

# **OCEANA GROUP LIMITED**

## **RISK COMMITTEE CHARTER**

### **1. CONSTITUTION**

The Group's Risk Committee ("the Risk Committee") is established by the Board to assist it with regard to matters set out below.

### **2. RISK PHILOSOPHY AND TOLERANCE**

The group's risk philosophy is to be engaged in catching, processing and marketing fish and fish products, foods, cold storage and related services both locally and internationally only where risks have been adequately identified, measured, evaluated and then subsequently managed so that the risk-reward relationship remains within parameters acceptable to the Board.

### **3. PURPOSE**

The primary purposes of the Risk Committee are to:

- establish and maintain a common understanding of the risk universe, which needs to be addressed in order to meet corporate objectives,
- identify and agree the risk profile of the Group including the ten most important risks affecting the group.
- satisfy the corporate governance reporting requirements,
- monitor the Group's risk management and assurance efforts, and
- report to the Board on the risk management work undertaken and the extent of action taken by management to address areas identified for improvement.

### **4. RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the Risk Committee shall include:

- Recommending the Risk Management Policy and Framework to the Board for approval. Frequency - annually
- Recommending the appetite and tolerance framework to the Board for approval. Frequency – annually.
- Recommending the risk management implementation plan for approval by the Board. Frequency – annually.
- Reviewing the progress against the risk management implementation plan. Frequency – annually
- Reviewing the effectiveness of the risk management arrangements. Frequency – annually.
- Considering emerging issues, their significance to Oceana and associated developments.

- Reviewing the reports on incidents, losses and claims.
- Reviewing the adequacy of the strategic risk register and material risks emanating from the divisional and group functional registers.
- Reviewing the material risks as profiled by management and applying its own mind to the completeness thereof, and making suggestions of additional risks to be considered.
- Reviewing insurance cover on an annual basis.
- Reporting critical risk information to the Board, including:
  - The results of the independent risk management review
  - Progress against the risk management plan, including recommended amendments
  - The material risks facing Oceana which include the strategic risks, the material risks per division and function as well as potentially material emerging issues
  - Remedial actions taken and their effectiveness
  - Consolidated and material incidents and associated losses together with analyses of their causes
- To respect the confidentiality of all confidential information placed before it.

The performance of the Risk Committee in terms of its composition, mandate and effectiveness shall be evaluated by the Board on an annual basis, in a manner which it shall from time to time approve.

## 5. AUTHORITY

The Board acknowledges its responsibility to monitor and review the risk management strategy of Oceana Group Limited and the Risk Committee assists the Board in fulfilling this responsibility.

The Risk Committee has (unless there are sound legal or other reasons for not having such unrestricted access) unrestricted access to all information, including records, property and personnel of Oceana Group Limited, and must be provided with adequate resources in order to fulfil its responsibilities.

The Risk Committee is authorised by the Board to:

- Investigate any activities within its terms of reference.
- Seek outside legal or other independent professional advice at the cost of the company subject to a board approved process being followed.
- Secure the attendance of outsiders with the relevant experience and expertise where necessary at Oceana Group Limited's expense.
- Seek any information it requires from any employee, and all employees are directed to co-operate with any requests made by the Risk Committee.

## **6. MEMBERSHIP**

### **6.1 Composition**

The Board shall appoint the Risk Committee. Its membership shall include at least one non-executive director, and members of the Group's Executive Committee (Exco). The chairman of the Risk Committee is elected by the Board.

The head of Internal Audit is authorised to, and should, attend all meetings of this Committee.

The Committee may invite other persons to attend any of its meetings, including persons having responsibility for managing and reporting on any of the top ten risks affecting the company.

All members of the committee shall have a working familiarity with risk assessments and risk management. The members of the committee shall be knowledgeable about the affairs of the Group and where appropriate specific skills shall be represented on the committee.

Committee members may enhance their familiarity with risk management by participating in educational programmes conducted by the Group or an outside consultant.

Members of the committee who are not board members shall have no vote on matters to be decided by the committee.

### **6.2 Remuneration**

Remuneration shall be as determined by the Remuneration and Nominations Committee.

## **7. MEETINGS**

### **7.1 Frequency**

The Risk Committee shall meet as often as required, but at least twice per annum, within a reasonable period prior to the directors meetings which consider the company's half year and annual results.

### **7.2 Minutes**

A secretary must be appointed to attend and minute the proceedings of all meetings.

The minutes of the meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the committee and other relevant personnel as directed by the committee. The minutes shall be tabled at the following Board meeting.

### **7.3 Quorum**

Two-thirds of the members must attend to constitute a quorum.

**8. REPORTING**

The Risk Committee shall furnish a report to the Board prior to the directors meetings mentioned in 7.1 above.

The reports shall contain sufficient information to inter alia assist in identifying and ranking the material risks of the group and the material risks per division, indicating any changes to the risks and their ranking, the performance of controls for these risks, the status of action plans where risk control improvements are appropriate, any significant losses and unwanted events in the group, and any material changes in the group's risk/reward profile.

**9. REVIEW AND AMENDMENT**

This Charter shall be reviewed annually and may be amended from time to time as required, subject to the approval of the board.

  
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Chairman  
BOARD OF DIRECTORS  
OCEANA GROUP LIMITED

8TH NOVEMBER, 2012  
DATE

  
\_\_\_\_\_  
Chairman  
RISK COMMITTEE  
OCEANA GROUP LIMITED

8th November 2012  
DATE