

Document: RISK MANAGEMENT POLICY

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**MMA**  
OFFSHORE

# RISK MANAGEMENT POLICY

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# RISK MANAGEMENT POLICY

## REVISION HISTORY

Rev. No.	Date	Section	Description of Change
1-4	14/11/2017	All	Updated with changes as required and approved by the MMA Board of Directors.
5			MMA Risk Management Policy, Framework and Procedure reviewed in line with annual review requirements and incorporated organisational structural changes.
6	21/08/2018	All	Updated with changes as required and approved by the MMA Board of Directors
7	04/04/2019	Entire document	MMA Risk Management Framework and associated documents revised.
8	19/09/2019	Entire Document	MMA Risk Management Framework and Risk Management Policy revised and approved by MMA Board; only change "HSEQ Manager" changed to "Executive General Manager, People and Safety"
9	12/05/2021	Entire Document	Audit and Risk Committee reviewed MMA's Risk Management Framework and Policy during September Board Meeting (24.09.2020). No changes required.
10	06/05/2022	Entire Document	Document revised to reflect recent company structural changes, ISO accreditations and revised Integrated Risk Matrix (including Cyber Security Risk)
11	03/05/2023	Entire Document	Audit and Risk Committee reviewed MMA's Risk Management Framework and Policy during May Board Meeting (03.05.2023). No changes to the Risk Management Policy were required.
12	01/05/2024	Entire Document	Document updated to reflect removal of the Risk Management Framework document and subsequent replacement with the Risk Management Standard. Audit and Risk Committee and MMA Board approved at April 2024 meetings
13	05/08/2024	Entire Document	Document reviewed to remove reference to the Audit and Risk Committee (Board Sub-Committee) following the acquisition of MMA by Cyan Renewables.
14	23/10/2024	Entire Document	Document reviewed to replace reference to MMA Offshore Ltd and Managing Director with MMA Offshore Pty Ltd and Chief Executive Officer respectively.

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## 1 PURPOSE

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The purpose of MMA Offshore Pty Ltd and its subsidiaries' (**MMA** or **Company**) risk management policy and framework is to create long-term stakeholder value by implementing a sound system of effective risk and control management. Understanding the material risks MMA faces and appropriately managing these risks enhances MMA's ability to make better decisions, deliver on objectives and improve performance. This includes the provision of a safe and healthy work environment for all employees and for contractors and others at MMA sites and offices. MMA recognises its legal and moral obligation to provide and uphold, as far as practicable, a workplace that is safe and without risk to the health of employees, contractors and others.

This policy is a statement of the overall approach to risk management for MMA. The ultimate purpose of risk management is to successfully undertake our work in a way that delivers sustainable value for stakeholders and effectively manages workplace risks and hazards.

## 2 RISK MANAGEMENT STATEMENT

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The identification and effective management of risk, including prudent informed risk-taking, is viewed as an integral part of MMA's aim of creating long-term shareholder value.

MMA will drive a positive culture of risk management by ensuring:

- it is a top priority in all key day-to-day operations;
- it is a top priority in key investment, project and management of change decisions;
- the integration of risk management, audit and HSEQ; and
- the actions of the Board of Directors, Chief Executive Officer, the Executive Management Team and Management reinforce its importance.

## 3 SCOPE

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MMA is committed to identifying, assessing, monitoring and managing material business risks associated with all of its business activities, including but not limited to:

- compliance risks;
- operational risks;
- financial risks; and
- strategic / market risks.

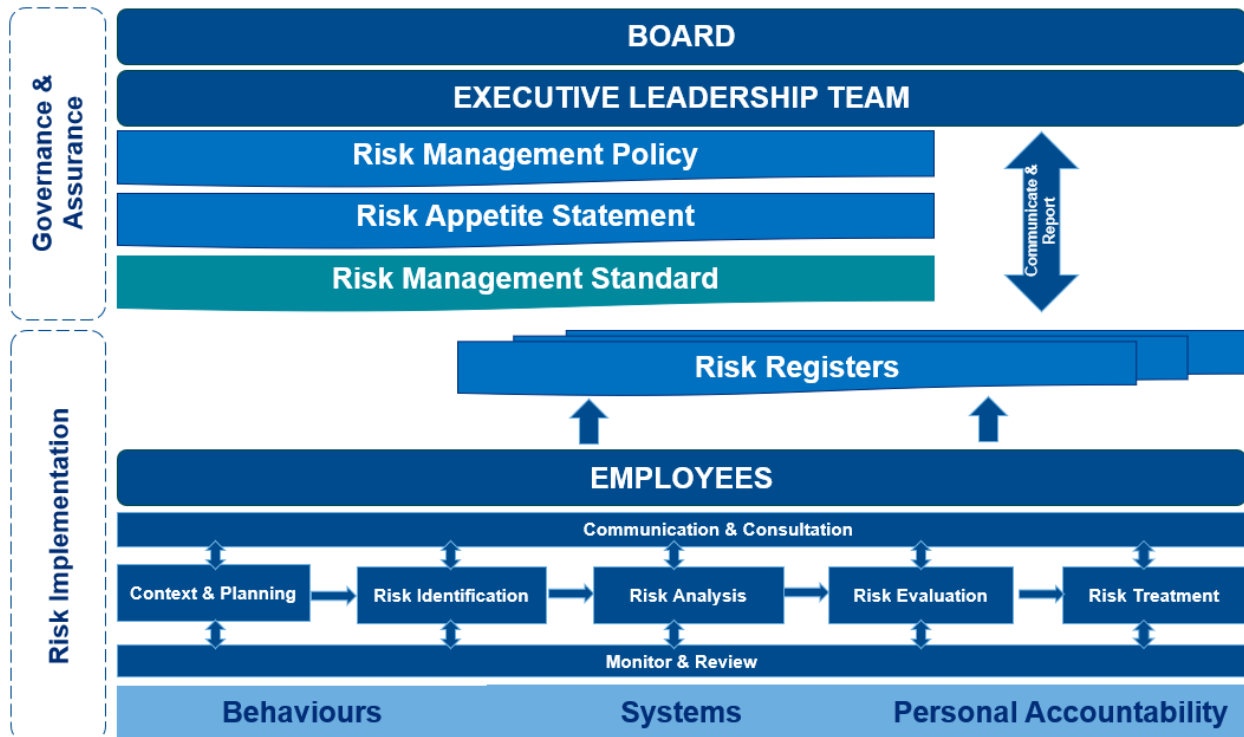
## 4 POLICY

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This Policy sets out MMA's commitment and rationale for establishing and maintaining an effective Risk Management Framework (refer to Figure 1).

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Figure 1: Risk Management Framework



MMA's risk appetite and tolerance levels are set by the Board and are in line with the Company's strategy which has as its central focus, the creation of long-term shareholder value. These are captured in the Board approved *Risk Appetite Statement*.

To achieve this aim:

- MMA has created a strategic risk register, approved by the Board, which:
  - identifies the material business risks faced by the Company;
  - assesses the likelihood and consequences of identified risks in the form of a risk potential matrix; and
  - sets out and assesses the Company's controls to eliminate, reduce or manage the risk as far as is reasonably practical.

MMA has embedded in its management, monitoring and reporting systems a number of overarching risk management and internal control systems, including:

- a long-term strategic plan set by the Board, reviewed annually and framing the decision making of management;
- a formal process of preparing short-term objectives and key results aligned with the overall strategy;

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- in line with the strategic plan set by the Board, annual budgeting and monthly reporting systems for all business units which enable the monitoring of progress against performance targets and the evaluation of trends;
- a risk management standard that clearly articulates minimum expected management requirements, including roles and responsibilities to support the practical implementation of the risk management framework;
- Management team risk management workshops regarding the management of risks relating to Business Unit / Functional objectives;
- Executive Management Team risk management workshops regarding the management of material business risks across the Company;
- a Company-wide business management system / compliance programme (IBMS) including policies and procedures covering safety, the environment, operations, and financial controls;
- in line with this Company-wide compliance programme, a system of rigorous monitoring and reporting, including both internal and external monitoring and audits to comply with inter alia ISO 9001, 14001 and 45001, the ISM Code, Classification Society Rules and various regulatory requirements;
- guidelines, limits and a stringent authorisation process for commitment and approval of expenditure, including capital expenditure and investments;
- the transfer of risk to external insurers and the mitigation of risk through prudent contracting regimes and the capture of these contracts via the Company's contracts register; and
- relevant employee training and guidance in relation to the Company's risk management policies and internal control systems.

## 5 ROLES AND RESPONSIBILITIES

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### 5.1 Employees

Are responsible and accountable for managing risks on a daily basis by adhering to MMA's Risk Management Policy and Risk Management Standard, and reporting identified risks or concerns to their appropriate line manager immediately – both in relation to hazard risks and business risks.

Employees are to actively participate in the hazard risk assessment process by establishing, reviewing and utilising:

- Standard operating procedures – the base procedure of how to complete the task/activity – and general guidance for completing a set action;
- Implementation of specific controls as identified in the hazard risk register(s); and
- Assess the workplace and work tasks prior to starting or recommencing work.

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## 5.2 Supervisors / Department Managers / Vessel Masters

Are responsible and accountable for:

- The overall management of the area specific / department's hazard risk register. This includes identification of the risks facing their department and ensuring they are familiar with the hazards, risks and controls contained within the risk register for their area of responsibility;
- Ensuring employees within their department are aware of and understand their obligations under the Risk Management Standard and Risk Management Policy;
- Reviewing JHA's against the activities identified in the risk register to ensure all have been adequately identified, assessed and controlled to ALARP;
- Where assigned as a Risk Owner, the same responsibilities and accountabilities as listed under 'Risk Owners' below;
- Notifying relevant Business Unit Manager(s) where a control appears to be reduced in effectiveness; and
- Approval of JHA's in accordance with the authority delegation within the Integrated Risk Assessment Matrix.

## 5.3 Risk Owners

Are responsible and accountable for:

- Ensuring the assigned risk is managed in accordance with this Risk Management Policy and Risk Management Standard. This includes monitoring of associated control effectiveness and associated risk treatments;
- Ensuring the assigned risk is reviewed, and if applicable amended, to reflect any change to MMA's internal or external environment; and
- Providing reports on the management of the allocated risk, where requested by HSEQ, the Executive Management Team or the Business Unit General Manager.

## 5.4 Business Unit General Managers (or their approved delegates)

Are responsible and accountable for:

- Ensuring that Department Managers within their department are aware of and understand their obligations under the Risk Management Standard and Risk Management Policy;
- Ensuring that the Risk Management Standard and Risk Management Policy is fully implemented within their department;
- Approval of JHA's in accordance with the authority delegation within the Integrated Risk Assessment Matrix and
- Where assigned as a Risk Owner, the same responsibilities and accountabilities as listed under 'Risk Owners' above.

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## 5.5 General Manager HSE Services

Is responsible and accountable for:

- Providing hazard risk management support, facilitation (where required) and guidance to ensure the effective implementation of the Risk Management Standard and the Risk Management Policy in relation to hazard risk management; and
- Facilitation and co-ordination of regular hazard risk reporting to the Executive General Manager Risk

## 5.6 Executive General Manager HSEQ, Risk and Assurance

Is responsible and accountable for:

- Designing and implementing the risk managing policies and internal control systems to best manage MMA's risks;
- Providing risk management support, facilitation (where required) and guidance to ensure the effective implementation of the Risk Management Standard and the Risk Management Policy;
- Facilitation and co-ordination of regular reporting to the Executive Management Team and the MMA Board
- Reviewing and improving the Risk Management Standard and the Risk Management Policy; and
- Developing risk management capability across MMA (training).

## 5.7 Executive Management Team

Acting through the Chief Executive Officer, the Executive Management Team are responsible and accountable for:

- Reviewing the material risks faced by the Company and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- Reviewing, approving and monitoring the Company's systems of risk management, internal compliance and control systems (including a review of the effectiveness and implementation of Company's risk management and internal control systems), codes of conduct and compliance with all laws, government regulations and accounting standards; and
- Ensuring that the Company's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board.
- Identifying areas of risk within MMA's internal and external environment and providing feedback to the Business Unit General Managers on the effectiveness of the management of risk; and
- Regularly reporting to the Board of Directors on the effectiveness of the systems in managing MMA's risks and ensuring that the Board of Directors is aware of any matters that could potentially have a significant impact on MMA.



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## 5.8 Board of Directors

The Board is responsible for satisfying itself that the Executive Management Team has developed and implemented a sound system of risk management, internal control and recognising and managing material risks. The Board shall regularly review and approve MMA's risk management and oversight policies including a review of the effectiveness of the implementation of that system.

## 6 INTERNAL AUDIT FUNCTION

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The internal audit function provides independent assurance to the Board on the effectiveness of the risk management framework, including assurance that the controls relied on to manage identified risks and the treatment responses are effective and that the risk management process is being adhered to, having regard to the appropriate/adequate identification of risks.

The head of the Company's internal audit function, Executive General Manager HSEQ, Risk and Assurance, will regularly report to the Board on the effectiveness of the Company's governance, risk management and internal control processes.

## 7 CEO AND CFO DECLARATION

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Before the Board approves any of the Company's financial statements, the Chief Executive Officer and CFO will provide a written declaration to the Board that:

- in their opinion, the financial records of the Company have been properly maintained;
- in their opinion, the financial statements of the Company comply with applicable accounting standards and present a true and fair view of the Company's financial position and performance; and
- their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

## 8 TRAINING AND AWARENESS

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MMA will continually promote awareness of the Company's Risk Management Standard and Risk Management Policy. MMA will improve its risk management capability by assisting employees to understand the Company's intentions and processes for identifying and managing risk.

## 9 REVIEW

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The Board will review this policy at least annually or as often as is required.

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## APPENDIX A – DEFINITIONS

As low as reasonably practical or ALARP	The cost involved in reducing the risk further would be grossly disproportionate to the benefit gained.
Control	A measure <u>implemented</u> (not planned) to eliminate, reduce or otherwise manage a risk.
Job hazard analysis (JHA)	A JHA is a formal risk assessment of hazards for each step involved in a task.
Hazard	A situation that has the potential to cause damage or injury to people, property or the environment.
Residual risk	The risk remaining after consideration of implemented Controls.
Risk	The effect of uncertainty on the achievement of MMA's objectives (or of successfully undertaking the task / activity safely). This may be a positive or negative effect.
Risk owner	The position within MMA with the accountability and authority to manage the risk and to ensure Controls are working as expected.
Risk register	A risk tool that identifies and documents key risks managed by MMA in accordance with the Risk Management Framework and the Risk Management Policy.
Risk treatment	The process to modify a risk, typically with the intention of eliminating it or reducing either the likelihood and/or negative consequences.
Stakeholder	A person or organisation that could be, or perceives themselves to be, impacted by a decision or activity.