

RISK MANAGEMENT POLICY

Introduction

Risk management is an integral part of Zimplats' Business Management System (BMS) processes, embedded into management responsibilities and is to be considered in strategic decision making by management and the board. This includes during investment evaluations and decision making, stakeholder engagement, security and human rights, technology assessment, projects and all change management processes.

While the organization has a fully functional central risk management department, its roles are that of facilitation and ensuring best practice and uniform and structured application of risk management principles and not to be the owners of risks. Management remains owners of risks and are tasked with the responsibility to design and implement adequate risk control and mitigation measures guided by this framework.

The board, through the adoption of the Group Risk Management policy by Zimplats, is fully committed to and accountable for effective enterprise risk management in ensuring that strategic and operational objectives of the organization are met.

Risk Management

Risk management involves understanding, analysing and addressing risk to make sure the organisation achieves its strategic objectives (*IRM, 2018*). Risk management must therefore be proportionate to the complexity and type of organisation involved. Enterprise Risk Management (ERM) is an integrated and joined up approach to managing risk across an organisation and its extended networks.

Purpose and objectives of the policy

The main objective of the policy is to ensure that there is a pro-active approach to identification, evaluation and reporting of risks associated with the organization's activities. This policy thus establishes a structured, consistent and disciplined approach to risk management in order to guide decisions in risk related matters.

The specific objectives of this policy are:

- To ensure the existence of an adequate system of risk management in which all current, emerging and future risks to the business are identified, assessed, quantified, appropriately mitigated, managed and minimized.
- To establish a framework for enterprise-wide risk management and to ensure its consistent implementation and review.
- To enable compliance with regulatory requirements, Implats Group standards and best practices in risk management.
- To create awareness and understanding of risk management at all levels of Zimplats and cultivate a culture of risk management and risk ownership among all the employees.
- To embed risk management in the way Zimplats is managed and to deploy risk management in strategic planning.

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- To promote consistency and transparency in methodology, assessment and risk management process.
- To safeguard company resources (people, finance, property, reputation).

Scope

This policy applies to all areas of Zimplats operations, including any one of its subsidiaries. It applies to all Zimplats Directors, Management, employees and contractors. This policy is supported by the Risk Management Framework which sets out and provide guidance on the processes that underpin effective and consistent risk management.

Risk management policy statement

Zimplats recognizes that risk management is an integral part of good business management practices and is committed to establishing an organizational culture that ensures risk management is in all its activities and business processes. Pursuant to this, Zimplats risk management system sets out to achieve an appropriate balance between realizing opportunities for gains while minimizing adverse impacts.

Our Business Management System (BMS) is risk-based, and so is the way we run the business. Our aim is for risk management to be embedded in everything we do and become part of the Zimplats culture.

To demonstrate our commitment to manage risks in a consistent and structured manner, we will:

- Align our risk management process to established risk management standards chiefly the ISO 31 000 standard and the COSO ERM Framework.
- Create a culture where the management of risks is fully embedded as an integral part of our BMS, practices and decision making.
- Consistently apply risk appetite and risk tolerance levels approved by the board to ensure appropriate management of risks to within tolerance.
- Always seek to fully understand the risks that are material to our business or impact on our ability to meet our strategic objectives.
- Ensure that our people are adequately trained and equipped to assess risks and be accountable and responsible for developing mitigation measures to manage risks within tolerance.
- Continually improve the effectiveness of our risk management system to support the achievement of our strategic and operational objectives.
- Actively monitor developments in the internal and external business environment in order to identify emerging business risks.

We will endeavor to meet our strategic objectives, comply with all legal and other requirements and manage our risks to preserve and create stakeholder value across all our operations.

Signed

CHIEF EXECUTIVE OFFICER
November 2018

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