



# Risk Management Statement

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## Genesis Energy's Approach to Risk

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Genesis Energy (**Genesis** or the **Company**) pursues strategic and operational opportunities in a dynamic and challenging environment. Inherent in these opportunities are some key risks. Understanding, managing and monitoring these risks increases the likelihood of successfully achieving the Company's objectives, and being resilient if these risks occur. In addition, employees can better assess opportunities and protect value if they are confident that they understand the risks, any value trade-offs, and can manage these within Genesis' risk appetite. The identification and effective management of key risks is accordingly a priority for the Board of Directors (**Board**) and management of Genesis.

## Risk Management Framework and Appetite

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The Company's risk management framework integrates risk management into the Company's operations, formalises risk management as part of the Company's internal control and corporate governance arrangements, and provides a consistent and structured way to manage risk across the Company.

The framework is supported by several policies appropriate for the Company's business, including a Market Trading Risk Policy, Credit Risk Policy, Treasury Management Policy, Compliance Policy and Delegations of Authority Policy.

Integral to Genesis' framework is Genesis' risk appetite – the level of risk which Genesis is prepared to accept to pursue its strategic and operational objectives. Genesis' risk appetite guides decision making. Matters that fall outside of risk appetite require Board approval.

## Governance and Responsibilities

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The Board is responsible for overseeing and approving the risk management strategy, policies and risk appetite, as well as ensuring that effective audit, risk management and compliance systems are in place. The Audit and Risk Committee assists the Board in fulfilling its risk assurance and audit responsibilities.

The Audit and Risk Committee's responsibilities are set out in its Charter. They include:

- (a) reviewing the risk management policy and related policies, the Company's risk appetite, risk limits and internal controls, and recommending any changes to the Board for approval;
- (b) providing risk management oversight and assurance, including reviewing the Company's principal risks and recommending any changes to those or applicable mitigating controls to the Board for approval;
- (c) reviewing risk management reports and proposals from Management; and
- (d) making recommendations to the Board.

Management are responsible for ensuring that:

- (a) risks in their business areas are identified, understood, managed, monitored, and escalated appropriately;
- (b) risks are regularly reviewed; and
- (c) Genesis' expectations for risk management are promoted and met.

All employees are responsible for:

- (a) understanding and complying with the Company's risk management policy, supporting processes and tools, as required by their role;
- (b) reporting risks or incidents that may affect health and safety, Genesis' customers, reputation, assets, profitability, operations or legal obligations, to their manager as soon as they become aware of these; and
- (c) using risk management to protect value and assess opportunities to create value.

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