

SEA HARVEST GROUP LIMITED

Registration Number

2008/001066/06



GROUP

**TERMS OF REFERENCE OF THE
AUDIT & RISK COMMITTEE**



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Sea Harvest Group Limited

Terms of Reference

Audit & Risk Committee

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Terms of Reference

Audit & Risk Committee

1 INTRODUCTION AND CONSTITUTION

- 1.1 Sea Harvest Group Limited ("**Sea Harvest**" or the "**Company**") is a public company registered in terms of the Companies Act No 71 of 2008, as amended ("**Companies Act**") and listed on the Johannesburg Stock Exchange ("**JSE**").
- 1.2 The Audit and Risk Committee ("**Committee**") of Sea Harvest and its subsidiaries, where required, is constituted as a statutory committee of the Company in respect of its statutory duties in terms of section 94(7) of the Companies Act and as a committee of the Board of Directors of the Company ("**Board**") in respect of all other duties assigned to it by the Board, in accordance with section 3.84(d) of the JSE Listing Requirements; section 72(1) of the Companies Act and clause 32 of the Company's Memorandum of Incorporation ("**MOI**").
- 1.3 The duties and responsibilities of the members of the Committee as set out in these terms of reference are in addition to those as directors or prescribed officers of the Company. The deliberations of the Committee do not reduce the individual and collective responsibilities of the members of the Board in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.4 The Committee shall report to shareholders of the Company in terms of its statutory responsibilities and to the Board on all other duties assigned to it by the Board.
- 1.5 These terms of reference are subject to the provisions of the Companies Act, the MOI and any other applicable law or regulatory provision.
- 1.6 The purpose of these terms of reference is to guide the Committee in assisting the Board in fulfilling its responsibilities pertaining to:
 - 1.6.1 The safeguarding of assets;
 - 1.6.2 The operation of adequate systems, internal controls and control processes;
 - 1.6.3 The Company's compliance with legal and regulatory requirements;
 - 1.6.4 The integrity of the Company's financial statements and financial reporting processes; and
 - 1.6.5 The evaluation and co-ordination of the internal and external audit processes.
- 1.7 The Committee's mandate extends to the Company and all its subsidiaries who are required to have an audit committee (excluding any subsidiary which has its own audit committee) and save where the context indicates otherwise, any reference in these terms of reference, to the Company shall be deemed to include a reference to each such subsidiary.



2 PURPOSE OF TERMS OF REFERENCE

- 2.1 These terms of reference set out the authority and specific responsibilities of the Audit & Risk Committee and details the manner in which the Committee will operate.

3 COMPOSITION AND QUORUM

- 3.1 The members of the Committee shall be elected by the Company's shareholders upon recommendation of the Nomination & Remuneration Committee and shall comprise a minimum of 3 (three) members, who shall all be independent non-executive directors of the Company.

- 3.2 All members shall be suitably skilled independent non-executive directors of the Company, and, taken as a whole, with adequate relevant knowledge and experience to perform the functions of the Committee.

- 3.3 Members of the Committee at any particular time, must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, taxation, commerce, industry, public affairs or human resource management including an understanding of the following as it relates to the Company:

- 3.3.1 Strategic and Financial Planning
- 3.3.2 Financial reporting;
- 3.3.3 Internal financial controls;
- 3.3.4 External audit process;
- 3.3.5 Risk Management;
- 3.3.6 Sustainability and climate-related issues;
- 3.3.7 Information Technology Governance; and
- 3.3.8 Governance processes.

- 3.4 The members of the Committee shall be elected annually by shareholders at each annual general meeting and shall be eligible for such re-election to the membership of the Committee for as long as they are eligible for re-election on the Board.

Neither the Chairperson of the Board, nor the executive directors shall be members of the Committee but may be invited to join the Committee by invitation and shall not vote on any matter to be decided on by the Committee.

- 3.5 The Chairperson of the Committee shall have the requisite skills, knowledge and experience in the area of audit, finance and risk management to enable him/her to effectively discharge his/her duties in relation these Terms of Reference.

- 3.6 The Chairperson of the Committee shall be appointed by the Board and shall be an

independent non-executive director.

- 3.7 In the absence of the Chairperson, the members present may nominate and elect one of their own to chair the meeting.
- 3.8 The Board shall ensure that vacancies on the Committee are filled within 40 (forty) business days after the vacancy arises.
- 3.9 A quorum of the Committee shall be 3 (three) independent non-executive directors present throughout the meeting either in person or via telephone or video conference facilities.
- 3.10 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings and accordingly are not eligible to vote on any matter.

4 AUTHORITY OF THE COMMITTEE

- 4.1 The Committee has decision-making authority in regard to its statutory duties and is accountable in this respect to both the Board and the shareholders. To this end the Chairperson of the Committee must be present at all annual general meetings.
- 4.2 The Committee shall have authority to:
 - 4.2.1 Access any information it needs to fulfil its responsibilities;
 - 4.2.2 Form and delegate authority to subcommittees, and may delegate authority to one or more designated member(s) of the Committee;
 - 4.2.3 Seek independent advice at the Company's expense; and
 - 4.2.4 Investigate matters within its mandate.
- 4.3 The Committee shall have the ability to consult with, and receive the full cooperation of, any employee where necessary to fulfil its responsibilities.

5 ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- 5.1 The role of the Committee is to assist the Board in monitoring the integrity of the financial statements and overseeing the Integrated Report (referred to below), in the event that the Board approves the provision of such report to stakeholders.
- 5.2 The Committee has an independent role with accountability to both the Board and shareholders.



- 5.3 The Committee shall be responsible for providing independent oversight of the effectiveness of the internal financial controls and the external and internal audit functions.
- 5.4 The Committee is to assist the Board in ensuring that management has a system and process of effective risk management that identifies and monitors the management of the key risks facing the Company in an integrated, timely and comprehensive manner.
- 5.5 The Committee shall not perform any management functions nor assume management responsibilities.
- 5.6 The Committee shall provide input on all business decisions as required by the Board's delegation of authority.
- 5.7 The Committee may discuss legal matters that may have an impact on the Company's financial statements; and may recommend to the Board any litigation statements which the Company is required to publish.
- 5.8 In discharging its responsibilities, the Committee shall –
- 5.8.1 **Statutory duties**
- 5.8.1.1 Accept the role of the Committee for the Company and any of the subsidiaries of the Company that are required to have an audit and risk committee in terms of their MOI, the Companies Act and the JSE Listings requirements;
- 5.8.1.2 Perform the duties of an audit and risk committee as set out in section 94(7) of the Companies Act, and in so doing:
- Nominate for appointment by shareholders, a registered and independent external auditor;
 - Oversee the appropriate rotation of the audit partner;
 - Determine the scope of engagement and fees of the external auditor;
 - Ensure appointment of the external auditor is in terms of the Companies Act and other applicable legislation;
 - Determine the nature and extent of non-audit services by the external auditor;
 - Pre-approve the provision of non-audit services by the external auditor;
 - Prepare a report to be included in the annual financial statements detailing how the Committee carried out its functions in the relevant financial year, stating whether the Committee is satisfied that the external auditor was independent of the Company; and commenting in any way that which the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company;



- Deal with any concerns and/or complaints relating to accounting policies, the financial statements and internal financial controls; and
- Make any submission to the Board on accounting policies, financial control and reporting.

5.8.2 Board delegated duties

5.8.2.1 Financial statements

- Have regard to all factors and risks that may impact on the integrity of the financial statements;
- Review the solvency and liquidity, working capital and going concern statements by reviewing management's documented assessment and assumptions on such status;
- Review and recommend for approval by the Board, the annual financial statements, interim reports, preliminary and provisional results announcements, summarised financial information, and the financial content of trading updates from time to time to ensure that they with the relevant reporting standard;
- Review reports on internal controls and comment on the effectiveness of internal financial controls;
- Review the resources and experience of the finance function and specifically the experience and expertise of the Company's Chief Financial Officer and keep the Board apprised of such matters;
- Disclose the results of the review on the expertise, resources and experience of the Company's finance function and Chief Financial Officer in the annual financial statements; and
- Ensure that the Company has established appropriate financial reporting procedures and that these procedures are operating, which should include consideration of all entities included in the consolidated group financial statements prepared in accordance with the International Reporting Standards (IFRS), to ensure that it has access to all the financial information of the Group to allow the Company to effectively prepare and report on the financial statements of the Group.

5.8.2.2 Integrated Report and Environmental, Social & Governance (ESG) Report

- Oversee the preparation of the Integrated and ESG Report and recommend it for approval by the Board.

5.8.2.3 External Audit

- Recommend for approval at the Annual General Meeting the appointment of the external auditor, after confirming in its Annual Report to the shareholders that it has requested information and consulted with the external auditor as

required by section 22.15(h) of the JSE Listings Requirements when assessing the suitability of appointment or re-appointment of the external auditor;

- Oversee the external audit process;
- Consider and resolve disagreements on auditing and accounting matters between management and the external auditors;
- Approve the terms of engagement and remuneration for the external audit engagement;
- Monitor and report on the independence of the external auditor in the annual financial statements;
- Define a policy for non-audit services provided by the external auditor;
- Pre-approve the contracts for non-audit services to be rendered by the external auditor; and
- Review the quality and effectiveness of the external audit process.

5.8.2.4 Internal Audit

- Be responsible for the appointment, performance assessment and/or dismissal of the Head of Internal Audit;
- Oversee the internal audit process and approve internal audit plans;
- Satisfy itself that the internal audit function has adequate expertise, resources and experience to fulfil the function;
- Ensure that the internal audit function is subjected to regular independent quality review to measure and ensure its effectiveness; and
- Disclose the results of the Committee's review of the effectiveness of the Head of Internal Audit in the annual financial statements.

5.8.2.5 Combined assurance model

- Ensure that the combined assurance model has a coordinated approach to assurance;
- Ensure that the combined assurance model received is appropriate to address all the significant risks facing the Company with no duplication of efforts and gaps;
- Ensure that the financial risks and financial reporting risks are appropriately reflected on the combined assurance model; and
- Monitor the relationship between the external auditors and the Company and confirm that the Committee is satisfied of the independence of any external auditors.

5.8.2.6 Governance

- Be responsible for key governance policies and review the application of Code of Corporate Governance for South Africa, as amended from time to time; and
- Meet with the internal auditors and the external auditors without the presence of management.



5.8.2.7 Information Technology (IT) Governance

- Assist the directors in fulfilling their responsibility of ensuring that there is an IT Governance Framework in place throughout the Group;
- Monitor and evaluate significant investments and expenditure in the IT governance;
- Review and monitor if IT governance is an integral part of the Group's risk management; Monitor the implementation of IT policies and the IT governance charter; and evaluate reports from management/the IT Steering Committee on IT governance issues, including compliance with statutory obligations and ensure complete, timely, relevant, accurate and accessible IT reporting from management to the Board.

5.8.2.8 Risk Management

- Assist the Board in fulfilling their responsibility of ensuring that there is an effective and embedded risk management process in place throughout the Company;
- Assess whether there are appropriate processes / controls in place to manage the key risks down to an acceptable level, in line with the Board's risk appetite;
- Review the periodic audit of the risk management processes;
- Review and approve the combined assurance model and determine the acceptable levels of risk tolerance for the Company;
- Assess if appropriate processes / controls are in place to ensure regulatory compliance;
- Review the adequacy of the risk identification process including risk concentration that could negatively impact the sustainability of the Company;
- Review and monitor the Company's policy on health and public safety, including the impact of the Company's activities and of its products and services; and
- Review and monitor the Company's position on consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws.

5.8.2.9 Finance Function and the Chief Financial Officer

- The Committee must review the adequacy, reliability and accuracy of the financial information provided by management and other users of such information;
- The Committee should annually review the expertise, resources and experience of the Company's finance function, and the results of the review may be included in the Integrated Report; and
- The Committee should also consider and satisfy itself of the suitability of the expertise and experience of the Chief Financial Officer every year.



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- 5.9 The Committee must establish and approve an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 5.10 The annual work plan must ensure proper coverage of the matters laid out in this term of reference. Critical matters must be attended to each year while other matters may be dealt with on a rotation basis. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual work plan.
- 5.11 The responsibilities for the Committee and the emphasis of meetings shall be directed toward the issues contained in the annual work plan.

6 MEETINGS OF THE COMMITTEE

- 6.1 The Committee shall hold sufficient scheduled meetings to discharge all its duties as set forth in these terms of reference and annual work plan but subject to a minimum of 3 (three) meetings per year. The Committee Chairperson shall report on the activities of the Committee at each subsequent Board meeting.
- 6.2 Additional meetings may be held at the request of the Chairperson, or any member of the Committee as required.
- 6.3 In addition to the above meetings, further meetings may, with approval of the Chairperson, be held at the request of the external auditor, the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit or other members of senior management or at the instance of the Board.
- 6.4 Invitations to attend the Committee meetings shall be extended to:
 - 6.4.1 The Chief Executive Officer;
 - 6.4.2 The Chief Financial Officer;
 - 6.4.3 External auditors;
 - 6.4.4 The Head of Internal Audit; and
 - 6.4.5 Any other senior executive and professional advisor as deemed appropriate by the Committee.
- 6.5 Members of the Board are entitled and encouraged to attend Committee meetings.
- 6.6 Members and / or invited attendees of the Committee may participate in and act at any meeting of the Committee by means of telephone or video conference or other communication equipment provided that all persons participating in the meeting can

hear each other. Participation in such meeting shall constitute attendance and presence in person by the person(s) so participating.

- 6.7 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad-hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson or Company Secretary.
- 6.8 The Company Secretary shall act as secretary to the Committee.
- 6.9 The Secretary of the Committee shall take minutes of all meetings, and the minutes of all Committee meetings shall be circulated by the Company Secretary within one month of the date of the meeting to the Chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.
- 6.10 Once approved by the Committee – the minutes shall be circulated at the subsequent Board meeting.
- 6.11 Committee agendas and papers shall, other than under exceptional circumstances, be forwarded to each member of the Committee no less than 1 (one) week prior to the date of the meeting.
- 6.12 Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the MOI regulating the meetings and proceedings of Board and board committees.

7 REMUNERATION

- 7.1 Members of the Committee shall be paid such remuneration in respect of their appointment as shall be fixed by the Nomination and Remuneration Committee and subject to shareholder approval under the Companies Act.
- 7.2 The Chairperson of the Committee shall, in addition to his/her remuneration as member, receive a further sum as determined by the Board and subject to shareholder approval under the Companies Act.

8 EVALUATION

On an annual basis, the Committee must perform a self-assessment of its effectiveness by reviewing its performance against strategic objectives.

9 APPROVAL

These terms of reference were approved by the Board on the **25th November 2025** and shall be reviewed annually in accordance with the Committee's work plan.