



CORPORATE RISK MANAGEMENT POLICY

Risk influences every aspect of Cairn's business. Understanding the risks we face and managing them appropriately will enhance our ability to make better decisions, deliver our objectives and improve business performance. Additionally, each of our stakeholders has made an investment in our business and by doing so accepts that in order to be successful we face risks. In return they expect us to manage and mitigate risks to an acceptable level and report on them to our Board versus the Risk Appetite statement.

The primary objectives for our investment in risk management are:

- To optimise the performance of our business;
- To promote confidence amongst our stakeholders in the effectiveness of our risk management processes and our ability to plan for the future to meet our strategic objectives; and
- To ensure retained risks remain within the risk appetite of the organisation.

To support the delivery of these objectives, we will strive to:

- Ensure our strategy for risk management is both aligned with and supports the delivery of our business strategy;
- Identify and assess risks against our business objectives and understand how such risks influence performance and how they may be mitigated effectively;
- Embed a cross functional awareness of risk in such a way that every business decision we make is risk informed;
- Make risk analysis an explicit component of key business processes & assurance;
- Escalate risk information accurately and on time in order to support management decision making at all levels;
- Provide our employees with the resources, training and tools they need to accept and effectively manage the risks appropriately; and
- Communicate our attitude and approach to risk with our stakeholders in a transparent manner.

We will deliver the above components in an integrated manner through a Group-wide framework for managing risk that seeks to create, protect and realise value for our business and its stakeholders.

Accountability for this Policy lies with the CEO and Board. Responsibility for compliance with Capricorn's Corporate Risk Management Policy and standards lies with its officers, Directors, Managers and staff.