

ENTERPRISE RISK MANAGEMENT

4SIGHT HOLDINGS LIMITED OPERATES IN A FAST-CHANGING ENVIRONMENT THAT CONTINUALLY PRESENTS MANAGEMENT WITH A MULTITUDE OF RISKS, WHICH CANNOT BE AVOIDED OR IGNORED. AN EFFECTIVE AND EFFICIENT RISK MANAGEMENT PROCESS IS IN PLACE THAT ALLOWS THE CAPTURING OF OPPORTUNITIES AND PROVIDES MITIGATION AGAINST ADVERSE EVENTS, WHERE POSSIBLE.

4SIGHT HOLDINGS LIMITED'S VISION FOR RISK MANAGEMENT IS FOR DECISIONS TO BE MADE BASED ON AN INFORMED UNDERSTANDING OF THE RISKS INVOLVED AND FOR RISKS TO BE MANAGED WITHIN RISK APPETITE AND TOLERANCE IN THE ACHIEVEMENT OF 4SIGHT HOLDINGS LIMITED'S OBJECTIVES.

RISK PHILOSOPHY AND GOVERNANCE

The 4Sight Holdings Limited Enterprise Risk Management framework provides a methodology to achieve this by providing guidance to implement a consistent, efficient, and economical approach to identify, evaluate and respond to key risks that may impact business objectives. 4Sight Holdings Limited is committed to its operations and innovation without compromising quality or assuming risk that is above what we are willing to accept.

Risk management plays a vital role in assisting 4Sight Holdings Limited to understand the impacts and opportunities associated with achieving business priorities.

The Board is ultimately responsible for the governance of risk. The Audit and Risk Committee, as a subcommittee of the Board, assists the Board in carrying out these responsibilities by providing oversight of the adequacy of the risk management process.

In this report, opportunities and mitigating actions are presented for each identified risk to indicate how 4Sight Holdings Limited is using its competitive advantage and specific strategies to manage the impacts of these risks on value creation.

OUR TOP RISKS

The risks tabulated below are the top risks for the 4Sight Group as at the end of December 2020, ranked from the highest to the lowest, in order of magnitude and impact. In line with our enterprise risk management and assurance methodologies, we have processes and practices in place across the Group for management to proactively identify and manage risks and opportunities that impact our strategic and operational objectives. Top down and bottom-up risk management results in a profile of the most material risk issues based on residual risk. Residual risk considers the likelihood of identified events occurring, the impact should these materialise and the effectiveness of existing mitigation and controls

4Sight Holdings Limited
Material Risk Register

(JSE Listing Requirement 8.63(s))

Risk Identified	Overview	4Sight's response
Retaining top talent	A fierce competition for skills within the market of companies operating in the 4 th Industrial Revolution space, the shortage of skills remains a challenge and risk for 4Sight; and the continuing loss of consultants to the overseas market.	<p>Key initiatives taken in the year under review to address this risk, include:</p> <ul style="list-style-type: none"> • Benchmarking of internal positions within the Group; • Benchmarking remuneration with the market and implemented adjustments where necessary; • Identifying key positions and personnel within the Group to ensure active succession planning; and • Continuous skills development programmes to develop the necessary skills and allow consultants to cross skill to new emerging technologies within the Group.
Risk Identified	Overview	4Sight's response
Non-compliance with legislative requirements in operating environments	A constant evolving legislative environment include JSE Listing Requirements; KING IV Report on Corporate Governance for South Africa (as amended); B-BBEE regulations; Protection of Personal Information Act ("POPIA"); General Data Protection Regulation ("GDPR") etc. 4Sight's adherence to foreign legislation (i.e. Mauritius).	<p>Key initiatives taken in the year under review to address this risk, include:</p> <ul style="list-style-type: none"> • Third Party engagement(s) to ensure the Group's compliance with its regulatory framework including JSE Listing Requirements, King IV and POPIA etc.; • The finalization of the Group's re-domiciliation from Mauritius to South Africa in order to save cost and streamline its operations; • Supplementary knowledge of its sub-committees, JSE Sponsor,

		<p>Company Secretary and Group Legal Officer to ensure its compliance with various legislative requirements; and</p> <ul style="list-style-type: none"> • Our internal legal continually assessing the changing legislative environment and ultimately identify risks and opportunities within the sector.
Risk Identified	Overview	4Sight's response
Managing the potential impact of COVID-19 on the business	The continuously changing COVID-19 regulations and communications received from Government impacted the way the Group operated.	<p>Key initiatives taken in the year under review to address this risk, include:</p> <ul style="list-style-type: none"> • Being an industry leader in digital transformation allowed the Group to digitize its entire work force and environment across the organization to enable its staff to work from home during the lockdown restrictions being imposed; • The Group's Annual Convergence summit was done remotely with a massive success; • Traditional direct sales engagements remained difficult, although it created new opportunities to engage foreign customers due to the travel ban imposed; and • Employees were constantly engaged to identify and manage potential mental and physiological risks.

Risk Identified	Overview	4Sight's response
B-BBEE compliance	As a Mauritius incorporated entity, the Group was exempted from this requirement.	<p>Key initiatives taken in the year under review to address this risk, include:</p> <ul style="list-style-type: none"> The Group has engaged different stakeholders within the South African market to assist with the roll-out of a sustainable B-BBEE implementation plan and strategy; and The Group has engaged with various private investors to gauge the potential of a B-BBEE shareholder at Group level.

Risk Identified	Overview	4Sight's response
Security	An external cyber-attack could result in service interruption or the breach of confidential information. This could negatively impact our revenue, reputation and operations through down-time.	<p>Key initiatives taken in the year under review to address this risk, include:</p> <ul style="list-style-type: none"> The Group has identified security as a key business delivery stream and is currently in advance stages to partner with external industry leaders. Ultimately unlocking this as a potential revenue stream for the Group as a whole; Ensuring that the Group's own internal IT systems are secured and protected against potential cyber-attacks; and Creating opportunities as a holistic services provider to digitize businesses from the Group's BE, IT and OT service offering.