

# MARETERRAM LIMITED

ACN 009 248 720

## RISK MANAGEMENT POLICY

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### **Introduction**

The Company, through the Board, with the assistance of the Managing Director, Executive Director and senior management as the case may be, has responsibility for identifying, assessing, mitigating and monitoring risks and regularly reporting on risk management.

### **Risk Management Policy**

The Company, through the Board is responsible for risk management policy, which covers organisational, financial and operational aspects of the Company's affairs.

### **Business Risk Management**

The Board identifies the key business risks for the Company.

The Company manages its activities within budgets and operational and strategic plans. The Managing Director, Executive Director and other management must work to safeguard assets and to ensure that business risks are identified and appropriately managed.

### **Internal Controls**

The Board is responsible for the overall internal controls within the organisation, but recognises that no effective internal control system will necessarily preclude all errors or irregularities. The Board examines the adequacy of the nature, extent and effectiveness of the internal control processes of the Company and relies on regular reviews undertaken by external auditors and the declarations made by senior executives.

### **Financial Reporting**

The Board must approve Company budgets and monthly actual results are reported against budget. Forecasts are reviewed regularly and revisions prepared as and when deemed necessary.

### **Operations Review**

Board representatives meet regularly to consider operational practices.

### **Investment Appraisal**

The Board will define guidelines for capital expenditure. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or divestments.

### **Environment and Safety**

The Company is committed to ensuring that sound occupational health and safety practices are carried out in its operations, in compliance with relevant statutory requirements relating to workplace health and safety and community relationships. All activities of the Company must be carried out in accordance with the relevant Company Policies and / or Procedures.

### **Continuous Improvement**

The Company's risk management system is evolving. This is an on-going process and it is recognised that the level and extent of the risk management system will change commensurate with the evolution and growth of the Company's activities.

The Company does not have an internal audit function in accordance with recommendation 7.3 of the ASX Corporate Governance Council. However, the Company's Risk Management Strategy is evolving and it is recognised that the level and extent of the strategy will develop commensurate with the growth of the Company's activities in the following risk areas:

**Corporate:**

- Financial
- Commercial
- Human Resources
- Legal
- Management
- Business Development
- Public Relations

**Operations:**

- Fishing Operations
- Occupational Health & Safety
- Logistics and Products
- Technological
- Government / Industry Regulation
- Supplier and Customer Relations
- Environmental

The Managing Director, Executive Director and senior management review risk management strategy regularly and will report to the Audit and Risk Management Committee on behalf of the Board on a six monthly basis. The report will include modifications to the Company's Risk Register and recommendations for adoption.

The Company will annually assess whether or not it has any material exposure to social sustainability risks, and the steps taken to manage these risks.

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*This Policy was revised by the Board on 29 September 2015*