

ATNS CORPORATE INVESTMENT POLICY

PROMULGATED BY: CHIEF FINANCIAL OFFICER
EFFECTIVE FROM: 09 FEBRUARY 2015
ENQUIRIES: SENIOR MANAGER: FINANCIAL CONTROLS
APPLICABLE TO: FINANCE STAFF

1. OBJECTIVE

The objective of the investment policy is to provide guidance on how ATNS will make investment decisions to maximise returns from authorised investments, consistent with the secondary objective of minimising risk, whilst ensuring adequate cash resources to meet its day-to-day operational requirements.

2. BACKGROUND

ATNS' tariff revenue is used to mainly fund operational expenditure and partly capital expenditure, depending on the specific requirements of the capital projects. ATNS therefore does not maintain large cash reserves for lengthy periods and may require immediate access to available cash. The cash housing facility it requires is therefore of a call nature.

3. LEGAL FRAMEWORK

Section 31.2 of Treasury Regulation 29 and 53(3) of the PFMA.

4. APPLICATION

- 4.1 A minimum cash balance of two months' operating expenditure plus capital loan payables are to be maintained.
- 4.2 Excess cash from operational activities may be invested in any instrument for a maximum period of 12 months providing that such funds, or part thereof, may be unwound with one month's notice.
- 4.3 The preferred instrument is a short-term fixed deposit.
- 4.4 No funds may be invested in any derivative instrument/s.
- 4.5 Separate instruments may be used for local and foreign currencies.
- 4.6 ATNS may invest with the same bank/s as engaged or which may be engaged in terms of the Banking Framework.
- 4.7 Amounts up to one billion rand or equivalent foreign currency may be deposited with a single institution, whether in one or more investment instruments.
- 4.8 Any investment above one billion rand will be subjected to a proper risk assessment and an optimal split will be determined to diversify the perceived risk.

5. APPROVAL

Approval for the investment and withdrawal of money shall be done by the Chief Financial Officer (CFO).

6. REPORTING

Monthly reports must be submitted to the CFO reflecting at least:

- 6.1 The market value of each investment as at the beginning and end of the reporting period.
- 6.2 Any changes to the investment portfolio during the reporting period.
- 6.3 Fully accrued interest for the reporting period.

7. INTERNAL CONTROLS OVER INVESTMENTS

- 7.1. All investments must be made in the name of Air Traffic and Navigation Services SOC Ltd.
- 7.2. Written proof of investments made must be obtained from the institutions where the investment is made and must be kept on file.
- 7.3. The CFO shall ensure that no money is deposited directly with the investment institution, but that all such money flows through the Company's bank account to the investment institution.
- 7.4. Withdrawal shall be by way of original documents only.

Chief Financial Officer

09 February 2015