OUR AUDIT AND RISK COMMITTEE REPORT

for the year ended 31 December 2023

The Audit and Risk Committee (the Committee) is governed by formal Terms of Reference that have been reviewed and approved by the Board. The functions of the Committee are consistent with:

- the Companies Act;
- King IV™; and
- the JSE Listings Requirements.

ROLES AND RESPONSIBILITIES

The Terms of Reference include the Committee's statutory duties as described in the Companies Act, King IV™, the JSE Listings Requirements and the additional responsibilities assigned to it by the Board. In addition to its statutory duties prescribed in the Companies Act, the Committee is required to provide independent oversight of the system of internal control and risk management, and the effectiveness of the internal financial controls, to assist the Board in monitoring the integrity of the Group's interim and annual financial statements and other performance-related external reports. The Committee further oversees the effectiveness and independence of the Group's external and internal assurance providers and services that contribute to the integrity of the Group's financial and integrated reporting.

COMPOSITION OF THE COMMITTEE

The members of the Committee remained unchanged for the 2023 financial year. The members of the Committee, as indicated below, are knowledgeable about the affairs of the Group and all have extensive expertise in finance, accounting, commerce, industry, legal and risk management practices. The members of the Committee are appointed annually at the AGM. The composition of the Committee for the 2023 financial year and attendance at meetings were as follows:

MEMBERSHIP AND COMPOSITION OF THE COMMITTEE



3/3

KA Lagler
CA(SA)



3/3

CK Zama
CA(SA)



3/3

WA Hanekom
CA(SA)



3/3

BM Rapiya
BA Economics

COMMITTEE INVITEE



2/3

F Robertson
DPhil (Honorary, UWC)



2/3

MI Khan
CA(SA)



3/3

F Ratheb
BSc (Hons) (Eng), MBA



3/3

M Brey
CA(SA)



3/3

T Moodley
LLB

Chairperson: ● *Meetings attended:* X/X

The Group Chairman, CEO, CFO, Mr MI Khan (Non-executive Director), Ms T Moodley (Non-executive Director), the Brimstone Financial Director, senior executives, internal auditors and external auditors attend the meetings of the Committee by invitation.

The agenda of the meetings are derived from the adopted work plan of the Committee, which is based on the formal Terms of Reference, ensuring that the Committee discharges its responsibilities in a structured manner.

The external and internal auditors attend committee meetings and have unrestricted access to the Committee and its chairperson and have the opportunity to address the Committee and its chairperson without management being present to ensure open discussion.

KEY FUNCTIONS OF THE COMMITTEE

The Committee performed the following duties during the year ended 31 December 2023:

- reviewed the interim and annual financial statements of Sea Harvest Group Limited and recommended them to the Board for approval;
- reviewed the solvency and liquidity, working capital, and going concern position;
- reviewed and recommended the annual dividend proposal to the Board for approval;
- considered the independence and effectiveness of the external auditors and received and considered the external auditors reports;
- considered and nominated for approval at the AGM the external auditors and the designated auditor for the financial year under review;
- determined the fees paid to the external auditors and their terms of engagement;
- reviewed the expertise and experience of the Group's CFO and finance function;
- satisfied itself with the adequacy of the Group's internal controls, including internal controls over financial reporting;
- reviewed work plans, discussions and reports of the respective subsidiary companies' Finance and Risk Committees;
- reviewed the strategic risk register and mitigation plans put in place by management;
- reviewed impairment assessment calculations and considerations;
- reviewed the fraud and defalcation reports;
- reviewed insurance renewal terms;
- conducted a self-assessment evaluation in accordance with the Terms of Reference;
- reviewed the Insider Trading Policy, Non-Audit Services Policy, Fraud Prevention Policy inclusive of the Whistle-blowing Policy, and the Group's manual as required by the Promotion of Access to Information Act, No 2 of 2000;
- determined the nature and extent of non-audit services and the pre-approval of such services as the Committee deemed appropriate in accordance with the approved Non-Audit Services Policy;
- rreviewed and approved the internal audit Terms of Reference and annual internal audit plan;
- considered the outcome of the external evaluation of the internal audit function's compliance with Standards for the Professional Practice of Internal Audit;
- considered the effectiveness and independence of the head of internal audit and the internal audit function and received and considered the internal auditor's reports;
- received and considered the JSE Proactive Monitoring Reports and satisfied itself with the responses provided to the Committee by management;
- confirmed that there were no concerns or complaints raised in relation to financial reporting matters and internal controls;
- provided oversight over IT governance and IT risk management;
- assessed the Group's application of the King IV™ principles as set out in the King IV™ Application Register and Report on Corporate Governance;
- received reports detailing the tax status of each company within the Group and compliance with tax laws and regulations;
- reviewed the Group's framework for determining materiality applied to ensure that significant areas of risk, complexity and judgement are included in the evaluation of internal financial reporting controls; and
- considered the Group structure and the nature and size of the components forming part thereof to ensure that management has established appropriate procedures to ensure that all relevant components have submitted audited or reviewed financial reporting packages, prepared in accordance with IFRS, which have been included in the consolidated financial statements of Sea Harvest, as required by paragraph 3.84(g) (ii) of the JSE Listings Requirements.

FINANCE FUNCTION

The preparation of financial reports, including the annual financial statements, were completed under the supervision of Mr M Brey CA(SA), the Group's CFO. As required by paragraph 3.84(g) of the JSE Listings Requirements, as well as the recommended practices of the King IV™ Code, the Committee reviewed and satisfied itself that the expertise and experience of Mr Brey is appropriate to meet his responsibilities in that position. The Committee further reviewed and was satisfied that the expertise and resources within the finance function were appropriate.

OUR AUDIT AND RISK COMMITTEE REPORT CONTINUED

for the year ended 31 December 2022

SUBSIDIARY FINANCE AND RISK COMMITTEE MEETINGS

For each material subsidiary, a subsidiary Finance and Risk Committee is in place and meets three times a year; coinciding with the meetings of this Committee. The South African subsidiary Finance and Risk Committees meetings are chaired by the Group CFO, while Sea Harvest Australia has its own independent, non-executive chairperson. Group Audit and Risk Committee members as well as the external auditors, internal auditors, and representation from Group Finance, Compliance and IT are invited to attend each subsidiary Finance and Risk Committee meeting.

As is relevant, the functions of these subsidiary Finance and Risk Committees mirror those of the Group Audit and Risk Committee and, as such, allow for the necessary oversight and governance to be exercised through these committees, including risk management, internal audit, compliance, financial reporting governance, and IT management.

RISK MANAGEMENT AND COMBINED ASSURANCE

The Committee continues to exercise oversight of strategic risks that could materially impact the ability of the Group to deliver its objectives and the related mitigation plans and considers these appropriate through the adopted combined assurance approach. Assurance is obtained from several assurance providers in a co-ordinated manner to avoid duplication of effort.

For the 2023 financial year, the Committee considered the risk assessments and mitigation plans presented by management and evaluated and approved the plans of the internal audit function, the external auditors, and the outcomes of the audit work performed. The Committee is satisfied that the combined assurance approach is appropriate and provides sufficient assurance over the Group's risk universe.

IT GOVERNANCE

The Committee has oversight responsibility for IT governance and IT risk management, which is rigorously managed by management through the established IT Steering Committee.

IT governance and IT risk management are managed through various charters, plans, policies, procedures and practices. The Committee reviewed management's continued work in relation to, especially, the effectiveness of the technology and information environment, disaster recovery, and outsourced service providers.

The Committee is satisfied that the report of the IT Steering Committee adequately addresses IT governance and risk management requirements, including the appropriateness of IT strategy and policy, systems and network architecture, applications, disaster recovery, and security management.

EXTERNAL AUDITORS

The Committee has satisfied itself, through the evaluation of submissions made, that the external auditors of the Group and its subsidiaries are independent as defined by the Companies Act and therefore are able to express an independent opinion on the Group's annual financial statements.

The Committee, in consultation with management, has agreed to the audit fee for the 2023 financial year and has evaluated the extent of non-audit work in accordance with the established policy in this regard. The policy of non-audit services establishes that non-audit work performed by the external auditor beyond an agreed rand quantum is approved by the Committee chairperson and tabled at Committee meetings at set intervals. The fees paid to the external auditors for non-audit services in 2023 related to taxation work, transfer pricing assistance, agreed upon procedures in respect of royalty certificates issued to the MSC.

At each meeting of the Committee, the external auditor is provided the opportunity to engage with the Committee without management's presence.

Mr P du Plessis was the designated audit partner for the year ended 31 December 2023. Mr P du Plessis has confirmed to the Committee that Ernst & Young Inc. have complied with the independence requirements in terms of the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants standards.

Key audit matter relating to the 2023 audit

The report of the independent auditors for the year ended 31 December 2023 contained the following key audit matter:

- Impairment assessment of Sea Harvest Australia's goodwill and fishing licences with indefinite useful life.

The Committee addressed the key audit matter as follows:

- The Committee considered the level of impairment testing performed by management and agreed with the conclusions reached by both management and the external auditor that no impairment is required.

INTERNAL AUDITORS

The Group's in-house internal audit function operates in accordance with the Terms of Reference that the Committee reviewed and approved during the reporting period. The Committee has considered the independence and effectiveness of the in-house internal audit function and considered these appropriate.

An external quality assurance review of the internal audit function's compliance with the International Standards for the Professional Practice of Internal Auditing and the Institute of Internal Auditors Code of Ethics was completed during the reporting period.

The Committee regularly evaluated the progress made in relation to the internal audit coverage plan for 2023 and is satisfied that significant matters reported to it and management by the internal audit function are appropriately remediated.

The head of internal audit has the opportunity to meet with the Committee at each meeting without management being present. On a regular basis, the chairperson of the Committee also meets with the head of internal audit and provides feedback to the Committee as appropriate. The Committee is satisfied, through the declarations made by the internal auditors, that the assurances provided to the Committee are aligned with the Code of Ethics of the Institute of Internal Auditors.

ACCOUNTING PRACTICES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Group has designed internal financial controls and systems to provide reasonable assurances as to the integrity and reliability of the interim and annual financial information as well as to safeguard and maintain the assets of the Group.

The Committee has reviewed the written assessment performed by internal audit on the design, implementation and effectiveness of the Group's internal financial controls. Based on the results of this review, information provided by management, and in conjunction with the independent assurance providers, the Committee believes the internal financial controls are suitable and effective and provide a sound basis for the preparation of reliable financial information.

ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements for the year ended 31 December 2023 and is satisfied that it complies with IFRS. Accordingly, the Committee recommended the annual financial statements to the Board for approval, which the Board subsequently approved.

GOING CONCERN, SOLVENCY AND LIQUIDITY

The Committee reviewed the going concern status of the Group, taking into account cash flow analysis, operational analysis, and available funding facilities. The cash flow analysis considered material factors that impact the ability of the Group to generate or preserve cash. The Committee recommended to the Board that the going concern basis of accounting is considered appropriate, and that the Group is considered solvent and liquid to be able to distribute its proposed dividend to shareholders.

JSE REPORTING REQUIREMENTS

The Committee evaluated the submissions made to it by the Company Secretary and management and is satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV™ Codes. The King IV™ Application Register can be found on the Group's website: **https://seaharvestgroup.co.za/investors/governance/**

JSE proactive monitoring report

The Committee has received and considered the findings in the JSE's reports for compliance with IFRS:

- Report on proactive monitoring of financial statements in 2023 (issued 3 November 2023)
- Specific sections from the Proactive Monitoring Limited Scope Thematic review: Cash flow information and disclosures of liquidity and going concern (issued 6 October 2022):
  - Section 7.4: Cash and cash equivalents
  - Section 7.8: Changes in liabilities arising from financing activities
  - Section 8: Liquidity risk
- Specific sections from the Combined Findings of the JSE proactive monitoring of financial statements report (issued 27 October 2023):
  - General (due care) (page 7)

The Committee has ensured that, where applicable, the contents of these reports have been appropriately actioned in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2023.

JSE reporting requirements 3.84(k)

The Committee considered the approach adopted by management to ensure that the CEO and CFO responsibility statement sign-off on the annual financial statements and internal financial reporting controls in terms of JSE Listings Requirement 3.84(k) is appropriately supported.

The Committee, in satisfying itself in this regard, has evaluated:

- the consistency of the processes adopted in respect of risk assessment and scoping, including the determination of materiality applied to ensure that significant areas of risk, complexity and judgement are included for the evaluation of internal financial reporting controls; and
- at each reporting period, the assessment of controls following a combined assurance approach, including management declarations and internal audit findings, following their assessment of the operating effectiveness of internal financial reporting controls.

The Committee is satisfied that this aforementioned process was applied to all material subsidiaries.

The Committee will continue to monitor progress in the implementation of amended and supplementary controls over financial reporting and formal remediation plans developed to address control deficiencies identified in operating effectiveness and design.

The Committee discussed and documented the basis for its conclusion, which includes discussions with internal audit, external audit and management.

The Committee believes that the Group's internal financial reporting controls can be relied upon as a reasonable basis for the preparation of the annual financial statements.

CONCLUSION

I wish to extend my thanks to my fellow Committee members for the work undertaken during this reporting period. On behalf of the Committee, I wish also to thank the invitee non-executive and executive directors, management and assurance providers for their contributions to the Committee this year.



KARI ANN LAGLER
CA(SA)

28 March 2024

Independent Non-executive Director