

Risk Management Policy

Objective

Beach is committed to managing risk in a consistent, effective, and proactive manner across its business.

Strategy

Risk is an inherent component of Beach's business and represents an exposure and tolerance to the potential for both positive and negative outcomes.

Risk manifests itself in many ways in the exploration and production (E&P) industry. In addition to industry systemic risks, there are other material business risks specific to the characteristics of Beach's asset portfolio and business structure. Beach's systemic and specific risks are consistent with those of a mid-sized international E&P company.

The Board has overall responsibility for the integrity of Beach's risk management system that applies a consistent approach to measuring, managing, monitoring and reviewing risk. Beach executives and managers are responsible to implement this policy and integrate risk management throughout Beach. All Beach employees are responsible to apply this policy.

The scope of Beach's material business risks include:

- operational (including safety, environmental, reserves) risks;
- commercial risks;
- legal, regulatory and contractual risks; Reputational/social licence to operate risks; and
- economic and financial risks.

Beach is committed to:

- a Board appointed Risk, Corporate Governance and Sustainability Committee which and operates pursuant to a charter approved by the Board and oversees the effectiveness of Beach's risk management system.
- an executive Risk Management Committee that operates pursuant to a charter approved by the Managing Director and provides quarterly reports to the Risk, Corporate Governance and Sustainability Committee on material risks facing the organisation.
- managing risks in a pro-active and effective manner, based upon ISO 31000:2018
- adopting a consistent approach to assessing and managing risk
- adopting a consistent approach to recording and reporting, monitoring and reviewing risk, including maintaining an enterprise-wide integrated material risk register

- reporting to relevant stakeholders on a regular basis on material risks facing the company.

While appropriate methods will be utilised to identify, analyse and rank risks to minimise loss and maximise opportunity, no process can guarantee assurance against a risk of material loss.

Application

This policy applies to all personnel associated with Beach activities.

Document status

Date reviewed	Endorsed by	Date of and final approval by
December 2019	Managing Director	Board approval – 13 December 2019
