

MAURITIUS OIL REFINERIES LTD

RISK MANAGEMENT POLICY

1. PURPOSE

- 1.1 The purpose of this policy is to embed risk management into the culture and work practices of Mauritius Oil Refineries Limited and the companies of the group (referred to as “the Group”) to improve decision making so as to maximise opportunities and better manage uncertainty.
- 1.2 The policy demonstrates the Group’s commitment in creating robust structures, systems and processes that will manage or reduce to an acceptable level or eliminate risks where possible, whilst improving awareness and responsibilities for the assessment and the management of risk at all levels of the organisation and with our stakeholders.

2. SCOPE

- 2.1 This document outlines the arrangements to design, implement, monitor, review and continually improve risk management across the Group.
- 2.2 This policy supports Principle 5 of The National Code of Corporate Governance which states ‘that the organization develops and executes a comprehensive and robust system of risk management’.
- 2.3 This document is intended to be used by all staff and officials at all levels.

3. ROLES AND RESPONSIBILITIES

- 3.1 The Board of Directors assumes ultimate responsibility for the risk management of the Group including determining risk appetite and tolerance and promoting a positive risk culture. It has delegated the oversight responsibility for risk management and internal control of major risks to the Audit and Risk Committee.
- 3.2 It is the responsibility of the Audit and Risk Committee to review the effectiveness of the risk management system and advise the Board on the management of key risks.
- 3.3 Management is responsible for establishing and implementing the risk management system to identify, control and manage strategic, operational, financial and other material risks. Procedures will be implemented to monitor and deal with these identified material risks.
- 3.4 Management informs the Board of any new material risks and outlines the actions that have been undertaken to manage such material risks.

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3.5 The Governance, Risk and Compliance (GRC) Manager is responsible for designing, implementing and maintaining the risk management framework and assumes an advisory role to support the Board and management in managing risks in line with the Group's risk appetite.

3.6 The GRC Manager is responsible for conducting a yearly risk assessment throughout the Group.

3.7 The GRC Manager provides ongoing risk management training to all employees with a focus on raising awareness and building skills in identifying and managing risks.

4. RISK MANAGEMENT PROCESS

4.1 Risk Identification: Identify risks that could potentially affect the achievement of the organisation's strategy and objectives.

4.2 Risk Assessment: Evaluate the identified risks in terms of their likelihood and impact and prioritise them based on their significance. Inherent and residual risks are rated.

4.3 Risk Treatment: Determine appropriate actions to mitigate, transfer, accept, or avoid the risks, considering the organisation's risk appetite. Assign risk ownership.

4.4 Risk Monitoring and Review: Continuously monitor identified risks and the effectiveness of the risk management strategies and mitigation responses.

4.5 Risk Reporting: Regularly report on risks to the Audit and Risk Committee, Executive Management, and the Board of Directors. Regularly review and update the risk register.

5. DEFINITIONS

Risk: The effect of uncertainty on the organisation's objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. (ISO 31000:2018)

Risk Appetite: The amount and type of risk that an organisation is willing to take in order to meet its strategic objectives (Institute of Risk Management)

Risk Tolerance: The boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long-term objectives (Institute of Risk Management)


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6. REVIEW


6.1 The Audit and Risk Committee has the authority to make necessary changes to the policy with the Board of Directors' approval to reflect changing circumstances.

7. APPROVAL

7.1 This policy has been recommended by the Audit and Risk Committee for approval to the Board of Directors and is effective as of May 14, 2025.

Signed by:

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Mrs. Su Lin Ong

Chairperson of the Audit and Risk Committee

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Mr. Akhtar Dawood

Chairperson of the Board of Directors