Risk Management Policy

1.   Purpose

The purpose of this 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.

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

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 change management decisions;
- the integration of risk management, audit and HSEQ; and
- the actions of the Managing Director, the executive management team and management reinforce its importance.

3.   Risk Management Policy Statement

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.

4.   Scope

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.

5.   Policy

The aim of this policy is to manage the material business risks of MMA by:

- identifying, analysing and evaluating those risks;

- designing and implementing appropriate risk control systems (risk treatment actions); and

- reviewing the effectiveness of the control systems on a regular basis.

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.

To achieve this aim:

- MMA has created risk registers, approved by the Board, which:

    - identifies the material business risks faced by the Company;

    - assess the likelihood and consequences of identified risks in the form of a risk potential matrix; and

    - sets out and assess 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 policies 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 business plans reflecting the overall strategy;

    - 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;

    - clearly articulated and communicated roles and responsibilities to support the practical implementation of the risk management framework;

- risk management workshops that act as the risk management process mechanism;

- executive management 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, 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.

6. Roles and Responsibilities

6.1 Employees

Employees are responsible for managing risks on a day-to-day basis by adhering to MMA's risk management policies and internal control systems and by reporting identified risks to their appropriate line manager immediately.

6.2 Internal audit function

The internal audit function provides assurance to the Board, the Audit and Risk Committee and executive management on the effectiveness of the risk management framework, including independent 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, in particular with regard to appropriate/adequate identification of risks.

The head of the internal audit function (who will be appointed by the Audit and Risk Committee) will regularly report to the Audit and Risk Committee and the CFO on the effectiveness of the Company's governance, risk management and internal control processes and will have access to the Audit and Risk Committee at all times.

To ensure its independence, the internal audit function will have no direct operational responsibility

or authority over any of the Company's business or risk management activities.

6.3 Business unit managers

Each business unit manager, together with their team, is responsible for:

- identifying the risks facing their business unit (and hence the Company); and
- managing those risks in the manner set out in this framework, including reporting within required timeframes.

6.4 Risk owner

The "risk owner" is the person with the accountability and authority to manage a risk and is responsible for ensuring the assigned risk is managed in accordance with the risk management framework, including undertaking regular review and the provision of risk reports.

6.5 Risk manager

A "risk manager" is responsible for:

- providing risk management support and guidance to ensure the effective implementation of the risk management framework;
- facilitation and co-ordination of regular risk reporting to the executive team and the Audit and Risk Committee;
- reviewing and improving the risk management framework; and
- developing risk management capability across the Company.

6.6 Executive management team

The executive management team, through the Managing Director, is responsible for:

- designing and implementing the risk management policies and internal control systems to best manage the material business risks of the Company;
- identifying areas of risk within MMA's internal and external environment and providing feedback to business unit managers on the effectiveness of the risk management;
- consolidating all material business unit risks to the Company risk register;
- managing identified risks in accordance with the risk management framework; and
- regularly reporting to the Board on the effectiveness of the systems in managing MMA's material business risks and ensuring the Board is aware of any matters that could potentially have a significant impact on the Company.

6.7 Audit and Risk Committee

The Audit and Risk Committee is nominated by the Board and assists the Board in relation to risk management.

The Audit and Risk Committee:

- works with management to develop MMA's risk profile by reviewing and approving the identified material business risks and control strategies;

- oversees the co-ordination of the planned assurance activities of internal and external audit, compliance management and risk management;

- ensures that effective risk management systems are implemented across the Company to identify, assess, manage and monitor material business risks; and

- sets reporting requirements for the executive management team and reports to the Board on the effectiveness of MMA's management and implementation of the Company's risk management and internal control systems.

6.8 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 and internal control. 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.

Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board.

7. Managing Director and CFO declaration

Before the Board approves any of the Company's financial statements, the Managing Director 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

MMA will continually promote awareness of the Company's risk management framework 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.

This will be achieved through:

- training and awareness workshops;
- inclusion of risk management training and competency assessment as part of the training matrix;
- activity schedule reminders;
- raising awareness of the area specific risk registers and risk profiles; and
- raising awareness of responsibilities and accountabilities.

9. Risk management process

The risk management process consists of four steps:

- identification;
- analysis;
- response; and
- on-going monitoring, review and reporting.

10. Risk management and audit integration

An annual review of the various audit plans will be undertaken by the risk manager and the various audit functions to ensure that 'high' and 'severe' risks control environments or those control environments that are rated as 'weak, significant improvement required' are adequately represented in the audit plans.

11. Review

The Audit and Risk Committee will review this framework at least annually or as often as is required. Any updates to this policy will be disclosed as per the ASX disclosure requirement and communicated across the Company.