NEPTUNE MARINE SERVICES LTD
ACN 105 665 843

Risk Management Committee
Statement of Responsibilities and Duties
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1. **Introduction**

1.1 Neptune Marine Services Ltd (Company) has established a Risk Management Committee (Committee). The Committee is an executive committee and is not a formally constituted committee of the board of the directors of Company (Board).

1.2 The objectives and constitutional matters concerning the Committee are set out in the Committee’s Charter. This statement of responsibility and duties details the specific duties of the Committee in discharging its responsibilities.

2. **Responsibilities**

2.1 The responsibilities of the Committee are:

2.1.1 Recommend to the Board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:

2.1.1.1 identifies, assesses, manages and monitors risk; and

2.1.1.2 allows investors and other stakeholders to be informed of material changes to the Company’s risk profile.

2.1.2 Recommend to the Board and then formally announce clear standards of ethical behaviour required of directors, employees and contractors and encourage observance of those standards.

2.2 In discharging its responsibilities, the Committee is to develop and seek Board approval for a range of specific duties that it is to carry out. Such duties will vary depending on the Company’s circumstances, the Committee’s responsibilities and, in particular, the roles of the Board and other committees, such as audit and governance, and health, safety, environment and quality (HSEQ).

2.3 The current duties of the Committee are set out in the sections below. Board approval is to be obtained for any material changes to the Committee’s duties.

3. **Duties**

3.1 The Committee’s duties are based on 2 broad categories – risk management and governance.

3.2 Consistent with its risk management responsibility, risk management duties are intended to detail the functions and processes which are considered necessary to ensure that the Board can be satisfied that the Company’s risks are being effectively managed.

3.3 Governance duties are intended to ensure the Committee also considers ethical and broader stakeholder values in its assessment and management of risks and internal procedures.

3.4 The Committee can consider other matters relating to risk management that it considers desirable. In addition, the Committee will examine any other matters referred to it by the Board.
4. Other Committees

4.1 The Board has separately established an Audit and Governance Committee, a Human Resources & Compensation (HRC) Committee and an HSEQ Committee. The Board may also establish other committees which overlap with the responsibilities of the Committee.

4.2 Accordingly, the Committee's duties do not include planning or conducting audits or determining that the Company's financial statements and disclosures are:

4.2.1 complete and accurate; and

4.2.2 in accordance with accounting standards, generally accepted accounting principles and other applicable rules and regulations.

4.3 These functions fall within the duties of the Audit and Governance Committee. However there are specific duties of the Committee relevant to non-financial aspects of the Company's audit set out in section 5 below.

4.4 Similarly, functions pertaining to the assessment and recommendation of remuneration and human resource requirements are the responsibility of the HRC Committee. In addition, the Committee's duties do not extend to establishing and maintaining policies and systems to ensure compliance with all environmental and occupational health, safety and welfare regulations and legislation. This is the responsibility of the HSEQ Committee.

4.5 The Committee is to receive a report from the relevant Committee members who are the respective members of the Audit and Governance Committee, the HRC Committee and HSEQ Committee. The report is to identify any matters which arise out of other committees and which are relevant to the Committee’s responsibilities.

4.6 The Committee is to ensure there is minimal duplication of functions between it, and other committees of the Board. However the Committee is also to ensure that matters effecting the risk management or internal control systems of the Company, whether or not forming part of the Committee’s duties, are adequately addressed. For example the Committee should be assessing whether other committees are adequately addressing the relevant areas of risk that fall within the ambit of the responsibilities of those respective committees.

5. Risk Management

5.1 The risk management duties of the Committee are:

5.1.1 Assessment of the Company's risk profile and key areas of risk in particular.

5.1.2 Recommending to the Board and adopting risk assessment and rating procedures.

5.1.3 Examining and determining the sufficiency of the Company’s internal processes for reporting on and managing key risk areas.

5.1.4 Assessing and recommending to the Board acceptable levels of risk.
5.1.5 Development and implementation of a risk management framework and internal control system.

5.2 On an annual basis, agreeing with the Audit and Governance Committee which aspects of the internal audit are non-financial aspects to be monitored by the Committee.

5.3 In relation to the non-financial aspects of the internal audit:

5.3.1 monitoring the progress of the Company's auditors against the audit plan;

5.3.2 reviewing all relevant representation letters signed by management;

5.3.3 discussing the results of the internal audit with the Company's auditors;

5.3.4 inquiring if there have been any significant disagreements between management and the Company's auditors; and

5.3.5 monitoring management's response to the Company's auditors' recommendations that are adopted.

5.4 Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control.

5.5 Reviewing the nature and level of insurance coverage.

6. Governance

6.1 The governance duties of the Committee are:

6.1.1 Reviewing and recommending to the Board changes to the Board Charter dealing with, amongst other matters:

6.1.1.1 the structure and responsibilities of the Board;

6.1.1.2 the proper relationship between the Board and management; and

6.1.1.3 the responsibilities of management.

6.2 Monitoring legal and regulatory compliance generally, including compliance with the:

6.2.1 Corporations Act 2001 (Cth);

6.2.2 Trade Practices Act 1974 (Cth);

6.2.3 listing rules of the ASX; and

6.2.4 other applicable Australian and overseas laws, including foreign corrupt practices laws.
6.3 Reviewing and recommending to the Board changes to the Company's Code of Conduct, other policies ("Company Policies") and other material designed to guide the Company's directors, executives and other employees as to:

6.3.1 compliance with legal and other obligations to legitimate stakeholders such as shareholders and employees;

6.3.2 the ethical standards and practices necessary to maintain confidence in the Company's integrity;

6.3.3 the responsibility and accountability of individuals for reporting and investigating reports of unlawful and unethical practices; and

6.3.4 the behaviour expected of them and the Company's corporate culture generally.

6.4 Monitoring compliance with Company Policies and investigating allegations of breaches of those policies.

6.5 Reviewing and recommending to the Board policies to avoid conflicts of interest between the Company and its executives.

6.6 Reviewing and recommending to the Board the corporate governance statement to be contained in the Company's annual report.

6.7 Acting as a resource for individual directors, key executives and the Company as a whole on questions of corporate governance and ethical standards, including providing decisions and/or advice on such matters as are referred to the Committee by the Chairperson, the Board or the Chief Executive Officer and Managing Director.