PEOPLE

REMUNERATION POLICY

Oceana's people and their performance are important to the group.

We strive to in still a performance driven culture and believe the correct reward, motivation and development of each employee is critical in enabling them to reach their full potential.

We maintain a safe and productive work environment, free from any form of discrimination or harassment that engages the passion and commitment of its employees.

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NAMING CONVENTION

The following definitions are applicable in the Oceana Group Limited ("Oceana", "the Company" or "the Group") environment:

- **Reward** is defined as the recognition an individual may receive for their contribution to the organisation. The reward referred to in this document is typically reflected in the **remuneration** offered to the individual and can be comprised of both cash and non-cash components.
- **Basic pay** means the portion of the salary which does not include any bonus or other fringe benefits.
- **Guaranteed pay** is the total annual cost to a company of employing an incumbent. The cost includes the annual basic pay, 13^{th} cheques as well as non-cash fringe benefits and allowances and any company contributions. Typically these include travel (car) allowances, company retirement fund contributions and medical aid contributions. Company assistance, subsidies and any other recreational or other benefits fall outside of the definition.
- **Variable pay** is defined as a non-guaranteed performance-related payment, linked to individual, team or organisation performance. Variable pay is classified as either short-term incentives or long-term incentives (see below).
- **Short-term incentive ("STI")** is an annual cash bonus based on the performance of the organisation, team and/or individual performance over one financial year. STIs refer to incentives where performance is measured on an annual basis (in terms of the Oceana Group Incentive Bonus Scheme).
- **Long-term incentive ("LTI")** is an annual offer of either cash settled or equity settled share options or share awards which vest over a 3-5 year period. This scheme is a long term scheme, in terms of which value for employees is only created from the third anniversary of the award date. The details on Oceana's LTI plans are set out in the sections below.
- **Remuneration** is the term used when referring to the various components of the remuneration package collectively.
- **IPA** means the Individual Performance Agreement referred to in the Oceana Performance Management and Talent Management Guidelines ("Performance Management Guidelines").
- **Remuneration levels** are shown in **quartiles and percentiles** and are defined as follows:
    - **Lower Quartile (LQ)** – 75% of the sample earns more and 25% earns less than this salary level.
    - **Median (Med)** – 50% of the sample earns more and 50% earns less than this salary level.
    - **Upper Quartile (UQ)** – 25% of the sample earns more and 75% earns less than this salary level.
    - **90^{th} Percentile (90^{th})** – 10% of the sample earns more and 90% earns less than this salary level.
- **Organisational levels** are defined according to the Paterson Grading system.

REMUNERATION PHILOSOPHY, PRINCIPLES AND OBJECTIVES

This document summarises Oceana's remuneration policy and has been prepared in accordance with governance best practice as contained in the 2016 King IV Report on Corporate Governance ("King IV"). It complies with legislation, including but not limited to, the Companies Act 71 of 2008 as amended, the Employment Equity Act 55 of 1998 as amended, and the Johannesburg Stock Exchange ("JSE") Listings Requirements.

This policy provides the details of the components of Oceana's remuneration policy and should be read in conjunction with other applicable policy documents from time to time.

Whilst we aim to reward superior performance and the achievement of the organisation's strategy we must also ensure that there are consequences for underperformance. Managers play a vital role in ensuring that the performance management process in terms of the Performance Management Guidelines provides the right information required to inform remuneration decisions made by Oceana's remuneration committee ("Remco").

Oceana's remuneration policy is formulated to attract, retain, motivate and reward high calibre employees in support of our commitment to achieving "employer of choice" status. The remuneration policy is drafted on an organisation-wide basis (it should be noted, however, that the remuneration arrangements of collective bargaining unit employees are not governed by this policy). The remuneration framework and policy are based on the principle of fair and responsible remuneration. We aim to encourage high levels of performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. The way we remunerate employees reflects the dynamics of the market, as well as the social, economic and environmental context in which Oceana operates.

FAIR AND RESPONSIBLE REMUNERATION

Oceana is dedicated to improving employment conditions for all employees across the Company and may undertake and implement various initiatives, from time to time, to progressively realise the concept of fair and responsible remuneration.

Oceana seeks to attract and retain the best talent, and also promotes employment equity and diversity in the workplace. In order to assess internal pay disparities, the Company may take the following actions:

- Monitor internal equity by using recognised statistical methods of calculation; and
- Conduct an assessment of pay conditions between employees at the same level or same job, or employees whose work is of equal value. This is done in accordance with the principle of Equal Pay for work of Equal Value within a specific division or business entity and aims to identify and address any unjustifiable income disparities.

Additionally, Oceana may take the following steps to improve the working conditions for employees:

- Conduct career mapping and provide skills development opportunities for all employees, in line with core and critical skills requirements, which could result in employees improving their skills and gain experience necessary to progress their career within Oceana and improve their earning potential; and
- Assist employees (for example through the *Ask Nelson* wellness programme) by providing them with financial education including debt counselling, training on basic financial education in avoiding over-indebtedness, and monitoring the enforcement

of garnishee orders or emoluments attachment orders that reduce the net salaries of employees.

REMUNERATION MIX

Remuneration is comprised of guaranteed pay and variable pay (STIs and LTIs). Each component of the remuneration package has a different set of rules and guidelines applicable to it.

The ***remuneration mix*** reflects the relative proportions of each component of remuneration in the remuneration package, which is linked to a job grade/level and the nature of expected outcomes.

The target remuneration mix will vary at each grade/level in the Company. As a guideline, more senior employees should have a higher proportion of variable pay in their remuneration mix, as they have the ability to influence the financial performance and strategic outcomes of the Company and/or its various business units.

The guaranteed and variable pay components of the remuneration mix are set out in the sections below. Other forms of reward could be put in place in order to recognize outstanding achievement in key performance areas as determined from time to time i.e. recognition for demonstrating behaviour that supports strategic objectives and a healthy organisational culture.

Remco has designed the remuneration mix for executives in a way that avoids over-dependence on variable pay by participants, which in turn discourages any risk-taking behavior that may be harmful to the Company. At lower levels, the remuneration mix is weighted in favour of guaranteed pay in line with market practice.

GUARANTEED PAY

Introduction

In order to attract and retain talent, guaranteed pay is targeted within a range of between 80% and 120% of the market median levels (as reflected by the relevant market data survey). Guaranteed pay is reviewed annually and benchmarked to appropriate market data taking into account the size, complexity and profitability of the Company. The Remco maintains a consistent approach in setting remuneration, in line with the guidelines set out below, to assist Oceana in mitigating any internal wage gap concerns.

The following rules and guidelines apply to setting guaranteed pay.

Job level and internal equity

1. All jobs are documented in the form of job profiles.
2. Oceana conducts job evaluations in order to determine the size of the role which then determines the grade/level of the role. The Paterson Grading system is used.
3. Roles are then matched to the relevant remuneration surveys in order to determine appropriate remuneration benchmarks.
4. A premium above the market median may be considered in order to attract scarce skills where applicable.

Guaranteed pay is determined by a number of factors, which can create differentiation within job levels. Remuneration bands are determined for each grade/level, based on prevailing market conditions.

Annual remuneration reviews

In addition to market benchmarking, individual performance is another factor that is considered in annual remuneration reviews. Oceana has two formal performance reviews at mid-year and the end of the financial year.

Ordinary review (annual review)

In order for Oceana to maintain an appropriate remuneration market comparison *vis-à-vis* the labour market, remuneration for staff on total cost to company packages will generally be reviewed effective 1 October of each year for all employees who do not fall in the bargaining unit (referred to as "ordinary review"). For all other employees who belong to a collective bargaining unit, the effectives dates may vary based on the date of settlement of the collective bargaining agreement.

The intention is to develop a fair principles-based approach that links performance to annual salary reviews where applicable.

Ordinary reviews will be informed by:

1. Projected inflation;
2. Internal equity i.e. within the broad framework of occupational groups;
3. External market (as detailed in this policy);
4. Performance (individual and organisation); and
5. Affordability.

Extraordinary review (*ad-hoc* salary adjustments)

In extraordinary circumstances, e.g. a promotion, job restructuring, or adjustment of market rates, *ad-hoc* salary adjustments may be considered. When considering a salary adjustment, Oceana will take into account the overall salary history of the individual, the internal and external market benchmark of the role, as well as the experience and skills of the individual.

Underperformers

Underperformance should be actively managed in accordance with the Performance Management Guidelines and in compliance with labour legislation.

EMPLOYEE BENEFITS

Employee benefits are market related and offered as an additional measure of improving employees' financial planning, and in pursuit of the Company's goal of achieving employer of choice status. These are offered in line with statutory requirements and agreements with employees as a part of their remuneration package. Employee benefits are only applicable to permanent employees within Oceana.

Available benefits

Oceana offers the following benefits to its employees (refer to the relevant policies for more detail):

1. Employees may elect to structure their annual TCTC package in such a way that they receive either 12 monthly payments or alternatively 13 smaller monthly payments over a 12 month period (the 13th monthly payment, received in the 12th month, in this context would not constitute a bonus, but is merely a payment structuring of an employee's annual cost to company) – only applicable to TCTC employees;
2. Medical aid benefit funded from TCTC (compulsory benefit for employees in South Africa at Paterson Grade C and above) – only applicable to TCTC employees;
3. Retirement funds (pension, provident and executive provident fund) – compulsory benefit for all permanent employees
4. Housing allowance (Namibia only, forms part of TCTC pay);
5. Leave entitlements which include annual leave (above statutory limit), sick, family responsibility, study benefits and leave; and
6. Allowances, which include car, overtime, shift, standby, cell phone and acting allowances.
7. 13th cheque for all employees on basic plus benefits.

The full details of the benefits available are set out in separate documents, which can be obtained from the Group human resources department.

VARIABLE PAY - INTRODUCTION

Variable pay refers to STIs and LTIs, which are linked to Company and/or individual performance. Variable pay programmes support the achievement of Oceana's objectives and achieve specific value drivers as defined in the organisation's strategic goals, including:

1. Being self-sustainable;
2. Rewarding excellence in business processes including generating sustained financial returns, driving transformation and localisation, optimising operations, leading stewardship of marine resources and building trusted relationships; and
3. Becoming an employer of choice.

In line with King IV, the table below sets out the positive outcomes of the performance measures across the six integrated reporting capitals that Oceana uses or affects.

Variable pay scheme	Performance measure	Positive outcomes of performance
STI (group level)	Headline earnings per share ("HEPS")	**Financial capital** – these performance measures drive capital appreciation on the investments made by Oceana's shareholders.
	Return on net assets ("RONA")	

Variable pay scheme	Performance measure	Positive outcomes of performance
	Individual performance objectives	The individual performance criteria are designed to affect a number of integrated reporting capitals, including: • Natural capital • Human capital • Social and relationship capital • Manufactured capital • Intellectual capital
STI (divisional/SBU level only)	Operating profit	**Financial capital** – encourages employees to meet the Company's liquidity profile and future cash requirements for a more profitable business, ultimately increasing shareholder value. **Manufactured capital** – the achievement of operating profit ensures that the infrastructure that forms part of Oceana's business (e.g. the fishing fleet, factories and storage facilities) is used efficiently in order to achieve revenue targets.
	RONA	**Financial capital** – this performance measure drives capital appreciation on the investments made by Oceana's shareholders.
	Individual performance objectives	The individual performance criteria are designed to affect a number of integrated reporting capitals, including: • Natural capital • Human capital • Social and relationship capital • Manufactured capital • Intellectual capital
LTI	Share appreciation rights: - Growth in the share price - HEPS	**Financial capital** – these performance measures drive increase in the share price and capital appreciation on the investments made by Oceana's shareholders.
	Performance shares: - Total shareholder return ("TSR")	
	Restricted shares: - Employee retention	**Financial capital** – the capitals that are affected by the performance measures for STI apply to the individual performance metric for restricted shares.

STIs

Introduction

The purpose of the STI is to incentivise the delivery of predetermined short-term performance targets. These targets, reviewed annually, are based on financial performance and the achievement of agreed strategic and individual performance objectives ("KPIs"). KPIs are driven through the Company's performance management system in terms of the Performance Management Guidelines, and can include sustainability, transformation and personal performance objectives.

The relative weighting of financial and non-financial performance targets is applied based on the level of the employee, and their line of sight relating to Oceana's financial performance.

Details of the STI are available in the plan rules which are reviewed on an annual basis and are approved by Oceana's Remco (in the event of a contradiction between this policy and the rules of the scheme, the rules will be deemed to be definitive). Eligible participants include employees from the Paterson grade C and above who are remunerated on a TCTC basis.

Guiding principles

The scheme must drive the business strategy and objectives of Oceana, and the achievement of Oceana's short-term profitability and strategic goals, without compromising long term sustainability. It should also be aligned to best practice corporate governance.

On-target earning potential for STI

Incentive calculations will be calculated as a percentage of the individual's TCTC package based on guidelines contained in the rules of the Scheme. The on-target STI percentages at executive level are set out below:

Position	STI on-target earning potential	STI outperformance earning potential
Chief executive officer ("CEO")	75% of package	37.5% of package
Executives	75% of package	37.5% of package

Performance score

STI bonus payments are dependent on the achievement of the Company's financial targeted levels of performance (determined with reference to a scale as agreed on annual basis). The scale refers to specific target increases in HEPS, as well as RONA. In addition, the achievement of individual KPIs is taken into account when determining the final STI bonus payment, based on the evaluation scorecard below. Consistent with Oceana's culture of pay for performance, STI bonus payments are only made if financial and non-financial targets are met. The achievement of the RONA target is an overriding condition – if it is not met at Group level, the portion of STI applicable to group will not be paid at that level. Once the RONA hurdle has been achieved, the other performance conditions at Group level will be tested and based on the achievement thereof, the final STI amount will then be determined.

STI performance conditions – Group level

<table>
<tr><th rowspan="2">Position</th><th colspan="4">HEPS growth</th><th colspan="2">Individual performance modifier</th></tr>
<tr><th>Weighting</th><th>Threshold</th><th>Target</th><th>Stretch</th><th>Weighting</th><th>Modifier %</th></tr>
<tr><td>CEO
On-target earning potential:
75% of package</td><td>80%</td><td colspan="3">As agreed on an annual basis</td><td>20%</td><td>From 0% to 100%, based on a 5 point rating scale.</td></tr>
<tr><td>Executives
On-target earning potential:
75% of package%</td><td>80%</td><td colspan="3">As agreed on an annual basis</td><td>20%</td><td>From 0% to 100%, based on a 5 point rating scale.</td></tr>
</table>

STI performance conditions – divisional level

The STI performance conditions at divisional level consists of a group and divisional portion with each portion having its own targets which are agreed on an annual basis. Each division has its own RONA target and operating profit target which would be in line with those of the executives.

The final STI payments will be made to the participants in November if the required performance conditions are met.

Elective deferral of shares and bonus matching

Executive directors may elect to defer a portion (25%, 33% or 50%) of their pre-tax STI into restricted shares. This allows executive directors to extend their variable pay over a longer term horizon, and align their interests with those of the shareholders. This elective deferral also supports retention as the matching shares are subject to continued employment for the vesting period.

The bonus calculation at the end of the STI performance period recognises and incorporates any elective deferral, and the cash bonus payment is commensurately lower than it might have been if the elective deferral was not made. In turn, restricted shares (depending on the level of deferral chosen) are granted, which are then matched one-for-one with additional restricted shares. More detail in this regard is set out in the "restricted share" section below.

All restricted shares (specifically the matched portion of restricted shares) are subject to pre-vesting forfeiture (malus) and post vesting forfeiture (clawback), in accordance with the trigger events set out above.

Introduction

Oceana has two LTIs, namely the Phantom Share Option Scheme (introduced in 2006) and the Oceana Group 2013 Share Plan (introduced in 2014). The details of the two LTI plans are contained in the respective plan rules. The Phantom Share Option Scheme is a legacy scheme (no more awards are made in terms of this scheme), and previous allocations will vest or lapse (as the case may be).

The Oceana Group 2013 Share Plan was designed to enhance the reward and performance characteristics of the previous Phantom Share Option scheme. The plan provides for the inclusion of a number of additional performance conditions, designed to align the interests of the participants with those of Oceana's shareholders.

LTI allocation methodology

In terms of the Oceana Group 2013 Share Plan, executives (grades E and F) and nominated managers (Grade D) of Oceana may be offered, on an annual basis:

1. Allocations of share appreciation rights; (grades F, E and nominated D managers)
2. Conditional awards of (full value) performance shares (only grades F and E); and
3. Grants of (full value) restricted shares, comprised of:
   a. Bonus matching (grades F and E); and
   b. Elective deferral (co-investment plan) – only grade F
   c. Matched elective deferral shares (only grade F).

The annual allocation levels, as a percentage the applicable base, are set out below.

	% of guaranteed package		% of STI
Participant Level	SARs	PS	RS
CEO	100%	35%	17%
Executives	65%	18%	17%
Senior management	37% - 50%	9% - 12%	19% - 27%

The allocations are based on a percentage of guaranteed pay (for SARS and performance shares) while restricted shares are based on a percentage of STI earned for the applicable financial year. In turn the percentages are based on market benchmarks for each level of employee.

Only the Group executive committee members participate in the elective deferral for restricted shares (which serves as a co-investment plan).

Share appreciation rights

Share appreciation rights are notional awards made to participating employees (executives and senior management) in terms of which a participant receives a right to a future cash amount, equal in value to the difference between the strike price (based on the volume-weighted average price ("VWAP") on the grant date of the award) and the applicable VWAP on the date that the awards are exercised. The Board may determine further performance conditions for the awards from time to time.

Share appreciation rights vest on the 3^{rd}, 4^{th} and 5^{th} anniversary of the grant date and must be exercised by the 7^{th} anniversary of the grant date, failing which any unexercised share appreciation rights will lapse.

The entire award of share appreciation rights is subject to performance conditions and continued employment for the vesting period. The performance condition is real HEPS growth (i.e. HEPS growth above the Consumer Price Index for the financial years over which the performance condition is tested), which is measured as follows:

Targeted Real HEPS growth of 3% p.a. over 3, 4 and 5 year period	Vesting %
>0% and <0.5%	5%
>/=0.5% and <1%	10%
>/=1% and <1.5%	16%
>/=1.5% and <2%	27%
>/=2% and <2.5%	44%
>/=2.5% and <3%	75%
>/=3%	100%

Retesting of performance conditions is not allowed. The appreciation in Oceana's share price (which is required for the SAR to yield value to the participants) also acts an inherent performance condition.

Performance Shares

All executives and senior managers are eligible to participate and receive performance shares. Performance shares reward future financial performance of the Company. The performance condition for vesting is based on Oceana's Total Shareholder Return (TSR) performance in relation to companies on the JSE Industrial Index. Retesting of performance conditions is not allowed.

Performance shares are full value shares and will vest on the third anniversary from the grant date, based on the achievement of the performance condition. The TSR condition is measured as follows:

Performance measure (TSR) placement	Number of performance shares that may vest
15^{th} position (approximately upper quartile) or better	Maximum (three times the targeted number of shares)
45^{th} position (approximately median)	Target (one third of the maximum number of shares)
75^{th} position (approximately lower quartile) or less	All performance shares will be forfeited

A prorated number of shares may vest if Oceana's TSR performance over the vesting period lies between the three aforementioned positions on the JSE Industrial Index.

Restricted Shares

Restricted share awards are made annually, and reward individual performance under the STI for the 12 months preceding the grant date. Restricted shares form the third component of a participant's annual LTI award. Eligible participants include executive directors and senior management.

The value of restricted shares is linked to a percentage of STI earned (i.e. STI is used as a proxy to determine the quantum of restricted shares), but where the employee (only executives) further defers a portion of their cash STI into restricted shares, such shares are matched (1:1) with co-investment shares. The award of restricted shares as well as any matching shares (utilising restricted shares as the instrument) are governed by the 2013 Share Plan Rules.

Eligible participants are Group executives who participate in the STI plan. The deferral mechanism is explained in the STI section above. The restricted shares are based on a performance underpin, as performance is measured "on the way in" through the STI. Accordingly, individual performance conditions are tested and met as the basis for granting awards.

Comprehensive details regarding restricted share awards are included in the LTI plan rules and disclosed in the annual remuneration report.

Risk adjustments – malus and clawback

Oceana reserves the right to reduce any LTI award prior to the vesting date, or to recover vested LTIs from a participant, should any unacceptable performance on the part of an employee be subsequently identified.

Dilution limits

The LTIs must be implemented within the shareholder approved dilution limit. The maximum aggregate number of shares that may be acquired by participants under this scheme may not exceed 2 000 000 (1.7%) shares of the issued share capital, with the maximum for any one participant being 400 000 (20%) shares issued in scheme. Remco is to keep track of the dilution limit usage and calculate the headroom before an LTI award is made to ensure that the neither the Company limit nor the individual limit is exceeded. Refer to the remuneration report and/or LTI plan rules for further details on the dilution limit and usage of shares to settle LTIs.

Manner of settlement

In order to allow for flexibility, Oceana may use one of the following methods of settlement:

- Purchasing shares off the market;
- Use of treasury shares;
- Issuing shares (within the dilution limit); and/or
- Cash settlement.

The exact method of settlement shall be determined by the Remco bearing in mind the dilution limits and the business cycle of the Company.

Early termination of employment ("termination")

Upon termination of employment during the vesting period, employees may be classified as fault or no-fault terminators. The full details are set out in the plan rules.

Fault termination: all unvested awards will be forfeited or cancelled on the date of termination of employment.

No-fault termination: Prior to vesting or exercise of an allocation, then the allocation will automatically vest or deemed exercised on the date of termination of employment to the extent that performance conditions are met.

Change of control

In the event of change of control of the Company during the vesting period, as defined in the 2013 Share Plan Rules, then the rights (whether conditional or otherwise) in and to the share appreciation rights, performance shares and/or restricted shares of participants will be accommodated on a fair and reasonable basis (as determined by the Board).

Daybrook employees

Employees of the United States-based subsidiary Daybrook Fisheries Incorporated ("Daybrook") benefit from a deferred compensation plan. Nominated employees are eligible to receive an allocation equal to 25% of their guaranteed package. The allocation vests after 3 years. Where employment is terminated before the end of 3 years, the contribution value is forfeited.

SERVICE CONTRACTS

Executive directors do not have fixed term contracts. Oceana concludes permanent employment contracts with its executive directors which can be terminated by either party subject to a three month notice period. In the event of termination of employment, Oceana may elect to pay a departing executive director a cash lump sum *in lieu* of the notice period. The retirement age for an executive director is 63 years.

In the event that an executive director's service contract is terminated due to operational reasons, Oceana's obligation to make a severance payment will be governed by the provisions of the Labour Relations Act.

External appointments

Executive directors may not serve as non-executive directors in other companies without the express approval of the Board.

Sign-on awards

Oceana may make *ad hoc* sign-on awards (in shares) to incoming executive directors and key employees, which awards will be made subject to a two-year vesting period. The award is subject to forfeiture and clawback should the executive director leave the Company during the vesting period or should misconduct be discovered on the part of the executive.

NON-EXECUTIVE DIRECTORS

Non-executive director ("NED") fees are paid in respect of membership of the Oceana Group Board, which fees reflect the responsibilities borne by NEDs throughout the year. Fees are paid in cash. The fee structure is evaluated on a regular basis based on NED fee surveys and the results of benchmarking exercises performed against peer group companies of a similar size and in a similar sector.

NEDs serving on Board committees earn fees based on the relevant committee. Fees are paid to NEDs on an annual retainer basis to account for the responsibilities borne by them throughout the year. NEDs are not paid an attendance fee per meeting.

NEDs do not qualify for share options nor do they participate in any variable pay incentive schemes, in order to preserve their independence.

In the event of extraordinary work performed by NEDs, they will be remunerated on an hourly rate basis, and *ad-hoc* expenses will be reimbursed as and when required.

NED fees are reviewed annually and proposed adjustments are tabled by the CEO for review by Remco. Remco will consider the proposed adjustments, taking into account increases (if any) across the Company, and provide a recommendation to shareholders for their approval of the proposed adjustments at the annual general meeting ("AGM").

Should an NED serve the Company for nine years or more, his or her independence will be assessed annually thereafter.

REMUNERATION COMMITTEE

In line with King IV, Remco is appointed by the Board as a subcommittee and has delegated authority, in accordance with its terms of reference. The terms of reference are reviewed by the Board annually. In line with best practice, the majority of the members are independent non-executive directors.

The Remco is established to develop a remuneration policy that supports the strategic vision of the Company, and to set the direction for how remuneration should be approached and addressed on an organisation-wide basis.

The Remco must ensure that the Company's remuneration structure is in line with best practice and as such, decisions regarding the Company's remuneration policy and the implementation and execution thereof are its main responsibility.

A substantial portion of Oceana's employees either form part of a bargaining unit or are independent contractors employed on a fixed-term contract (within the bounds of South African labour legislation). The employment and remuneration arrangements of these employees are governed by separate agreements and are negotiated on an operational level (subject to oversight from the Remco).

The Remco may consult independent advisors to provide them with market practice, and to assist (where appropriate) with matters and decisions relating to remuneration.

The full duties of the Remco are set out in its terms of reference, available on the Oceana website.

SHAREHOLDER ENGAGEMENT AND VOTING

Understanding and being responsive to the interests of various stakeholders, including shareholders, is critical to delivering on Oceana's core business strategy.

Oceana is dedicated to responsible corporate governance practices, creating sustainable growth in shareholder value through consistent improvement in earnings, clear growth and expansion of capital, and engaging with its shareholders.

In line with best practice (notably King IV) and the JSE Listings Requirements, from the 2017 AGM onwards the remuneration policy together with the implementation report (as contained in the annual remuneration report) will be tabled for two separate non-binding advisory votes by shareholders. In the event of 25% or more of the shareholders voting against either or both the remuneration policy and implementation report, Oceana will take the necessary steps to engage with shareholders in an effort to ascertain the reasons for their dissenting votes. Oceana will:

1. Extend an invitation to dissenting shareholders in the Stock Exchange News Service ("SENS") announcement with the results of the AGM, for them to engage with Oceana around their reasons for voting against the relevant resolution; and
2. The invitation will reveal the manner and timing of engagement, which may include communication via email, telephone calls, meetings, roadshows and other methods of communication.

Oceana will ascertain the reasons for dissenting votes and regularly respond and provide constructive feedback to shareholders' questions, queries and concerns. Where appropriate (in the case of legitimate and reasonable concerns) Oceana may consider amending elements of the remuneration policy to align it further to market practice and shareholder value creation.

Remco shall disclose, in the background statement of the remuneration report from the 2018 financial year onwards, the results of its shareholder engagement. In the event that one or more of the remuneration-related resolutions are voted against by 25% or more of the shareholders, this disclosure will also include:

1. With whom Oceana engaged;
2. The manner and form of the engagement that took place; and
3. The nature of the steps taken by Oceana to address legitimate and reasonable objections and concerns raised by dissenting shareholders.

AUTHORISATION AND REVIEW

1. This policy has been prepared in consultation with the Group CEO and signed and authorised by **Remco** on the original.

2. This policy will be reviewed annually, or alternatively earlier should the need arise.

SIGNED INTO EFFECT ON THIS 7TH DAY OF DECEMBER 2017

PG DE BEYER
CHAIRPERSON – OCEANA GROUP REMUNERATION COMMITTEE