risk management program in accordance with the Australian Risk Management Standard AS/NZ 4360:2004.

To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to the Audit and Risk Committee. The responsibilities of the committee are contained in the committee's charter, which is available at www.abacusproperty.com.au. The Board has also delegated various authorities to the Managing Director and the committees to enable the setting of policy and procedures to assist with management of the Group.

Policy Objectives

The Group regards business risks as threats to the achievement of its various strategies, objectives and goals. The risk management and internal control systems within the Group encompassing all policies, plans, charters and procedures established by management or the Board provides reasonable assurance Abacus will achieve the following:

- the Board and senior management are in a position to confidently make informed business decisions based on risk assessment;
- risks are able to be identified, prioritised and managed in a coordinated manner;
- a more rigorous basis for strategic planning as a result of a structured consideration of the key element of risk;
- better identification and exploitation of opportunities;
- compliance with relevant legislation;
- no costly surprises because undesirable risks are identified and managed; and
- elimination of costs through more targeted and effective controls.

Assessment of Risk Management Effectiveness

The Audit Committee has responsibility for considering management's presentations regarding the framework and processes for risk management, which results in identifying, assessing and monitoring risks associated with the Group business operations. The Audit Committee also has control of the implementation and maintenance of policies and procedures to give adequate protection against key risks. The committee is assisted in providing objective assessments of the internal controls and compliance framework by the finance team and the Compliance Manager.