

Risk Management Policy and Internal Compliance and Control System

A range of factors and risks, some of which are beyond Mariner's control, can influence performance. Taking and managing risk are general to Mariner's business. Mariner has in place a range of procedures to identify, assess and control risks which are reviewed by the Audit, Finance and Risk Committee (or the Audit Committee as appropriate) and also by the Board periodically. This approach enables any risks to be balanced against appropriate rewards.

The Board is responsible for approving and overseeing the risk management system and reviewing and ratifying Mariner's systems of risk management and internal control. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Mariner's activities.

These systems and frameworks are designed to ensure that Mariner's various operations run efficiently and the risks of failure to achieve Mariner's business objectives are appropriately managed. It must be recognised however that Mariner's internal control systems, whilst providing a reasonable level of assurance, cannot completely eliminate the risk of errors, irregularities or losses occurring.

The Board is assisted in monitoring risk by the Audit, Finance and Risk Committee (MFI) and the Audit Committee (MRT). The Audit, Finance and Risk Committee and Audit Committee have responsibility for monitoring the effectiveness and appropriateness of the accounting and internal control systems of the company, as well as a more general responsibility for reviewing the adequacy and effectiveness of Mariner's risk management framework.

Risks are identified and assessed by Mariner's executive management team as well as by the Company's auditors. Controls (which may include policies, procedures, reviews, audits and/or obtaining appropriate insurance) are implemented to deal with risks based on an assessment of:

- the nature and extent of the risk facing Mariner;
- the extent and categories of risk which the Board considers it is acceptable to bear;
- the likelihood of the risk materialising;
- Mariner's ability to reduce the incident and impact on the business of the risk if it materialises; and
- the costs of operating particular controls relative to the benefit obtained in managing the relevant risk.

Details of relevant risks and risk control profiles are reviewed by the Board on a periodic basis. Management report to the Board and the Audit, Finance & Risk Committee or Audit committee (as appropriate) any instances of control or policy failure or breach to enable them to consider whether relevant controls require reassessment, strengthening

or improvement and whether the level of monitoring by the Committee and the Board is adequate.

In accordance with the ASX Corporate Governance Council Best Practice Recommendations, the Managing Director and Chief Financial Officer are required to state to the Board in writing that:

- the Company's financial reports present a true and fair view, in all material respects, of the Company's financial position and operation results and are in accordance with relevant accounting standards;
- the statement above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management internal compliance and control system is operating efficiently and effectively in all material respects.