

## Risk Oversight & Management Policy

Monadelphous Group Limited (MGL) recognises that as a result of the dynamic nature of our business, the company is exposed to certain inherent risks. The key to the company's success is its ability to manage these risks and it is our people that are the most important element in ensuring the company's risk profile is managed effectively.

The company recognises that the management of risk, both that which is inherent in the business, and that which culminates from external sources, is an integral part of the management and operations of the Company. Accordingly we have developed a Risk Oversight & Management Policy, which forms part of the MGL Corporate Governance Plan.

The Company is committed to a risk management framework that adopts the following process towards risk:

- Identification – identify all potential risks;
- Examination – examine the frequency, probability and impact of each risk;
- Evaluation – evaluate the potential exposure posed by each risk;
- Remedy – implement actions to mitigate the exposure to an acceptable level;
- Monitor – continual reassessment and review.

The Company has instilled in its management and reporting systems a number of risk management controls. To be able to deliver on the expectations of our shareholders, we are required to pursue opportunities that involve a degree of risk. Our policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value.

The MGL Risk Oversight & Management Policy provides an overview of the MGL Risk Management Plan and the approach that the company takes in respect to the risks inherent in the industry in which we operate. This plan identifies and evaluates risk, risk control procedures and the associated response measures to improve our risk profile across the Company in the following areas:

- Strategy
- Governance and compliance
- Human Capital
- Commercial activities.

It is the responsibility of all employees to engage in sound risk management practices that will protect the tangible and intangible assets of the company, and refrain from activities which could materially affect our responsibilities to, and relationships with customers, suppliers, employees, shareholders and the environment in which we operate. Each employee is accountable for ensuring that the policies and procedures relating to risk management are implemented and adhered to in the areas in which we work.

The policies and procedures of MGL contain the experience of the Company in relation to the risks that face our business. These policies and procedures are not optional; they must be followed throughout the Company and exceptions may only be authorised as specifically set out in the policies and procedures.

We are committed to continually improving our risk management processes and outcomes through the review process and through what we learn from our experiences.



CGB Rubino  
Chairman  
Monadelphous Group Limited  
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