



NEPTUNE MARINE SERVICES LTD

ACN 105 665 843

Charter of the Risk Management Committee

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1. Introduction

- 1.1 This is the charter of the Risk Management Committee (**Committee**) of Neptune Marine Services Ltd (**Company**).
- 1.2 The Committee has been established to enhance the Company's management of its risks in all aspects of its business and affairs. The board of directors of the Company (**Board**) has established the Committee as part of the Board's responsibility for the Company's corporate governance.

2. Objective

- 2.1 It is the objective of the Committee to assist the Board to:
 - 2.1.1 ensure that the Company's systems and processes are properly controlled and functioning effectively;
 - 2.1.2 actively promote ethical and responsible decision-making;
 - 2.1.3 ensure that the Company recognises legal and other obligations to all legitimate stakeholders; and
 - 2.1.4 ensure the establishment, implementation and monitoring of a system of risk management and internal control.
- 2.2 In achieving its objectives, the Committee is to adopt and implement, wherever possible, principles and methodologies which are reasonably considered to be best practice and which are consistent with the Australian risk management standard (AS/NZS 4360:2004) and the international risk management standard AS/NZS (ISO 31000:2009), or such other equivalent standards pertaining to risk management.
- 2.3 In addition, principle 7 of the Australian Securities Exchange (**ASX**) 'Corporate Governance Principles and Recommendations' provides that:

"Companies should establish a sound system of risk oversight and management and internal control."
- 2.4 The Committee is to ensure that Board is satisfied that the Company complies with the relevant ASX corporate governance principles.

3. Constitution of Committee

- 3.1 The Committee is constituted and delegated functions by the Board. It has no powers and duties other than those set out in this Charter or otherwise delegated to it by the Board.
- 3.2 The Committee must exercise powers and duties delegated to it in accordance with any directions of the Board.
- 3.3 The Committee's role is to review and make recommendations to the Board. It has no executive power or management function, other than as expressly set in this Charter.
- 3.4 The Board retains full responsibility for corporate governance and risk management.

4. **Composition**

- 4.1 The Committee will be comprised of at least 6 members. At least one member of the Committee must be a director of the Company. The intention of the Committee is to ensure that all operational and compliance aspects of the Company are represented by the relevant senior personnel on the Committee.
- 4.2 Membership of the Committee must include those executives or persons who have the following positions (whether by title or in substance):
- 4.2.1 Chief Executive Officer (“**CEO**”);
 - 4.2.2 Chief Financial Officer (“**CFO**”);
 - 4.2.3 the Manager for Contract and Risk;
 - 4.2.4 the Company’s Health, Safety, Environmental & Quality (“**HSEQ**”) Manager;
 - 4.2.5 the Company’s Human Resources Manager; and
 - 4.2.6 a legal adviser for the Company.
- 4.3 A quorum will be three (3) members present in person or by using any technology, such as video or telephone conferencing. Each member will have one (1) vote. The Chairperson of the Committee will not have a second or casting vote. Any matters in respect of which there is an equality of votes must be referred to the Board.
- 4.4 New Committee members will be given a thorough briefing by the Chairperson and/or Secretary on key corporate governance, risk management and compliance issues and be provided with appropriate background documentation.
- 4.5 If a member of the Committee ceases to be employed or engaged by the Company, that member ceases to be a member of the Committee. The Board may remove a member of the Committee at any time.

5. **Chairperson**

- 5.1 The Chairperson will be the CEO of the Company, or the member of the Committee who is a director of the Company.
- 5.2 If the Chairperson is absent from a Committee meeting, the members of the Committee who are present will appoint a Chairperson for that particular meeting.

6. **Frequency of Meetings**

- 6.1 The Committee will meet at least 4 times per year.
- 6.2 The Committee may call such additional meetings as the Chairperson decides are necessary for the Committee to fulfil its duties.
- 6.3 Any Committee member, or the Board, can convene a Committee meeting.

7. Written Consent

7.1 Any action permitted to be taken at any Committee meeting can be taken without a meeting, if a written consent to that action is provided by all Committee Members. Such written consent must be filed with the minutes of the proceedings of the Committee.

8. Agenda

8.1 The Chairperson will review the agenda for each Committee meeting prior to its issue.

8.2 Any Committee member can require business to be included in the agenda provided the Chairperson and Secretary have been given prior notice of that business.

9. Attendance at Meetings

9.1 Board members who are not members of the Committee may attend any meeting of the Committee as an observer.

9.2 Any executive with responsibility for risk management and external advisors reporting to or assisting the Company may be invited to attend meetings of or report to the Committee, as required.

9.3 Other Company executives and advisors, as the Chairperson thinks fit, can also be invited to attend meetings.

9.4 The Committee may obtain such external professional advice and assistance (including assistance from the Company's auditors) to enable it to fulfil its responsibilities and duties as it considers appropriate.

9.5 The external advisers reporting to or assisting the Committee:

9.5.1 may be required to meet separately with the Committee, in the absence of Company management, upon the Chairperson's request; and

9.5.2 may be asked to contribute to the Committee's agenda.

10. Secretary

10.1 The Committee will appoint a member of the Committee (other than the Chairperson) to be the Secretary. The Company Secretary may attend meetings of the Committee.

11. Minutes

11.1 Minutes of Committee meetings will be prepared by the Secretary, approved in draft form by the Chairperson and circulated to all Committee members and to the Board.

11.2 Where ever possible, minutes of Committee meetings will be confirmed at the next Committee meeting and then signed by the Chairperson, unless matters arise which require further deliberation.

12. Access to Information

- 12.1 The Committee can seek information directly from any Company employee or external party, including the Company's auditors or other professional advisers.

13. Responsibilities and Duties

- 13.1 It is the primary responsibility of the Committee to recommend to the Board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:

13.1.1 identifies, assesses, manages and monitors risk; and

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

- 13.2 It is also the responsibility of the Committee to 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.

- 13.3 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 HSEQ.

- 13.4 The Committee is to review its duties at least annually. Board approval is to be obtained for any material changes to the Committee's duties.

14. Reporting

- 14.1 The Chairperson will report to the Board at the next Board meeting following each Committee meeting. The report will cover:

14.1.1 the primary responsibilities set out in section 13 of this Charter; and

14.1.2 any other material matters relevant to the Committee's functions, powers, responsibilities and duties.

- 14.2 The Committee will also report annually on the suitability of this Charter and the Committee's responsibilities and duties in particular.

15. Distribution and Access

- 15.1 After its review each year, this Charter will be distributed by the Company Secretary to all directors, and the Company's auditors.

- 15.2 This Charter will be available for review by any person on the Company's website or a copy will be sent upon request.

16. Review

- 16.1 This Charter will be reviewed at least annually to ensure that it reflects current best practice in corporate governance and risk management. Board approval will be required for any changes to this Charter.



- 16.2 The Board will review the Committee's effectiveness on an annual basis or more often if the Board deems it appropriate.