



**RPL**

REGENCY PETROLEUM LIMITED

**RPL**

**PL**

REGENCY PETROLEUM LIMITED



# Risk Management Framework

Regency  
Petroleum  
Company  
Limited

Risk management is the identification and evaluation of actual and potential risk areas as they pertain to the company as a total entity, followed by a process of either avoidance, termination, transfer, tolerance (acceptance), exploitation, or mitigation (treatment) of each risk, or a response that is a combination or integration of these.

The Risk Management Framework contains the principles, policies, processes and decision-making structures that contribute to the effective management of risk at RPL.

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## 3. Risk governance

### 3.1. Governance

The key principles of RPL's risk governance model are as follows:

The RPL Board has overall accountability and responsibility for the management of risk. The governance model is outlined below:

| Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board provides oversight to ensure the maintenance of sound risk management and internal control systems. The Board delegates specific risk management roles and responsibilities to the Board Committees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Audit Committee</b><br><br>The Company has a Board-approved Audit Committee Charter which sets out the duties and responsibilities of the Committee. The Audit Committee provides assurance in the areas of financial reporting, compliance with legal regulatory requirements, internal controls, risk management, internal and external audits, and corporate governance. This includes monitoring the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgments contained in them and reviewing the company's internal financial controls and risk management systems. A copy of the Charter is available on the Company's website: <a href="https://rplgas.com/investor">https://rplgas.com/investor</a> | <b>Compensation/Remuneration Committee</b><br><br>The Compensation/Remuneration Committee is responsible for reviewing and recommending for approval the remuneration arrangements of the directors and senior officers of the company. The level and form of compensation should reflect the time, commitment, and responsibilities of the role. Executive directors' remuneration should be designed to promote the long-term success of the company. Performance-related elements should be transparent and rigorously applied but should not encourage excessive risk taking or risk taking outside of the company's defined risk parameters. | <b>Environmental and Risk Committee</b><br><br>Assists the Board in its oversight of not only financial performance but also the impact of the company's operations on society and the environment, including the protection, enhancement and investment in the well-being of the economy, society and the environment. | <b>Corporate Governance Committee</b><br><br>The Committee's mandate is to consider and approve policies and to oversee the governance framework of the company. Corporate social responsibility is the responsibility of the company for the impacts of its decisions and activities on the society and the environment. Through transparent and ethical behaviour that: contributes to sustainable development, including health and the welfare of society; by considering the legitimate interests and expectations of all stakeholders; compliance with applicable law and consistency with international norms of behaviour; integrated throughout the company and evidence in its relationships. The Company has a Board-approved Corporate Governance Policy which is available on the Company's website: <a href="http://www.rplgas.com/investor">www.rplgas.com/investor</a> |
| <b>Senior Management</b><br>The senior management has direct access to the Board Committees for the escalation of risks and issues.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



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