

RISK MANAGEMENT POLICY

1. PURPOSE OF THIS POLICY

The purpose of this Cyan Offshore Pty Ltd and its subsidiaries' (**Cyan Renewables**) Risk Management Policy and Risk Management Framework is to create long-term stakeholder value by implementing a sound system of effective risk and control management.

Understanding the material risks Cyan Renewables faces and appropriately managing these risks enhances our 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 Cyan Renewables' sites and offices.

Cyan Renewables 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 Cyan Renewables. 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

The identification and effective management of risk, including prudent and informed risk-taking, is an integral part of Cyan Renewables' commitment to creating a safe workplace, driving sustainable practices, and delivering long-term value for our investors.

Cyan Renewables 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 Chief Executive Officer, Senior Leadership Team and Management reinforce its importance.

3. SCOPE

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

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

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4. POLICY

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

Figure 1: Risk Management Framework



Cyan Renewables' risk appetite and tolerance levels are set by the Chief Executive Officer in consultation with the Senior Leadership Team and are in line with the Company's strategy which has as its central focus of creating a safe workplace, driving sustainable practices, and delivering long-term value for our investors.

These are captured in the *Risk Appetite Statement*.

To achieve this aim:

- Cyan Renewables has created a strategic risk register, 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.

Cyan Renewables has embedded in its management, monitoring and reporting systems several overarching risk management and internal control systems, including:

- a long-term strategic plan established by the Senior Leadership Team, aligned with investor expectations and reviewed annually, framing the decision making of management;

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- a formal process of preparing short-term objectives and key results aligned with the overall strategy;
- in line with the strategic plan, 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;
- Senior Leadership 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

5.1 Employees

Are responsible and accountable for managing risks daily by adhering to Cyan Renewables' 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 Policy and Risk Management Standard;
- reviewing risk assessments 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 risk assessments 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 Cyan Renewables' internal or external environment; and
- providing reports on the management of the allocated risk, where requested by HSEQ, the Senior Leadership 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 Policy and Risk Management Standard ;
- ensuring that the Risk Management Policy and Risk Management Standard is fully implemented within their department;
- approval of risk assessments 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 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 Cyan Renewables' risks;
- providing risk management support, facilitation (where required) and guidance to ensure the effective implementation of the Risk Management Policy and Risk Management;
- facilitation and co-ordination of regular reporting to the Senior Leadership Team;
- reviewing and improving the Risk Management Policy and Risk Management Standard; and
- developing risk management capability across Cyan Renewables (training).

5.6 General Manager HSEQ

Is responsible and accountable for:

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

5.7 Senior Leadership Team

Acting through the Chief Executive Officer, the Senior Leadership 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;
- Ensuring that the Company's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to investors; and
- Identifying areas of risk within Cyan Renewables' internal and external environment and providing feedback to the Business Unit General Managers on the effectiveness of the management of risk.

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6. INTERNAL AUDIT FUNCTION

The internal audit function provides independent assurance to the Chief Executive Officer 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 Senior Leadership Team on the effectiveness of the Company's governance, risk management and internal control processes.

7. TRAINING AND AWARENESS

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

8. REVIEW

This policy shall be reviewed at least annually or as often as is required.