

# Risk Management Policy

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**Adopted 27 June 2012 and amended most recently on  
19 February 2018 by authority of the Board of Directors**

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## RISK MANAGEMENT POLICY

Effective risk management is essential for the achievement of Senex's strategic objectives and the Senex governance structure and process are based on the management of risk. The Board retains the ultimate responsibility for risk management and for determining the appropriate level of risk that Senex is willing to accept. The role of the Board with respect to risk management encompasses both compliance and performance aspects.

Senex recognises the importance of risk management in the decision making process within the organisation.

All employees are responsible and accountable for managing risks to as low as reasonably practicable within their area of expertise.

The Senex commitments to risk management include:

- Maintaining an appropriate risk management system in compliance with ISO 31000:2009 - Risk Management: Principles and Guidelines.
- Maintaining a current, accurate and comprehensive understanding of risk levels within Board approved risk appetite and tolerance levels to protect the operations, profitability and reputation of Senex.
- Maintaining risks levels within acceptable limits.
- Ensuring accountabilities for risks, controls and risk treatment actions are fully defined and accepted.
- Ensuring that adequate resources are made available to manage risk including monitoring risks, reviewing effectiveness of controls, improving controls and communicating effectively about risks and their management.
- Maintaining appropriate records of risk management processes and decisions.
- Communicating with appropriate external and internal stakeholders, including reporting of risk management performance.
- Continually improving risk management through the setting of performance goals, together with the measurement, review and subsequent modification of processes, systems, resources, capability and skills.
- Maintaining an appropriate management of change framework that identifies and assesses the risks arising from the implementation of change within the company's operations.

Implementation of this Policy is the responsibility of the CEO.

This Policy will be reviewed and endorsed annually by the Audit and Risk Committee.



Ian Davies  
Managing Director  
Senex Energy Limited

*Endorsed by the Audit and Risk Committee on 30 November 2017*