



CENTRAL PETROLEUM LIMITED

RISK COMMITTEE CHARTER

1. Role

The role of the Risk Committee ("**Committee**") is to support and advise the Board of Directors (**Board**) of Central Petroleum Limited ("**Company**") to fulfil its responsibilities in overseeing the effectiveness of the company's systems of internal control, risk management and compliance with relevant legal and regulatory requirements.

The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board, except as specifically provided in this Charter.

2. Responsibilities

In relation to the following areas, the Committee will:

Risk management

- Review the principal risks both financial and non-financial facing the Company including the effectiveness of controls in place to managed them.
- Review and endorse the Company's level of risk tolerance and recommend it to the Board for approval.
- Review the effectiveness of risk management and internal control systems annually to satisfy itself that they continue to be sound, and seek assurance that:
 - an effective system of internal control over financial reporting is established and maintained;
 - the Company maintains an effective system to identify, assess and manage risks that are material to the achievement of business objectives;
 - the Company is operating within the risk tolerance level set by the board; and
 - there is broad awareness of and there exists a culture of identifying and managing risk.
- Receive reports on any significant material incidents involving fraud or a break-down of internal controls to manage risk, identifying any lessons learnt, managements response and actions undertaken.
- Monitor changes in the business and economic environment and review reports from management on new and emerging sources of risk and the controls and mitigation measures that management is considering.
- Assess the effectiveness of the Company's system to develop, implement, operate and monitor controls.
- Receive and review any assurance reports on the adequacy and operation of the risk management framework.
- Review the effectiveness of the business continuity planning processes established and aligned with material risks.

Insurance

- Provide oversight of the Company's insurance program by annually reviewing the strategy, scope, process and structure taking into consideration the business, material risks and available insurance.

Corporate governance

- Review and endorse the Company's ethical standards including its Code of Conduct.
- Review the Company's system of corporate governance, and seek assurance that:
 - an effective system of internal control has been established and maintained across all core business and operational areas and is supported by a robust framework;
 - effective processes and systems are in place for detecting, reporting and preventing inappropriate business conduct, fraud, breaches of anti-corruption laws, and whistleblowing; and
 - all corporate governance requirements are up to date and adequately disclosed.

Compliance

- Review the Company's system for monitoring compliance with legal, regulatory, contractual or social obligations with particular emphasis on major identified risks and seek assurance that:
 - a system is in place and operating effectively to enable compliance issues to be readily identified and weaknesses or breakdowns in compliance processes appropriately dealt with; and
 - compliance related systems and procedures are adequately detailed and documented.

Reserves and resources

- Review the annual reserves and resources process and advise the Audit Committee of the outcomes of the review in order that reserves are accurately reflected in the annual financial statements.

3. Reporting

The Committee Chairman, or delegate will provide regular reports to the Board. These reports shall contain all matters relevant to the Committee's role and responsibilities, in order to:

- Ensure the Board has insight into key issues discussed by, and the decisions of, the Committee.
- Facilitate board awareness.
- Assist with the periodic review of the Committee's performance.

4. Membership

The Committee will consist of at least three members of which two will be non-executive directors as determined by the Board, with a majority being independent.

The Board will appoint an independent director as the Committee Chairman, who will not be Chairman of the Board.

The majority of members on the Committee will have sufficient understanding of the industry in which the Company operates and its principal risks.

5. Advice and resources

The Committee may, with the approval of the Chairman of the Board, engage independent professional advisers the Committee requires to enable it or assist it to discharge its role and responsibilities. The cost of such advisors will be borne by the Company.

6. Committee meeting procedures

The Company Secretary or a designate will be the Secretary to the Committee and shall keep minutes of meetings.

The Committee will have unrestricted access to personnel, records and senior management as appropriate and invite to its meetings any persons the Committee deems appropriate in order to carry out its responsibilities.

The Committee will meet as frequently as required but no less than twice a year. Any committee member may request the Company Secretary to call a meeting.

A quorum will comprise two Committee members. In the absence of the Committee chair or appointed delegate the members will elect one as chair for that meeting.

7. Review

The Risk Committee shall appraise its performance against the charter on an annual basis. The Committee may make recommendations to the Board in relation to the Committee's membership, role and responsibilities.

The Board will, at least once a year review the membership and charter of the Committee to determine its adequacy and effectiveness for current circumstances.

Adopted by the Board on 9 April 2019