
CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

A Fortune
Oceana House
25 Jan Smuts Street
Foreshore
Cape Town
8001
(PO Box 7206, Roggebaai, 8012)

Date of incorporation: 30 July 1918

Place of incorporation: South Africa

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(Private Bag X9000, Saxonwold, 2132)

Namibian sponsoring broker

Old Mutual Investment Services (Namibia)
Proprietary Limited
(Registration number 1999/004643/06)
10th Floor Mutual Tower
223 Independence Avenue
Windhoek
Namibia
(PO Box 25549, Windhoek, Namibia)

Financial advisor

Rand Merchant Bank (A division of FirstRand
Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton
2196
(PO Box 786273, Sandton, 2146)

M&A Consultant

Masico Advisory Proprietary Limited
(Registration number 2020/563081/07)
20 West Road South
Morningside
Sandton
2196

Legal and tax advisor

Edward Nathan Sonnenbergs Inc. t/a ENSafrica
(Registration number 2006/018200/21)
35 Lower Long Street
Foreshore
Cape Town
8001
(PO Box 2293, Cape Town, 8000)

Sponsor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank
2196
(PO Box 61344, Marshalltown, 2107)

Independent reporting accountants

Deloitte & Touche
(Practice number 902276)
The Ridge
6 Marina Road, Portsworld District
V&A Waterfront
Cape Town
8000
(PO Box 578, Cape Town, 8000)

Independent Expert

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

2nd Floor, Building 3
11 Alice Lane
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore, 2010)

ACTION REQUIRED BY OCEANA SHAREHOLDERS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary intention).

Oceana Shareholders are requested to take careful note of the following information regarding the actions required by them in connection with this Circular.

If you are in any doubt as to what action to take arising from this Circular, please consult your broker, CSDP, banker, legal advisor, accountant, or other professional advisor immediately.

If you have disposed of all your Oceana Shares on or before Tuesday, 9 February 2021, please forward this Circular to the person to whom you disposed of such Oceana Shares or to the broker, CSDP, banker or other agent through whom you disposed of such Oceana Shares.

As a result of the COVID-19 pandemic, and guidance from authorities regarding the need for social distancing, the General Meeting will be conducted entirely by electronic communication.

1. GENERAL MEETING

A General Meeting of Oceana Shareholders has been convened in terms of the Notice of General Meeting, attached hereto, for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions set out in the Notice of General Meeting. The General Meeting will be conducted entirely by electronic communication, as permitted by the Companies Act and the Company's MOI **at 14:00 (South African Standard time) on Tuesday, 23 February 2021.**

2. ELECTRONIC PARTICIPATION

2.1 Shareholders or their duly appointed proxy(ies) who wish to participate in the General Meeting via electronic communications must either:

- register online using the online registration portal at www.smartagm.co.za; or
- apply to Computershare, by registering the duly completed electronic participation form to: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posting it to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132, or by sending an email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 (South African Standard time) on Monday, 22 February 2021. The electronic participation form can be found as an insert to the Notice of General Meeting. Computershare will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communications facility will be provided.

2.2 Computershare will inform Shareholder participants who notified SmartAGM or Computershare of their intended participation in accordance with the details under Electronic Participation set out on page 97 in the Notice of General Meeting, by no later than Monday, 22 February 2021 by email of the relevant details through which Shareholder participants can participate electronically.

2.3 The cost of electronic participation in the General Meeting is for the account of the Shareholder participant and will be billed separately by the Shareholder participant's own service provider.

2.4 The Shareholder participant acknowledges that the electronic services are provided by third parties and indemnifies Oceana against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Shareholder participant or anyone else. In particular, but not exclusively, the Shareholder participant acknowledged that he/she will have no claim against Oceana, whether for consequential damages or otherwise, arising from the use of electronic services or any defect in it or from the total or partial failure of the electronic services and connections linking the Shareholder participant via the electronic services to the General Meeting.

3. DEMATERIALISED OCEANA SHAREHOLDERS WITHOUT "OWN NAME" REGISTRATION

In accordance with the mandate between you and your Participant or Broker, you must advise your CSDP or Broker if you wish to participate or be represented at the General Meeting. If your Participant

or Broker has not contacted you, you are advised to contact your Participant or Broker and provide them with your voting instructions. If your Participant or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must **NOT** complete the attached form of proxy (*blue*).

4. **DEMATERIALIZED OCEANA SHAREHOLDERS WITH “OWN NAME” REGISTRATION AND CERTIFICATED OCEANA SHAREHOLDERS**

You are entitled to participate at the General Meeting via electronic communication.

Alternatively, you may appoint one or more proxies to represent you at the General Meeting by completing the attached form of proxy (*blue*) in accordance with the instructions it contains. A proxy need not be a Shareholder of the Company. It is requested that, for administrative purposes, the form of proxy (*blue*) be lodged with Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132 or by sending an email to proxy@computershare.co.za so as to be received by Computershare to be received by no later than 14:00 (South African Standard time) on Friday, 19 February 2021. If you do not lodge or post the form of proxy (*blue*) to reach Computershare Investor Services Proprietary Limited by the relevant time, you will nevertheless be entitled to have the form of proxy (*blue*) lodged immediately prior to the proxy exercising your right to attend, speak and vote at the General Meeting with the chairman of the General Meeting.

Where there are joint holders of Oceana Shares, any one of such persons may vote at the General Meeting in respect of such Oceana Shares as if they are solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, the person whose name stands first in Register in respect of such Oceana Shares or their proxy, as the case may be, shall alone be entitled to vote in respect of such Oceana Shares.

Oceana does not accept responsibility and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised Oceana Shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner to notify such beneficial owner of the General Meeting or of the matters set forth in this Circular.

5. **IDENTIFICATION OF SHAREHOLDERS**

Oceana Shareholders are entitled to attend, speak and vote at the General Meeting. In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as an Oceana Shareholder, or as a proxy for an Oceana Shareholder, has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licences or passports.

A Shareholder or its representative or proxy, as the case may be, will be required to provide Computershare with reasonably satisfactory identification as a part of the validation process to participate in the General meeting by way of electronic communication. Failure to do so may mean that the participant is unable to participate in the General meeting either at all, or promptly. Oceana and Computershare shall not be liable for any failure by any Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

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IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section.

2021

Announcement setting out the terms of the OET Specific Repurchase and the BEE Transaction released on SENS on	Friday, 15 January
Record date to receive the Circular containing the Notice of General Meeting on	Friday, 15 January
Circular posted to Oceana Shareholders on	Friday, 22 January
Last day to trade to be entitled to participate and vote at the General Meeting on	Tuesday, 9 February
Record date to be entitled to participate and vote at the General Meeting on	Friday, 12 February
For administrative purposes, Oceana Shareholders requested (but not required) to lodge forms of proxy (<i>blue</i>) with Computershare, by 14:00 on	Friday, 19 February
General Meeting of Oceana Shareholders to be conducted entirely by electronic communication at 14:00 on	Tuesday, 23 February
Last date and time for Oceana Shareholders to give notice to Oceana objecting to the OET Specific Repurchase in terms of section 164(3) of the Companies Act, by 14:00 on	Tuesday, 23 February
Results of the General Meeting released on SENS on	Tuesday, 23 February
Results of the General Meeting published in the South African press on	Wednesday, 24 February

If the Conditions Precedent are fulfilled or waived (where capable of waiver) and the OET Specific Repurchase is approved by Oceana Shareholders at the General Meeting

Last day for Oceana Shareholders who voted against the OET Specific Repurchase Resolution to require Oceana to seek Court approval for the OET Specific Repurchase in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Oceana Shareholders at the General Meeting were exercised against the OET Specific Repurchase Resolution	Tuesday, 2 March
Last day for Oceana Shareholders who voted against the OET Specific Repurchase Resolution to apply to the Court for leave to apply for a review of the OET Specific Repurchase in terms of section 115(3)(b) of the Companies Act on	Tuesday, 9 March
Last day for dissenting Oceana Shareholders, by reason of the adoption of the OET Specific Repurchase Resolution, to make a demand to Oceana that Oceana pay such Dissenting Shareholders the fair value of all Oceana Shares held by them, in terms of section 164(7) of the Companies Act on	Wednesday, 24 March

The following dates assume that no Court approval or review of the OET Specific Repurchase is required

Compliance certificate to be received from the TRP on	Wednesday, 24 March
Finalisation announcement released on SENS on	Wednesday, 24 March
Finalisation announcement published in the South African press on	Thursday, 25 March
Delisting application in respect of the OET Specific Repurchase Shares lodged with the JSE on	Friday, 26 March
Implementation (Settlement) Date (on or about)	Tuesday, 30 March
OET Specific Repurchase Shares delisted from the JSE with effect from the commencement of business on	Wednesday, 31 March

Notes:

1. All dates and times are South African dates and South African standard times.
2. The dates and times are subject to change and may be changed by Oceana. Any material change will be released on SENS and published in the South African press.
3. If the General Meeting is adjourned or postponed, forms of proxy (*blue*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. Oceana Shareholders should note that, as transactions in the Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 (three) Business Days after such trade. Therefore, Oceana Shareholders who acquire Shares after Tuesday, 9 February 2021 will not be eligible to vote at the General Meeting as they will not have been recorded on the Oceana Shareholder register on the record date to determine Oceana Shareholders eligible to attend, speak, and vote at the General Meeting.
5. If you do not lodge or post the form of proxy (*blue*) to reach Computershare Investor Services Proprietary Limited by the relevant time, you will nevertheless be entitled to have the form of proxy (*blue*) lodged immediately prior to the proxy exercising his/her rights at the General Meeting with the chairperson of the General Meeting.
6. Oceana Shareholders entitled to do so and wishing to exercise their rights in terms of section 115(3) of the Companies Act, to require the approval of a court for the OET Specific Repurchase (or any other applicable resolution), should refer to **Appendix A to the Notice of General Meeting appended to this Circular** which includes an extract of section 115 of the Companies Act.
7. Oceana Shareholders who wish to exercise their appraisal rights are referred to **Appendix A to the Notice of General Meeting appended to this Circular** for the purposes of determining the full procedure and timing of exercising their appraisal rights in terms of section 164 of the Companies Act. The exercise of appraisal rights may result in changes to the salient dates and times, and Oceana Shareholders will be notified separately of the applicable dates and times resulting from such changes.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the documents annexed hereto, unless the context indicates otherwise:

- the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other genders; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings; and
- all dates and times referred to are South African dates and times, unless otherwise stated.

“Accelerated Repurchase”	the accelerated Repurchase by Oceana and/or its nominee of Trust Shares (including those underlying all remaining Classes of Rights) from the BEE Trusts, as contemplated and provided for in the Subscription Agreements;
“Allocation”	in relation to an Eligible Employee or an Eligible SME, as the case may be, a number of Rights, the extent of which is determined with reference to a number of Trust Shares upon acceptance and which shall, at the time of each Allocation, be in the ratio of 1 (one) Right to 1 (one) Trust Share;
“Allocation Committee”	a sub-committee of the Oceana Board (including any existing committee or sub-committee) that shall be responsible for and have authority to determine and decide from time to time and to communicate to the Trustees those Eligible Employees and Eligible SMEs that shall be invited by the Trustees to accept Allocations issued by the Trustees and become Beneficiaries, and the extent of such allocations per Eligible Employee and Eligible SME;
“Allocation Notice”	a written notice transmitted by the Trustees from time to time (after prior receipt by them of written recommendations from the Allocation Committee) to invite an Eligible Employee or Eligible SME identified therein to accept his/her Allocation and become a Beneficiary of the Employee Trust or the OSE Trust in respect of such Allocations, and in terms of which each Beneficiary is awarded Rights;
“Approximate Benefit”	in relation to a Corporate Action or Event occurring in relation to Oceana or any one or more of its subsidiaries, which action or event is not otherwise specifically dealt with in the Transaction Agreements, and which occurs before the expiry of the Term and the implementation of the Repurchase, a net economic benefit which is substantially the same as the net economic benefit that is expected to have resulted for the Trust and the Beneficiaries following the expiry of the Term and after the implementation by Oceana of the Repurchase absent the relevant Corporate Action or Event;
“B-BBEE”	Broad-Based Black Economic Empowerment as defined in the B-BBEE Act;
“B-BBEE Act”	Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended, including any regulations promulgated thereunder;
“B-BBEE Codes”	B-BBEE Codes of Good Practice on Broad-Based Black Economic Empowerment published in terms of section 9(1) of the B-BBEE Act and applicable to Oceana and/or to the BEE Trusts (as the case may be);
“B-BBEE Commission”	the Broad-Based Black Economic Empowerment Commission, regulator of South Africa’s B-BBEE;
“B-BBEE Requirements”	B-BBEE requirements applicable to the BEE Trusts and/or Oceana (as the case may be) from time to time which are of general or substantially general application, whether or not they have the force of law, including the requirements set out in the B-BBEE Act, the B-BBEE Codes and/or any applicable Sector Code published in terms of the B-BBEE Act which applies to the Group;

“B-BBEE Score”	the score that determines a company’s empowerment from level 1 to level 8 under the B-BBEE Act, the B-BBEE Codes and/or any applicable Sector Code published in terms of the B-BBEE Act which applies to the Group;
“BEE Transaction”	the proposed transaction in terms of which the BEE Trusts will collectively acquire 6.5% of Oceana’s Share Capital, pursuant to the Subscription Agreements (by way of the Specific Issues) and subject to the restrictions and suspensions under the Subscription Agreements and the potential BEE Transaction Specific Repurchases;
“BEE Transaction Specific Repurchase”	the possible future specific Repurchase/s by Oceana (or its nominee) of such number of Trust Shares, at the Repurchase Price, from the Employee Trust and the Stakeholder Trust as are calculated in accordance with the Repurchase Formula in terms of the Transaction Agreements;
“BEE Trusts”	collectively, the Employee Trust and Stakeholder Trust and a reference to “BEE Trust” includes a reference to each individually where appropriate in the context;
“Beneficiaries”	collectively, the Employee Beneficiaries and the Stakeholder Beneficiaries;
“Black People”	black people as defined in the B-BBEE Act (as read with the B-BBEE Codes);
“Board” or “Directors”	the board of directors of Oceana as constituted from time to time and “Director” shall mean any one of the directors of Oceana, as the context may require;
“Broker”	any person registered as a broking member in (equities) in terms of the provisions of the Financial Markets Act;
“Business Day”	a day other than a Saturday or Sunday or an official public holiday in South Africa;
“Capital Gain”	the profit realised on the sale or disposal of a capital asset;
“Capitalisation Shares”	Elective Capitalisation Shares or Non-Elective Capitalisation Shares, as the context dictates;
“Certificated Oceana Shareholder”	an Oceana Shareholder who holds Certificated Shares;
“Certificated Share”	an Oceana Share represented by a share certificate or other physical Document of Title, which has not been surrendered for Dematerialisation in terms of the requirements of Strate and which may no longer be traded on the JSE;
“Circular”	this circular dated Friday, 22 January 2021, including the annexures hereto and Notice of General Meeting and the form of proxy (<i>blue</i>) attached hereto, as applicable;
“Class”	in relation to Rights, refers to Class A Rights, Class B Rights and/or Class C rights, as indicated by the context;
“Class A Rights”	Rights in respect of which the underlying Trust Shares are scheduled to be repurchased by Oceana in terms of the Repurchase on the First Repurchase Date, unless prior to that date Oceana becomes entitled in terms of the Trust Deeds or Transaction Agreements, to effect a Repurchase of such underlying Trust Shares;
“Class B Rights”	Rights in respect of which the underlying Trust Shares are scheduled to be repurchased by Oceana in terms of the Repurchase on the Second Repurchase Date, unless prior to that date Oceana becomes entitled in terms of the Trust Deeds or Transaction Agreements, to effect a Repurchase of such underlying Trust Shares;

“Class C Rights”	Rights in respect of which the underlying Trust Shares are scheduled to be repurchased by Oceana in terms of the Repurchase on the Third Repurchase Date, unless prior to that date Oceana becomes entitled in terms of the Trust Deeds or Transaction Agreements, to effect a Repurchase of such underlying Trust Shares;
“Companies Act”	the South African Companies Act, No. 71 of 2008, as amended;
“Companies Regulations”	the regulations promulgated in terms of section 223 of the Companies Act, published under Government Notice R351 in Government Gazette 34239 of 26 April 2011, as amended;
“Conditions Precedent”	collectively, the suspensive conditions to which the OET Specific Repurchase is subject as set out in paragraph 5 of Section A of this Circular and the suspensive conditions to which the BEE Transaction is subject, as set out in paragraph 16 of Section B of this Circular;
“Corporate Action or Event”	an action taken by Oceana or any other entity or third party which affects the holders of Shares in terms of entitlements or notifications, as such term is defined in the JSE Listings Requirements from time to time;
“Costs”	all costs, expenses and taxes (including Dividend Withholding Tax, where relevant) due and payable by the BEE Trusts, which are not Specific Taxation and Expenses;
“CSDP”	Central Securities Depository Participant Central Securities Depository Participant, being a “participant” as defined in section 1 of the Financial Markets Act;
“DEFF”	Department of Environment, Forestry and Fisheries, or its successor-in-title with jurisdiction over the Fishing Rights;
“Dematerialise” and “Dematerialisation”	the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate, as contemplated in the Financial Markets Act;
“Dematerialised Shares”	Oceana Shares that have been Dematerialised in accordance with the rules of Strate, evidencing ownership of shareholding in electronic format, which Shares may be traded on the JSE;
“Dematerialised Oceana Shareholder”	an Oceana Shareholder who holds Dematerialised Shares;
“Department of Trade and Industry”	department of the South African Government with responsibility for commercial and industrial policy;
“Dividend Percentage”	25% (twenty-five per cent);
“Dividend Withholding Tax”	dividend withholding tax payable in terms of the Income Tax Act, No. 58 of 1962;
“Documents of Title”	valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Oceana Shares, reasonably acceptable to Oceana;
“Economic Interest”	a claim representing a return on ownership similar in nature to a dividend right and as more fully described in schedule 1 to the B-BBEE Codes published under the B-BBEE Act;
“Effective Date”	<ul style="list-style-type: none"> • in respect of the initial Allocation under the BEE Transaction, the 30th (thirtieth) day after the Subscription Date or such other date as Oceana in its discretion shall determine (“First Effective Date”), the Allocation Notice in respect of which shall specify the Effective Date of the initial Allocation; and • in respect of any subsequent Allocation under the BEE Transaction, the date upon which such subsequent allocation to Eligible Employees and SMEs is made, as determined by Oceana from time to time, the Allocation Notice in respect of which shall specify the Allocation Effective Date;

“Elective Capitalisation Shares”	those shares in a company to be awarded to a holder of shares in that company by way of a capitalisation issue, if the capitalisation issue is made to a holder of shares as an alternative to any kind of Normal Distribution;
“Eligible Employee”	<p>any person who is a South African citizen in the full-time employ of any member of the Group including but not limited to Black People, provided that in respect of Allocations after the first Allocation, such person must have been a full-time employee in continuous employment of a member of the Group for at least 3 (three) months prior to the relevant Allocation Effective Date of any such Allocation and the term “Eligible Employee”:</p> <ul style="list-style-type: none"> • includes any person who is employed by any member of the Group as a permanent seasonal; • excludes any person who is a contractor or a temporary employee or casual employee; • excludes any person who is at any time a beneficiary of the Employee Trust;
“Eligible SME”	<p>means an entity which is selected by the Allocation Committee, in its discretion, to participate in the Stakeholder Transaction, is South African Revenue Services compliant, whose constitutional documents are satisfactory to the Allocation Committee and which meets, <i>inter alia</i>, the following criteria:</p> <ul style="list-style-type: none"> • at least 80% (eighty percent) of the exercisable voting rights and 80% (eighty percent) of the economic interest must be held and beneficially owned by (or, in the case of a category D or category E SME, for the benefit of) Black People (as defined in the B-BBEE Act); and • it is an SME and falls within any of the below categories: <ul style="list-style-type: none"> • category A: Fishing Rights holders that are legal entities incorporated under the Companies Act (or its predecessor) or the Close Corporations Act, 1984 and that prior to the First Effective Date (i) have an existing long-term material joint venture or contractual relationship with a member of the Oceana Group, (ii) provide a service to a member of the Oceana Group in terms of the aforementioned contractual relationship or a separate Written services agreement, and (iii) whose identity is acceptable to Oceana for the purposes of this Trust; or • category B: Fishing Rights holders that are legal entities incorporated under the Companies Act (or its predecessor) or the Close Corporations Act, 1984 and that prior to the First Effective Date (i) do not have an existing long-term material joint venture or contractual relationship with a member of the Oceana Group but who wish to enter into a long-term joint venture or contractual relationship with a member of the Oceana Group, (ii) provide a service to a member of the Oceana Group in terms of a Written services agreement, and (iii) whose identity is acceptable to Oceana for the purposes of this Trust; or • category C: new entrants allocated Fishing Rights in the 2020/2021 FRAP that are legal entities incorporated under the Companies Act (or its predecessor) or the Close Corporations Act, 1984 and who (i) enter into a long-term joint venture or contractual relationship with a member of the Oceana Group, (ii) provide a service to a member of the Oceana Group in terms of the aforementioned contractual relationship or a separate Written services agreement, and (iii) whose identity is acceptable to Oceana for the purposes of this Trust; or • category D: the Oceana Maritime Academy, established to develop scarce and critical skills in the South African maritime industry, particularly the small-scale fishing sector; or

- **category E:** Community-based organisations established to promote the welfare and the economic and social development of fishing and coastal communities in South Africa whose identity is acceptable to Oceana for the purposes of this Trust,

provided that at least 85% of the value of the benefits under the Stakeholder Transaction shall be allocated to and/or accrue to Black People;

“Employee Beneficiary”	an Eligible Employee who, upon acceptance of their invitation to become a Beneficiary of the Employee Trust with vested Rights, is so appointed in terms of the Employee Trust Deed;
“Employee Transaction”	the proposed transaction in terms of which the Employee Trust will acquire 6% of Oceana’s Share Capital, pursuant to the relevant Subscription Agreement and subject to the restrictions under the relevant Subscription Agreement and Relationship Agreement with the potential BEE Transaction Specific Repurchase;
“Employee Trust”	the trustees for the time being of the Oceana Empowerment Trust No. 2 registered in accordance with the laws of South Africa with the Master of the High Court, Western Cape Division, under Master’s Reference No. IT001289/2020 (C);
“Employee Trust Deed”	the deed constituting the Employee Trust and setting out, <i>inter alia</i> , governance and Trustee related matters pertaining to the Employee Trust, as amended;
“Employer Company”	any company forming part of the Group that employs Eligible Employees;
“ENSafrica”	Edward Nathan Sonnenbergs Incorporated (registration number 2006/018200/21), a personal liability company duly registered and incorporated in accordance with the laws of South Africa and the legal and tax advisors to Oceana;
“Extraordinary Distributions”	any distributions by the Company which are not Normal Distributions, and accordingly extraordinary distributions include any distribution <i>in specie</i> of an asset, any return of share capital, any distribution the direct source of which is a realisation of any asset held on capital account by the distributor, as well as any other extraordinary distributions;
“Final Date”	the last Business Day of the Term;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012 as amended;
“First Effective Date”	the 30th (thirtieth) day after the Subscription Date or such other date as Oceana in its discretion shall determine;
“First Repurchase Date”	the 8th (eighth) anniversary of the First Effective Date;
“First Trustees”	the persons appointed by Oceana as the first Trustees of the Employee Trust and/or the Stakeholder Trust, as the case may be, in terms of the Employee Trust Deed and Stakeholder Trust Deed, respectively, which first Trustees shall remain in office until letters of authority are issued to those Trustees elected by the Beneficiaries in terms of the Trust Deeds (which election must occur within six months of Beneficiaries becoming Beneficiaries);
“Fishing Rights”	long-term fishing rights held from time to time issued by DEFF in terms of Section 18 the MLRA giving an entity the right to catch those species which are the subject of those rights, for e.g. small pelagic (including, without limitation, pilchard and anchovy and associated by-catch);
“FRAP”	Fishing Rights Allocation Process 2020/2021 (or any extension thereof);

“General Meeting”	the General Meeting of Shareholders to be conducted entirely by electronic communication at 14:00 on Tuesday, 23 February 2021, in order for Oceana Shareholders to vote on the Resolutions set out in the attached Notice of General Meeting;
“Group”	collectively, Oceana, Oceana’s wholly owned subsidiaries and such other subsidiaries of Oceana (as such terms are defined in the Companies Act) from time to time which were or are incorporated in South Africa from time to time under the Companies Act;
“Group Company”	any company forming part of the Group;
“Income Tax”	income tax payable in terms of the Income Tax Act, No. 58 of 1962;
“Independent Expert”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company duly registered and incorporated in accordance with the laws of South Africa and the independent expert to Oceana;
“JSE”	the Johannesburg Stock Exchange, operated by the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE, licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the listings requirements of the JSE, as amended from time to time;
“Last Practicable Date”	Tuesday, 12 January 2021, being the last practicable date prior to the finalisation of this Circular;
“Letter of Representation”	a letter of representation issued by a CSDP or Broker to an Oceana Shareholder authorising the Oceana Shareholder to attend the General Meeting;
“Market Value”	in relation to a Share, means the 30-day VWAP of a Share traded on the JSE as at the close of trading on the date that is the last Business Day prior to the relevant calculation date;
“Masico Advisory”	Masico Advisory Proprietary Limited (registration number 2020/563081/07), a private company duly registered and incorporated in accordance with the laws of South Africa, and the M&A consultant to Oceana;
“MLRA”	Marine Living Resources Act, No. 18 of 1998, as amended and all regulations and policies promulgated in terms thereof;
“MOI”	the Memorandum of Incorporation of the Company as amended from time to time;
“Namibia”	the Republic of Namibia;
“Net Capital Proceeds”	the actual proceeds received by the BEE Trusts in respect of the disposal of any of the Trust Shares, less any Specific Taxation and Expenses and after paying and/or providing for other Costs of the Trust;
“Net Income”	all the income actually received by or accrued to the Trust, other than Net Capital Proceeds, less any Specific Taxation and Expenses and after paying and/or providing for other Costs of the Trust;
“Non-Elective Capitalisation Shares”	those shares in a company awarded to a holder of its shares by way of a capitalisation issue without any other alternative;
“Non-Permitted Employee Event”	occurs, in relation to an Employee Beneficiary, if he ceases to be employed by a Group Company for any reason other than by reason of a Permitted Employee Event. Non-Permitted Employee Events include, without limitation whatsoever, resignation, resignation <i>in lieu</i> of dismissal, voluntary early retirement and lawful dismissal;

“Non-Permitted SME Event”	<p>occurs in relation to a Stakeholder Beneficiary if:</p> <ul style="list-style-type: none"> • a Stakeholder Beneficiary undergoes a change of control (as contemplated in sections 2 and 3 of the Companies Act); or • there is a dilution in the exercisable voting rights and/or economic interest in a Beneficiary held and beneficially owned by Black People, as determined under the applicable B-BBEE Requirements (if relevant, with the benefit of any permissible flow-through exemptions or principles); or • a contractual relationship between a Beneficiary and any member of the Oceana Group is terminated for any reason whatsoever; or • a Beneficiary’s Fishing Rights, licence or permit is revoked, suspended, cancelled or altered for any reason including, without limitation, as a result of compliance issues in terms of section 28 of the MLRA; or • a Beneficiary’s Fishing Rights terminate and are not renewed in any subsequent rights allocation process; • in respect of Beneficiaries that are Fishing Rights holders (i.e. Eligible SMEs in categories A, B and C), the agreement in terms of which such Beneficiaries provides a service to a member of the Oceana Group, is terminated; • a Beneficiary or any of its shareholders, members, directors or trustees is convicted of an offence under the MLRA, the Prevention of Corruption Act No. 94 of 1992, the Prevention and Combatting of Corrupt Activities Act No. 12 of 2004, the Prevention of Organised Crime Act No. 121 of 1998, or any offence involving a crime of dishonesty;
“Normal Distribution”	all distributions in the ordinary course by Oceana to the BEE Trusts in respect of the Trust Shares held by the Trustees (but excluding any Extraordinary Distribution);
“Notice of General Meeting”	the notice of General Meeting attached to this Circular and convening the General Meeting;
“NVF”	notional vendor finance provided by the Company to the BEE Trusts in connection with the Subscription for the Subscription Shares as a term of issue of the Subscription Shares to the BEE Trusts, which incorporates, among other things, each Repurchase in terms of the Repurchase Formula at the Repurchase Price;
“Oceana” or “Company”	Oceana Group Limited (registration number 1939/001730/06), a public company incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE;
“Oceana Board”	the board of directors of Oceana, acting either as such, or through any committee or person to which or whom the board of directors of Oceana has delegated authority for purposes of the BEE Transaction;
“Oceana Empowerment Trust” or “OET”	the Oceana Empowerment Trust (previously known as the “Khula Trust”) established in November 2006 for the benefit of employees participating in the first black empowerment transaction implemented by Oceana, registered with the Master of the High Court, Western Cape Division under Masters Reference Number IT3651/2006;
“Oceana Group”	Oceana and all of its subsidiaries from time to time, whether or not incorporated in South Africa and includes a reference to the companies forming part of the Group;
“Oceana Shareholders” or “Shareholders”	holders of Oceana Shares from time to time;
“Oceana Shares” or “Shares”	ordinary shares of no-par value in the share capital of Oceana;
“Oceana Share Capital”	the issued ordinary Shares of Oceana;
“OET Employee Transaction Repurchase Shares”	a maximum of 7 825 908 Oceana Shares;

“OET Employee Transaction Specific Repurchase”	the repurchase by Oceana of the OET Employee Transaction Repurchase Shares from OET in terms of the OET Repurchase Agreement, prior to and for the purposes of issuing the Subscription Shares to the Employee Trust as a part of the Employee Transaction;
“OET Repurchase Agreement”	the written repurchase agreement entered into between Oceana and OET in terms of which Oceana will repurchase the OET Specific Repurchase Shares, as amended;
“OET Repurchase Date”	the Settlement Date;
“OET Stakeholder Transaction Repurchase Shares”	a maximum of 652 159 Oceana Shares;
“OET Stakeholder Transaction Specific Repurchase”	the repurchase by Oceana of the OET Stakeholder Transaction Repurchase Shares from OET in terms of the OET Repurchase Agreement, prior to and for the purposes of issuing the Subscription Shares to the Stakeholder Trust as a part of the Stakeholder Transaction;
“OET Specific Repurchase”	collectively, the OET Employee Transaction Specific Repurchase and the OET Stakeholder Transaction Specific Repurchase;
“OET Specific Repurchase Price”	a price of R67.90 (sixty seven Rand and ninety cents) payable by Oceana to OET for each OET Specific Repurchase Share in terms of the OET Repurchase Agreement, which is equal to the VWAP over the previous 30 completed trading days on the JSE, ended prior to the date Oceana and OET signed the OET Repurchase Agreement;
“OET Specific Repurchase Shares”	collectively, the OET Employee Transaction Repurchase Shares and the OET Stakeholder Transaction Repurchase Shares;
“Other Ordinary Shares”	all of the Oceana Shares in issue other than the Trust Shares;
“Own-name Dematerialised Shareholders”	Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-registers maintained by the CSDP;
“Participant”	a Central Securities Depository Participant appointed by individual Oceana Shareholder(s) for the purpose of and in regard to the dematerialisation of his/her Oceana Shares;
“Permitted Employee Event”	occurs in relation to an Employee Beneficiary: <ul style="list-style-type: none"> • if he dies whilst in the employ of a Group Company; or • if he becomes permanently ill, disabled or incapacitated within the contemplation of the rules of an Oceana Group pension, provident or retirement fund of which he is a member or, if he is not such a member, of the rules of the Oceana Pension Fund had he been a member thereof; or • if he retires involuntarily; or • if he is retrenched (including voluntary retrenchment due to operational reasons) by any Group Company by which he is employed and is not hired by any other member of the Group within 3 (three) months; or • if any member of the Group by which he is employed is disposed of entirely, or any business carried on by any member of the Group by which he is employed is disposed of entirely, other than to any other member of the Group, or the operations of any Employer Company by which he is employed are terminated permanently and proceedings for its winding up or deregistration are commenced, unless if he is employed by any other member of the Group within 3 (months) of the termination of operations;
“Prime Rate”	the nominal annual prime lending rate from time to time of Oceana’s primary South African bankers over the relevant period, compounded on a net annual monthly in arrears basis. For the avoidance of doubt, each month’s escalation will be equivalent to the relevant nominal annual prime lending rate divided by 12;

“R”	South African Rand, the lawful currency of South Africa;
“Register”	the register of Certificated Shareholders of the Company maintained by the Company and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;
“Relationship Agreements”	the relationship agreements entered into between Oceana and each of the BEE Trusts on 13 January 2021 in terms of which, among other things, certain undertakings are given by the BEE Trusts with respect to the Trust Shares and a reference to “Relationship Agreement” includes a reference to each individually;
“Relevant Proportion”	that percentage, calculated to 4 (four) decimal places, of the total number of Shares owned by OET on the Settlement Date, immediately prior to the implementation of the OET Specific Repurchase (as the denominator), which are acquired by Oceana as OET Specific Repurchase Shares in terms of the OET Repurchase Agreement (as the numerator);
“Remaining Shares”	the number of Trust Shares held by the relevant BEE Trust after implementation of the final possible Repurchase which may be implemented;
“Reporting accountants and Auditors” or “Deloitte & Touche”	Deloitte & Touche South Africa, registered auditors with practice number 902276 and the appointed Reporting accountants and Auditors to Oceana;
“Repurchase”	the repurchase at any time and from time to time by the Company and/or its nominee/s from the BEE Trusts of the relevant Repurchase Shares in terms of and in accordance with the Subscription Agreements and the Repurchase Formula, including, where relevant, the Accelerated Repurchase;
“Repurchase Formula”	the repurchase formula to calculate the number of Trust Shares to be Repurchased by Oceana from the BEE Trusts (i.e. the Repurchase Shares), subject to the Employee Trust Deed and the Stakeholder Trust Deed, as set out in paragraph 14.10 of the Circular;
“Repurchase Price”	an amount equal to R0.01 (one cent) for each Repurchase Share;
“Repurchase Shares”	that number of Trust Shares as is determined in terms of the Repurchase Formula excluding any fraction of a Trust Share;
“Resolutions”	the special and ordinary resolutions set out in the Notice of General Meeting;
“Rights”	in relation to a Beneficiary, his/her/its personal, vested rights to participate in the Net Income and, if applicable, Net Capital Proceeds and Trust Shares (upon their distribution) of the BEE Trusts (including the right to Capital Gains accruing to the Trust from time to time in respect of those Rights) and which Rights, insofar as relevant and as between the BEE Trusts and their respective Beneficiaries, equate to the Economic Interests of the Beneficiaries;
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited, (registration number 1929/001225/06), a public company duly registered and incorporated in accordance with the laws of South Africa and the financial advisor to Oceana;
“Second Repurchase Date”	the 9th (ninth) anniversary of the First Effective Date;
“Securities Transfer Tax” or “STT”	securities transfer tax payable in terms of the Securities Transfer Tax Act, No. 25 of 2007;

“Settlement Date”	<p>5 Business Days after:</p> <ul style="list-style-type: none"> • the fulfilment and/or, if permitted, waiver of the relevant suspensive conditions in respect of the OET Employee Transaction Specific Repurchase; and/or • the fulfilment and/or, if permitted, waiver of the relevant suspensive conditions in respect of the OET Stakeholder Transaction Specific Repurchase, <p>or such other date/s as Oceana and the Oceana Empowerment Trust may agree in writing;</p>
“SENS”	the Stock Exchange News Service of the JSE;
“SME”	Exempt Micro-Enterprise and/or a Qualifying Small Enterprise, as contemplated in the B-BBEE Codes and/or a Small Enterprise as contemplated in the National Small Enterprise Act, 1996, save that Oceana shall from time to time be entitled, in its absolute and unfettered discretion, to determine whether one or both of these apply to any particular entity under consideration and/or to determine, at any time and from time to time, its own different monetary thresholds in relation to such entities for the purposes of the Stakeholder Trust, notwithstanding that the B-BBEE Codes or such other legislation may contain their own monetary thresholds;
“Solvency and Liquidity Test”	the solvency and liquidity test set out in section 4(1) of the Companies Act;
“South Africa”	means the Republic of South Africa;
“Specific Issue”	the transaction in terms of which the Employee Trust will subscribe for and be issued 7 825 908 Subscription Shares and the Stakeholder Trust will subscribe for and be issued 652 159 Subscription Shares, on the Subscription Date pursuant to the Subscription Agreements and subject to the restrictions and suspensions contained in the Subscription Agreements;
“Specific Taxation and Expenses”	<p>means in relation to a Beneficiary, the sum of:</p> <ul style="list-style-type: none"> • any tax including, without limitation, employee tax, Dividend Withholding Tax and/or Securities Transfer Tax that is payable by a BEE Trust or any member of the Group in relation to the participation of a Beneficiary of the Employee Trust or the Stakeholder Trust, as the case may be; and • any costs, expenses and disbursements (including without limitation, brokerage costs and/or Securities Transfer Tax) payable by a BEE Trust, <p>in respect of the transactions under the Employee Transaction or the Stakeholder Transaction specifically relating to or for the benefit of that Beneficiary;</p>
“Stakeholder Beneficiary”	an Eligible SME that, upon acceptance of their invitation to become a Beneficiary of the Stakeholder Trust with vested Rights, is so appointed in terms of the Stakeholder Trust Deed;
“Stakeholder Transaction”	the proposed transaction in terms of which the Stakeholder Trust will acquire 0.5% of Oceana’s Share Capital, pursuant to the relevant Subscription Agreement and subject to the restrictions under the relevant Subscription Agreement and Relationship Agreement with the potential BEE Transaction Specific Repurchase;
“Stakeholder Trust”	the trustees for the time being of The Oceana Stakeholders Empowerment Trust and registered in accordance with the laws of South Africa with the Master of the High Court, Western Cape Division, under Master’s reference number IT001288/2020(C);
“Stakeholder Trust Deed”	the deed constituting the Stakeholder Trust and setting out, <i>inter alia</i> , governance and Trustee related matters pertaining to the Stakeholder Trust, as amended;

“Standard Bank”	The Standard Bank of South Africa Limited (registration number 1962/000738/06), a public company duly registered and incorporated in accordance with the laws of South Africa, acting through its Corporate and Investment Banking division, and the Sponsor to Oceana;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company registered in accordance with the laws of South Africa and a registered central securities depository responsible for the electronic clearing and settlement of trades on the JSE, in terms of the Financial Markets Act;
“Subscription Agreements”	the subscription agreements entered into between Oceana and each of the BEE Trusts on 13 January 2021 in terms of which, among other things, Oceana will issue the Subscription Shares to the BEE Trusts at a subscription price of R0,01 (one cent) each, containing the mechanism for the NVF and providing for each Repurchase in terms of the Repurchase Formula and in terms of which the Company may elect to implement the Accelerated Repurchase to acquire Trust Shares in certain circumstances and a reference to “Subscription Agreement” includes a reference to each individually where appropriate in the context;
“Subscription Amount”	an amount equal to the total aggregate Subscription Price payable by the BEE Trusts to Oceana for allotment and issue of the Subscription Shares;
“Subscription Date”	the OET Repurchase Date, immediately after the implementation of the repurchase of Shares by Oceana from OET in accordance with the OET Repurchase Agreement being the date on which the BEE Trusts will subscribe for the Subscription Shares;
“Subscription Price”	R0,01 (one cent), being the price per Subscription Share at which the BEE Trusts will subscribe for the Subscription Shares;
“Subscription Shares”	the 7 825 908 Shares to be issued by Oceana to the Employee Trust and 652 159 Shares to be issued by Oceana to the Stakeholder Trust in terms of, and subject to the restrictions and suspensions contained in, the respective Subscription Agreements;
“Takeover Provisions”	Parts B and C of Chapter 5 of the Companies Act and the Takeover Regulations;
“Takeover Regulations”	the regulations published in terms of section 123 of the Companies Act by the Minister of the Department of Trade and Industry in Chapter 5 of the Companies Regulations 2011;
“Takeover Regulation Panel” or “TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Term”	<p>in relation to the:</p> <ul style="list-style-type: none"> • Class A Rights, the period expiring on the Business Day prior to the First Repurchase Date; • Class B Rights, the period expiring on the Business Day prior to the Second Repurchase Date; • Class C Rights, the period expiring on the Business Day prior to the Third Repurchase Date, <p>unless prior to any of the above dates Oceana, in terms of the Subscription Agreements, becomes entitled to and does implement the Accelerated Repurchase, in which case, the Term in respect of the relevant class of Rights shall expire on the Business Day prior to the date of implementation of such Accelerated Repurchase;</p>
“Third Repurchase Date”	the 10th (tenth) anniversary of the First Effective Date;
“Transaction Agreements”	collectively the Subscription Agreements and the Relationship Agreements;

“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited, (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa and the transfer secretaries to Oceana;
“Trust Deeds”	collectively, the Employee Trust Deed and the Stakeholder Trust Deed;
“Trust Shares”	the Subscription Shares issued to the BEE Trusts in terms of and subject to the terms and conditions set out in the Subscription Agreements, which Subscription Shares shall become Trust Shares upon becoming held by the relevant BEE Trust, plus all other Shares acquired by the BEE Trusts from time to time as a result of them holding such Trust Shares;
“Trustees”	the First Trustees and, thereafter, the trustees appointed by Oceana and elected by the Beneficiaries from time to time of the BEE Trusts;
“Unallocated Trust Shares”	Trust Shares held by the Employee Trust or Stakeholder Trust in respect of which at the relevant time, no Rights have vested in any Employee Beneficiaries or Stakeholder Beneficiaries, as the case may be;
“VAT”	Value Added Tax as imposed in terms of the Value-Added Tax Act, 1991; and
“VWAP”	the weighted average traded price of a Share, being the total value of the Shares traded on the JSE for a specified number of Business Days divided by the total number of Shares traded on the JSE for that period.



OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1939/001730/06)

JSE share code: OCE

NSX share code: OCG

ISIN: ZAE000025284

("Oceana" or "the Company")

DIRECTORS

Executive

Imraan Soomra (*Chief Executive Officer*)

Hajra Karrim (*Chief Financial Officer*)

Non-Independent Non-Executive

Mustaq Brey (*Chairman*)

Nisaar Pangarker

Lesego Sennelo

Independent Non-Executive

Saamsodein Pather (*Lead Independent*)

Zarina Bassa

Peter de Beyer

Nomahlubi Simamane

Aboubakar Jakoet

CIRCULAR TO SHAREHOLDERS

1. PURPOSE OF THIS CIRCULAR, AND THE GENERAL MEETING

The purpose of this Circular and the attached Notice of General Meeting is to convene the General Meeting and to provide Oceana Shareholders with relevant information relating to the:

- OET Specific Repurchase;
- BEE Transaction (including the Specific Issue and the potential BEE Transaction Specific Repurchase of the Subscription Shares); and
- provision of financial assistance in terms of the Companies Act to the BEE Trusts and where applicable, Directors and prescribed officers of Oceana or of a related or inter-related company, for the purpose of the BEE Transaction,

to enable Oceana Shareholders to make an informed decision as to whether or not they should vote in favour of the Resolutions to be proposed at the General Meeting. All the requisite Resolutions required from Oceana's Shareholders to enable the OET Specific Repurchase to be implemented are set out in the Notice of General Meeting which forms part of this Circular and are summarised below and more fully set out on page 88.

SECTION A: THE OET SPECIFIC REPURCHASE AND SUBSEQUENT CANCELLATION AND DELISTING OF THOSE SHARES ACQUIRED

2. INTRODUCTION

2.1 Background and rationale

Shareholders are referred to the announcement released on SENS on Friday, 15 January 2021 and published in the South African press on Monday, 18 January 2021 detailing the OET Specific Repurchase and the BEE Transaction.

In order to mitigate against the dilution of existing Shareholders as a result of the Subscription Shares to be issued as a part of the BEE Transaction (set out in more detail in Section B of this Circular), the Company has agreed to repurchase and cancel the OET Specific Repurchase Shares from the Oceana Empowerment Trust prior to its unwinding in due course, subject to fulfilment of the conditions precedent set out in paragraph 5 below. The Board believes that the OET Specific Repurchase is in the best interests of Shareholders and the remaining stakeholders of the Company as it ensures, to the extent of the OET Specific Repurchase Shares that are repurchased, an orderly and controlled partial exit of a large shareholder of the Company. As part of its unwind process the OET may be required to sell Shares in the market, in addition to the OET Specific Repurchase Shares.

The Oceana Empowerment Trust, with a current effective 10.3% shareholding in the Company will commence with its unwinding process during 2021 in terms of the trust deed constituting the OET, as set out in more detail in Section B of this Circular. The OET has obligations towards Oceana and a number of members of the Oceana Group with regards to the original and extension capital contributions made to the OET scheme. To the extent that the Shares need to be sold to meet these obligations, the OET Specific Repurchase partially avoids the need to sell Shares in the market, and in the opinion of the Company, provides more certainty as regards the market related price to be achieved for those Shares. Oceana believes that this additional certainty, and the potential for the trustees and ultimate beneficiaries of the OET to avoid a large discount that is common with the placing of such a large number of shares in the market, would be in the interests of the OET and OET's beneficiaries, and also in the interests of Oceana Shareholders through avoiding dilution of Shareholders' interests through the Share issuances envisaged in the BEE Transaction.

3. TERMS OF THE OET SPECIFIC REPURCHASE

3.1 The OET Specific Repurchase will:

- 3.1.1 result in the repurchase of a maximum of 6.5% of the total issued Oceana Shares, being allocated as (i) a maximum of 6.0% of the total issued Oceana Shares in respect of the OET Employee Transaction Specific Repurchase, and (ii) a maximum of 0.5% of the total issued Oceana Shares in respect of the OET Stakeholder Transaction Specific Repurchase. The aggregate 6.5% to be repurchased will only be reduced should sufficient OET beneficiaries fail to make an election in respect of the Oceana Shares underlying their rights, which reduction in Oceana Shares to be repurchased is outlined in paragraph 3.2 below;
- 3.1.2 be effected at the OET Specific Repurchase Price, being a price equal to R67.90 (sixty seven Rand and ninety cents) per Oceana Share, representing the VWAP over the previous 30 completed trading days on the JSE prior to the date when Oceana and OET signed the OET Repurchase Agreement; and
- 3.1.3 be funded by way of available cash, subject to any consideration settled by way of the set-off arrangement described in 3.3 below.

3.2 Number of OET Specific Repurchase Shares

- 3.2.1 Oceana will repurchase a maximum of 8 478 067 Oceana Shares (currently 6.5% of the total issued Oceana Shares), or such lesser number of Oceana Shares from OET as OET is legally entitled to transfer to Oceana as a result of the beneficiaries of OET electing in writing to have Oceana Shares distributed to them in accordance with the terms of the trust deed constituting OET and/or failing to communicate any election in respect thereof to the trustees of the OET before the Settlement Date.

- 3.2.2 In terms of the OET trust deed, the beneficiaries of OET are entitled (but not obliged) from January 2021 onwards to instruct the trustees to have the Oceana Shares underlying their rights distributed to them, or sold and to receive the proceeds of such sale of Oceana Shares. Accordingly, OET will only be entitled to sell such number of Oceana Shares as the trustees of OET receive written instructions from beneficiaries enabling them to sell prior to the Settlement Date. If they do not receive sufficient instructions to enable them to sell a maximum of 8 478 067 Oceana Shares for purposes of the OET Specific Repurchase, the number of OET Specific Repurchase Shares to be repurchased in terms of the OET Repurchase Agreement will be adjusted downward accordingly (with the number of OET Stakeholder Transaction Repurchase Shares being adjusted downward first).
- 3.2.3 Oceana and OET shall determine the number of Oceana Shares OET is legally entitled to transfer to Oceana as a result of the circumstances described above and, if required by Oceana, confirm the adjusted number of OET Stakeholder Transaction Repurchase Shares and, if applicable, the adjusted number of OET Employee Transaction Repurchase Shares, to be repurchased by Oceana in terms of the OET Repurchase Agreement. The adjustment to the number of OET Stakeholder Transaction Repurchase Shares and OET Employee Transaction Repurchase Shares (if applicable) shall be determined in accordance with the procedure set out in paragraphs 3.2.4 to 3.2.6 below.
- 3.2.4 The result of (i) the maximum number of OET Employee Transaction Repurchase Shares and/or the OET Stakeholder Transaction Repurchase Shares; minus (ii) the total number of Oceana Shares OET is legally entitled to transfer to Oceana (as a result of the OET beneficiary elections explained in 3.2.2 above) shall constitute the “**OET Retained Shares**”, which OET Retained Shares shall be subject to a minimum of zero and therefore may not be a negative number. The OET Retained Shares will be required to be held by the OET until the trustees of the OET receive instructions from beneficiaries of the OET enabling them to sell those OET Retained Shares.
- 3.2.5 If both the OET Employee Transaction Specific Repurchase and the OET Stakeholder Transaction Specific Repurchase become unconditional and OET is not entitled to legally deliver the maximum number of OET Specific Repurchase Shares:
- 3.2.5.1 the number of OET Stakeholder Transaction Repurchase Shares to be repurchased by Oceana shall be reduced by the number of OET Retained Shares, and Oceana shall repurchase such reduced number of OET Stakeholder Transaction Repurchase Shares. If the number of OET Stakeholder Transaction Repurchase Shares is reduced to zero, Oceana shall not repurchase and OET shall not be obliged to sell any OET Stakeholder Transaction Repurchase Shares in terms of the OET Repurchase Agreement. In the event that the number of OET Retained Shares is greater than the maximum number of OET Stakeholder Transaction Repurchase Shares, the number of Oceana Shares by which the number of OET Retained Shares exceeds the maximum number of OET Stakeholder Transaction Repurchase Shares shall constitute the “**Remaining OET Retained Shares**”; and
- 3.2.5.2 to the extent there are any Remaining OET Retained Shares, the number of OET Employee Transaction Repurchase Shares to be repurchased shall be reduced by the number of Remaining OET Retained Shares and Oceana shall repurchase only such reduced number of OET Employee Transaction Repurchase Shares and OET shall only be obliged to sell to Oceana such reduced number of OET Employee Transaction Repurchase Shares.
- 3.2.6 If only the OET Employee Transaction Specific Repurchase becomes unconditional, and OET is not legally entitled to deliver the maximum number of OET Employee Transaction Repurchase Shares, then the number of OET Employee Transaction Repurchase Shares to be repurchased shall be reduced by the number of OET Retained Shares and Oceana shall repurchase only such reduced number of OET Employee Transaction Repurchase Shares and OET shall only be obliged to sell to Oceana such reduced number of OET Employee Transaction Repurchase Shares.

3.3 Set off Arrangements

- 3.3.1 As at the Last Practicable Date, Oceana and various members of the Oceana Group had vested rights to distributions from OET calculated in terms of a formula contained in the OET trust deed, currently amounting to approximately R425 million (four hundred and twenty five million Rand). This formula references the initial capital contributions made by Oceana and various members of the Oceana Group to fund the OET's acquisition of Oceana Shares at the inception of the employee share ownership scheme implemented by way of the OET, as well as subsequent capital contributions made on extension of the OET's term

in 2014, increasing by an interest factor and reducing as and when dividends are paid in respect of Oceana Shares. The amount calculated in terms of this formula shall be confirmed between Oceana and the OET in terms of the OET Repurchase Agreement (“**Agreed OET Balance**”).

- 3.3.2 As part of the OET Specific Repurchase, all members of the Oceana Group that are currently vested beneficiaries of the OET have agreed to cede their vested rights to a portion of the Agreed OET Balance, to Oceana itself. This cession will create intra-group loan obligations between Oceana and these members of the Oceana Group.
- 3.3.3 The terms of the OET Repurchase Agreement stipulate that, upon implementation of the transaction on the OET Repurchase Date:
 - 3.3.3.1 the Relevant Proportion of the Agreed OET Balance shall be due and payable in full in cash by OET to Oceana;
 - 3.3.3.2 the aggregate OET Specific Repurchase Price shall be due and payable in full in cash by Oceana to OET;
 - 3.3.3.3 Oceana and OET agree that the Relevant Proportion of the Agreed OET Balance shall be set-off against the amount of the aggregate OET Specific Repurchase Price payable by Oceana to OET for the OET Specific Repurchase Shares acquired by Oceana in terms of the OET Repurchase Agreement;
 - 3.3.3.4 Oceana shall pay the balance (if any) of the OET Specific Repurchase Price due and payable to OET, after the set-off of the Relevant Proportion of the Agreed OET Balance in full in cash; and
 - 3.3.3.5 any balance of the Agreed OET Balance not included in the Relevant Proportion of the Agreed OET Balance (if any), shall remain outstanding and owed by OET to Oceana, and shall become due and payable as it would have in the ordinary course but for the OET Specific Repurchase in terms of the OET Repurchase Agreement.

4. **IMPACT OF THE OET SPECIFIC REPURCHASE ON THE FINANCIAL INFORMATION OF OCEANA**

Shareholders are referred to **Annexure 1** to this Circular for a reflection of the full, combined *Pro Forma* financial effects of the OET Specific Repurchase and the BEE Transaction. These *Pro Forma* financial effects are premised on the OET Specific Repurchase Price of R67.90 per share. The BEE Transaction notional share issuance price is illustrated based on various sensitivities, which notional price per Share issued is used in the calculation of facilitation costs in terms of IFRS 2.

As a consequence of the OET Specific Repurchase, the Company’s cash balances will decrease and, on cancellation of the OET Specific Repurchase Shares, distributable reserves will reduce by the same amount.

Interest receivable per annum (pre-tax) will be foregone on the cash resources used to acquire the OET Specific Repurchase Shares, however, likely creating a positive tax event creating a lower income tax liability as a result of the reduction in interest income.

The reduced number of Shares in issue after cancellation of the OET Specific Repurchase Shares would, in the ordinary course, result in a lower weighted average number of Shares used to calculate earnings per Share in future reporting periods. However, given the BEE Transaction and its structure, the detail of which is set out at Section B of this Circular, and that some Shares held by OET may after the OET Specific Repurchase become held by beneficiaries of the OET in their own right, it is envisaged that the total number of Oceana Shares in issue will remain substantially the same, and the net number of issued Shares (after accounting for treasury shares) will increase.

5. **CONDITIONS PRECEDENT TO THE OET SPECIFIC REPURCHASE**

The OET Employee Transaction Specific Repurchase is subject to the fulfilment, or where permissible waiver, of the following conditions precedent on or before 31 March 2021 or such later date as may be agreed to by Oceana and the Oceana Empowerment Trust in writing:

- 5.1 the trustees of OET receive sufficient responses from the beneficiaries of OET which will legally entitle OET to transfer a minimum of 6 521 590 Shares to Oceana on the Settlement Date in terms of the OET Repurchase Agreement;
- 5.2 the board of the Company has by resolution:
 - 5.2.1 approved the repurchase of OET Employee Transaction Repurchase Shares in terms of the OET Repurchase Agreement as a distribution in terms of section 46 of the Companies Act

and acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the repurchase; and

- 5.2.2 in terms of the Listings Requirements authorised the repurchase of OET Employee Transaction Repurchase Shares, that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of any company in the Oceana Group;
- 5.3 the requisite majority of Shareholders have approved the repurchase of the of OET Employee Transaction Repurchase Shares in terms of section 48(8) and 115(2)(a) of the Companies Act and the Listings Requirements and, to the extent required, such repurchase has been approved by a High Court in terms of section 115(2)(c) of the Companies Act, and furthermore, if applicable, that the Company does not treat the aforesaid shareholder resolutions as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 5.4 in relation to objections to the repurchase of the OET Employee Transaction Repurchase Shares by Shareholders:
- 5.4.1 no Shareholders both (i) give notice objecting to the repurchase of the of OET Employee Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act and (ii) then vote against the resolutions proposed at the General Meeting to approve the repurchase of the of OET Employee Transaction Repurchase Shares; or
- 5.4.2 if any Shareholders give notice objecting to the repurchase of the of OET Employee Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act, and vote against the resolution/s proposed at the General Meeting in respect of such repurchase, Shareholders holding no more than 1% of all shares eligible to be voted at the General Meeting in respect of such repurchase both (i) give such notice and (ii) then vote against the resolutions proposed at the General Meeting; or
- 5.4.3 if Shareholders holding more than 1% of all Shares eligible to vote at the General Meeting in respect of such repurchase both (i) give notice objecting to the repurchase of the of OET Employee Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act, and (ii) then vote against the resolution/s proposed at the General Meeting in respect of such repurchase, those relevant Shareholders thereafter do not exercise their appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act within 30 Business Days following the General Meeting, in respect of more than 1% of the shares eligible to be voted at the General Meeting in respect of such repurchase;
- 5.5 in respect of the Employee Transaction, the Shareholders of Oceana approve as a special resolution with the support of at least 75% of the voting rights exercised:
- 5.5.1 the Specific Issue of the Subscription Shares for cash to the Employee Trust in terms of the relevant Subscription Agreement;
- 5.5.2 the sanctioning of any financial assistance to be provided by the Company to the Employee Trust for the purpose of, or in connection with, the Specific Issue of the Subscription Shares to the Employee Trust in terms of the relevant Subscription Agreement; and
- 5.5.3 the repurchase of Repurchase Shares from the Employee Trust, including in terms of an Accelerated Repurchase;
- 5.6 a compliance certificate in respect of the repurchase is issued by the Takeover Regulation Panel in terms of section 119(4)(b) of the Companies Act; and
- 5.7 all approvals required from the JSE have been obtained.

The OET Stakeholder Transaction Specific Repurchase is subject to the fulfilment, or where permissible waiver of the following conditions precedent on or before 31 March 2021 or such later date as may be agreed to by Oceana and the Oceana Empowerment Trust in writing:

- 5.8 the repurchase of the OET Employee Transaction Repurchase Shares has become unconditional;

- 5.9 the board of the Company has by resolution:
- 5.9.1 approved the repurchase of OET Stakeholder Transaction Repurchase Shares in terms of the OET Repurchase Agreement as a distribution in terms of section 46 of the Companies Act and acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the repurchase; and
 - 5.9.2 in terms of the Listings Requirements authorised the repurchase of OET Stakeholder Transaction Repurchase Shares, that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of any company in the Oceana Group;
- 5.10 the requisite majority of Shareholders have approved the repurchase of the of OET Stakeholder Transaction Repurchase Shares in terms of section 48(8) and 115(2)(a) of the Companies Act and the Listings Requirements and, to the extent required, such repurchase has been approved by a High Court in terms of section 115(2)(c) of the Companies Act, and furthermore, if applicable, that the Company does not treat the aforesaid shareholder resolutions as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 5.11 in relation to objections to the repurchase of the OET Stakeholder Transaction Repurchase Shares by Shareholders:
- 5.11.1 no Shareholders both (i) give notice objecting to the repurchase of the of OET Stakeholder Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act and (ii) then vote against the resolutions proposed at the General Meeting to approve the repurchase of the of OET Stakeholder Transaction Repurchase Shares; or
 - 5.11.2 if any Shareholders give notice objecting to the repurchase of the of OET Stakeholder Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act, and vote against the resolutions proposed at the General Meeting in respect of such repurchase, Shareholders holding no more than 1% of all shares eligible to be voted at the General Meeting in respect of such repurchase both (i) give such notice and (ii) then vote against the resolutions proposed at the General Meeting; or
 - 5.11.3 if Shareholders holding more than 1% of all Shares eligible to vote at the General Meeting in respect of such repurchase both (i) give notice objecting to the repurchase of the of OET Stakeholder Transaction Repurchase Shares, as contemplated in section 164(3) of the Companies Act, and (ii) then vote against the resolutions proposed at the General Meeting in respect of such repurchase, those relevant Shareholders thereafter do not exercise their appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act within 30 Business Days following the General Meeting, in respect of more than 1% of the shares eligible to be voted at the General Meeting in respect of such repurchase;
- 5.12 in respect of the Stakeholder Transaction, the Shareholders of Oceana approve as a special resolution with the support of at least 75% of the voting rights exercised:
- 5.12.1 the Specific Issue of the Subscription Shares for cash to the Stakeholder Trust in terms of the relevant Subscription Agreement;
 - 5.12.2 the sanctioning of any financial assistance to be provided by the Company to the Stakeholder Trust for the purpose of, or in connection with, the Specific Issue of the Subscription Shares to the Stakeholder Trust in terms of the relevant Subscription Agreement; and
 - 5.12.3 the repurchase of Repurchase Shares from the Stakeholder Trust, including in terms of an Accelerated Repurchase; and
- 5.13 a compliance certificate in respect of the repurchase is issued by the Takeover Regulation Panel in terms of section 119(4)(b) of the Companies Act; and
- 5.14 all approvals required from the JSE have been obtained.

6. AUTHORISATION FOR THE OET SPECIFIC REPURCHASE

6.1 In terms of the Listings Requirements, the OET Specific Repurchase requires the approval of a special resolution achieving at least a 75% majority of the votes cast in favour thereof by all Shareholders participating or represented by proxy at the General Meeting. In terms of paragraph 5.69(b) of the Listings Requirements, the Oceana Empowerment Trust will be excluded from voting on the OET Specific Repurchase. Its Shares will, however, be considered for purposes of establishing a quorum for the General Meeting.

6.2 Given that the OET Specific Repurchase will entail the acquisition of more than 5% of the issued share capital of Oceana, the OET Specific Repurchase is also subject to the requirements of sections 48(8), 114 and 115 of the Companies Act. In terms of section 115(2)(a) of the Companies Act, the OET Specific Repurchase requires the approval of a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company's MOI.

7. INDEPENDENT EXPERT REPORT AND REPURCHASE FAIRNESS OPINION

As the OET Specific Repurchase will result in Oceana acquiring in excess of 5% of the Oceana Shares in issue, the OET Specific Repurchase is, in terms of section 48(8)(b) of the Companies Act, subject to the provisions of sections 114 and 115 of the Companies Act and regulation 90 of the Companies Regulations. As such, the OET Specific Repurchase requires, *inter alia*, the preparation of an Independent Expert Report on the terms of the OET Specific Repurchase.

In accordance with section 114(2) of the Companies Act, Oceana has appointed PSG Capital as the Independent Expert to provide an independent expert report and fair and reasonable opinion on the terms of the OET Specific Repurchase ("**Repurchase Fairness Opinion**"). The Independent Expert's Repurchase Fairness Opinion is included in **Annexure 4** to this Circular.

The Independent Expert has found the OET Specific Repurchase to be fair and reasonable to the Shareholders of Oceana at the OET Specific Repurchase price per OET Specific Repurchase Share.

The Board having taken into account the Repurchase Fairness Opinion by the Independent Expert, has considered the terms and conditions of the OET Specific Repurchase and is of the opinion that the OET Specific Repurchase is fair and reasonable insofar as Oceana Shareholders are concerned.

The Board unanimously recommends that Shareholders vote in favour of the resolution set out in the Notice of General Meeting, necessary to give effect to the implementation of the OET Specific Repurchase.

8. SUMMARY OF APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

At any time before Special Resolution 1 and Special Resolution 6 are to be voted on at the General Meeting, a Shareholder may give the Company written notice objecting to Special Resolution 1 and/or Special Resolution 6. Such notification must be delivered to the Oceana Company Secretary by electronic mail at adela.fortune@oceana.co.za or, for her attention and with receipt acknowledged, or to the Company's registered office and must include an appropriate return address for purposes of the below communication.

Within 10 (ten) Business Days after the Company having adopted Special Resolution 1 and/or Special Resolution 6, the Company must send a notice that Special Resolution 1 and/or Special Resolution 6 has/have been adopted to each Shareholder who gave the Company written notice of objection, and has neither withdrawn that notice nor voted in favour of Special Resolution 1 and/or Special Resolution 6, as the case may be.

A Shareholder who has given the Company written notice objecting to Special Resolution 1 and/or Special Resolution 6, who is present at the General Meeting and votes against Special Resolution 1 and/or Special Resolution 6, as the case may be, and has complied with all of the procedural requirements set out in section 164 of the Companies Act, if Special Resolution 1 and/or Special Resolution 6 has/have been adopted, may then demand in writing:

- within 20 (twenty) Business Days after receipt of the notice referred to above; or
- if the Shareholder does not receive the notice from the Company referred to above, 20 (twenty) Business Days after learning that Special Resolution 1 and/or Special Resolution 6 has/have been adopted;

that the Company pay the Shareholder the fair value for all the Oceana Shares held by that Shareholder.

A copy of section 164 of the Companies Act is contained in Appendix A to the Notice of General Meeting.

9. ADEQUACY OF CAPITAL

The Board has considered the impact of the OET Specific Repurchase and is of the opinion that the provisions of sections 4 and 48 of the Companies Act and paragraph 5.69(c) of the JSE Listings Requirements have been complied with and that:

- Oceana and the Oceana Group will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of approval of this Circular;
- the assets of Oceana and the Oceana Group will be in excess of the liabilities of Oceana and the Oceana Group for a period of 12 months after the date of approval of this Circular. For this purpose, the assets and liabilities were measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of Oceana and the Oceana Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular; and
- the working capital of Oceana and the Oceana Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular.

Furthermore, the Board confirms:

- in terms of section 46(1)(a)(ii) of the Companies Act, the Board has, by resolution, approved the OET Specific Repurchase;
- in terms of section 46(1)(b) of the Companies Act, it reasonably appears that Oceana will satisfy the Solvency and Liquidity Test immediately after completing the OET Specific Repurchase;
- in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that Oceana and the Oceana Group will satisfy the Solvency and Liquidity Test immediately after completing the OET Specific Repurchase; and
- since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of Oceana and the Oceana Group.

10. SOURCE OF FUNDS

In addition to the set-off arrangements specified at paragraph 2.2 of this Circular, above, Oceana will fund any balance of the OET Specific Repurchase consideration from available cash reserves, which cash amount to be paid (and assumptions in respect thereof) is reflected in **Annexure 1** to this Circular.

Shareholders are referred to **Annexure 1** to this Circular for a reflection of the full, combined *Pro Forma* financial effects of the OET Specific Repurchase and the BEE Transaction. These *Pro Forma* financial effects are premised on the OET Specific Repurchase Price of R67.90 per share. The BEE Transaction notional share issuance price is based on various sensitivities, which notional price per Share issued is used in the calculation of facilitation costs in terms of IFRS 2.

11. CANCELLATION AND DELISTING

Following the fulfilment of the conditions precedent set out in paragraph 5 above and the implementation of the OET Specific Repurchase, application will be made to the JSE for the delisting of the OET Specific Repurchase Shares, which Shares will be cancelled as issued Shares and reinstated as authorised but unissued Shares. The OET Specific Repurchase Shares are expected to be cancelled and delisted on or about Wednesday, 31 March 2021. Shareholders are, however, made aware that pending such cancellation and delisting, the OET Specific Repurchase shares will nonetheless be regarded by Oceana as having the same status as Shares that have been authorised but unissued, in accordance with section 35(5) of the Companies Act.

12. TRP WAIVER AND EXEMPTION

Oceana applied for an exemption of the OET Specific Repurchase from the Takeover Provisions in terms of section 119(6) of the Companies Act as OET has waived any right it may have had to require Oceana to provide it with a bank guarantee or any other form of cash confirmation for any amounts payable in terms of the OET Specific Repurchase as set out in Regulations 111(4) and (5) of the Companies Regulations. In addition, OET has waived any right it may have had to require Oceana to forego the right of set-off under the Companies Act in terms of Regulation 106(4)(h) of the Companies Regulations (having agreed to a set-off by Oceana of the amount owed by the OET on the Settlement Date, against the amount owed by Oceana to the OET for the OET Specific Repurchase Shares).

The TRP has issued an exemption certificate to this effect.

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of transactions when it approves such transactions.

SECTION B: THE BEE TRANSACTION

13. INTRODUCTION

13.1 Background

Shareholders are referred to the announcement released on SENS on Friday, 15 January 2021 and published in the South African press on Monday, 18 January 2021 detailing the BEE Transaction.

During 2006, the Company facilitated a B-BBEE ownership transaction the terms of which included the trustees for the time being of The Oceana Empowerment Trust acquiring an effective 12.4% (at the time) shareholding in the issued Shares of the Company.

The Oceana Empowerment Trust, with a current effective 10.3% shareholding in the Company will commence with its unwinding process in 2021, given that the lock in period applicable to it expires on 15 January 2021. Such process may include, if approved and thereafter implemented in accordance with its terms, the OET Specific Repurchase. The details of the OET Specific Repurchase are set out in Section A of this Circular.

Subject to the requisite approval of the BEE Transaction by Shareholders at the General Meeting and the fulfillment of the Conditions Precedent by 31 March 2021, Oceana and the BEE Trusts have entered into the Transaction Agreements with the intention of implementing the BEE Transaction at the listed Company level in terms of which the BEE Trusts will collectively acquire 6.5% of Oceana's Share Capital.

The BEE Transaction will comprise two components, namely:

- an employee component for the benefit of South African citizens in the full-time employ of any member of the Oceana Group, which, through the Employee Trust, will acquire Rights in respect of 6.0% of Oceana's Share Capital held by the Employee Trust; and
- a black-owned small and medium enterprise component, for the benefit of eligible strategic black partners of Oceana and community-based legal entities who, through the Stakeholder Trust, will acquire Rights in respect of 0.5% of Oceana's Share Capital held by the Stakeholder Trust.

The key features of the BEE Transaction include, *inter alia*:

	Employee Transaction	Stakeholder Transaction
BEE Transaction size (% of issued Oceana Shares)	6.0%	0.5%
BEE Transaction value (R'm), pre-discount, <i>assumed R67 per share notional issuance price (i.e. pro forma scenario 2)</i>	525	44
Number of Subscription Shares	7 825 908	652 159
Discount	5%	5%
Notional funding rate	75% of prime (floating)	75% of prime (floating)
Trickle dividend	25%	25%
Term	10 years	10 years
Liquidity event	1/3 equally in years 8, 9, 10	1/3 equally in years 8, 9, 10
Estimated number of participants	2 851	15

The OET Specific Repurchase of a maximum of 8 478 067 Shares by Oceana from OET mentioned in Section A above and subsequent cancellation and delisting would, temporarily, reduce Oceana's issued Shares to 121 953 737 Shares. The BEE Transaction will result in the issue of 8 478 067 Shares which will result in the total number of Shares in issue increasing to 130 431 804 resulting in zero dilution to existing shareholders if the maximum of 8 478 067 Shares are repurchased.

13.2 Transaction Rationale

Oceana was one of the very first companies in South Africa to transform its ownership structure through an ambitious empowerment transaction in 1994 when a BEE consortium led by Real Africa Holdings Limited acquired joint control of Oceana. This pioneering empowerment initiative occurred long before BEE scorecards had been considered.

In 2006, Oceana implemented a new BEE transaction to sustain the legacy of the 1994 BEE initiative whereby the Oceana Empowerment Trust and Brimstone Investment Corporation Limited acquired a direct 12.4% and indirect 10.0% equity interest respectively in Oceana.

Following Tiger Brands Limited unbundling its 42.1% interest in Oceana in 2018 and Brimstone increasing its shareholding in Oceana to 25% in 2020, Oceana's effective black ownership is currently 87.54%. Oceana has consistently been assessed as one of the most empowered companies on the JSE, having achieved a level 1 B-BBEE rating in 2020.

Given Oceana's position as a leader in the global fishing industry, as well as in South Africa, Oceana's ability to obtain its required fishing rights is inextricably intertwined with the ability of the business to succeed commercially. In South Africa, the allocation of fishing rights by DEFF is expected to be materially linked to the B-BBEE credentials of the applicants – and therefore of Oceana, in its case. Appropriate empowerment credentials are therefore not only a goal of Oceana from a moral perspective given the previously disadvantaged nature of a large proportion of its employees and stakeholders, but it is also a commercial imperative – the benefits of which, like other commercial decisions, must be weighed up against its costs.

The Oceana Empowerment Trust will commence with its unwinding process in 2021 and the DEFF fishing rights allocation and renewal process likely to commence in 2021. In keeping with, and with a view to continuing, the moral empowerment legacy and objective achieved by the original Oceana Empowerment Trust scheme of 2006, and in keeping with the commercial imperative brought on by the DEFF process, Oceana is proposing the new BEE Transaction in order to continue its longstanding commitment to promote B-BBEE in South Africa, to continue to play a meaningful role in the transformation of the fishing industry in South Africa and to protect and optimise its commercial fishing rights, a key strategic imperative for Oceana.

This BEE Transaction is expected to achieve the following objectives:

- broaden equity ownership among employees and selected strategic black partners thereby promoting the sustained success of Oceana;
- promote the interests of employees and selected strategic black partners;
- maintain and promote sound employment relations and attract, empower and retain employees on an on-going basis;
- maintain and promote sound joint venture or contractual relations and attract, empower and retain black joint venture or supply partners on an on-going basis;
- promote good relations with other entities in the fishing industry and in the communities where Oceana operates; and
- substantially preserve the Company's current B-BBEE ownership level by ensuring that black ownership is not materially diluted through the unwinding of the Oceana Empowerment Trust during 2021.

14. DETAILS OF THE BEE TRANSACTION

The Employee Transaction and the Stakeholder Transaction (as well as the terms of their respective Transaction Agreements) are substantially similar in many material respects, but differ in respect of those persons/entities who or which are eligible to become Beneficiaries of the Employee Trust and the Stakeholder Trust.

14.1 Establishment of the BEE Trusts

Oceana has established the Employee Trust and the Stakeholder Trust for the purpose of subscribing for the Subscription Shares, holding and administering them (as Trust Shares) for the benefit of the beneficiaries, subject to the restrictions and suspensions stipulated in the Subscription Agreements. The BEE Trusts have been established for the benefit of employees and selected strategic black partners, where restrictions on the trading in the Trust Shares will be imposed by Oceana in terms of the Subscription Agreement, as a term of issue of the Shares.

14.2 **Implementation mechanism of the BEE Transaction and funding**

The BEE Transaction will be facilitated by Oceana through the NVF over the Term.

Oceana will contribute the full Subscription Amount to the Employee Trust and Stakeholder Trust in order to enable the Employee Trust and Stakeholder Trust to subscribe for the Subscription Shares in terms of the Subscription Agreements for cash.

Oceana will issue, for cash, the Subscription Shares to the BEE Trusts for the Subscription Price on the Subscription Date. The Subscription Shares will be issued to the BEE Trusts subject to the restrictions and suspensions under the Subscription Agreements and the Relationship Agreements as summarised in paragraph 14.7 of this Circular, which restrictions and suspensions are a term of issue of the Subscription Shares. These restrictions and suspensions are contractual in nature, and the Trust Shares are in all other respects, ordinary Shares of Oceana.

The BEE Trusts will be restricted from disposing of, or encumbering, the Trust Shares during the Term. Pursuant to the NVF, on the First Repurchase Date, Second Repurchase Date and Third Repurchase Date, Oceana will be entitled to repurchase the Repurchase Shares in accordance with the Repurchase Formula. The BEE Transaction Specific Repurchase can be accelerated by Oceana in certain instances set out in the Subscription Agreements and Relationship Agreements.

14.3 **B-BBEE Status**

As set out at paragraph 13.2 above, part of the strategic rationale of the BEE Transaction is to enable and enhance B-BBEE transformation of Oceana. It is accordingly the intention that the BEE Trusts meet, adhere to and continue to operate in accordance with the B-BBEE Requirements and that the Trustees shall have no discretion in relation to such B-BBEE matters.

The Trust Deeds record that the Trustees are acting as fiduciaries for the benefit of the Beneficiaries. The Employee Trust shall at all times be required to be conducted as an “Employee Share Ownership Programme” and the Stakeholder Trust shall at all times required to be conducted as a “Broad-Based Ownership Scheme” as defined and contemplated in the B-BBEE Codes. The Trustees of the BEE Trusts shall ensure compliance with the applicable requirements in the B-BBEE Codes and develop a track record of operating as an “Employee Share Ownership Programme” or a “Broad-Based Ownership Scheme” (as the case may be), having full operational capacity to operate as such, and evidenced by suitably qualified and experienced staff in sufficient number, experienced professional advisers, operating premises and all other necessary requirements for operating a business.

14.4 **Participation in the BEE Transaction**

Employee Trust

To become a Beneficiary of the Employee Trust, a person must be an employee of the Group who meets the eligibility criteria set out in the definition of “Eligible Employee”, and accept an invitation to become a Beneficiary.

Stakeholder Trust

To become a Beneficiary of the Stakeholder Trust, an entity must meet all the eligibility criteria set out in the definition of “Eligible SME” and be selected by the Allocation Committee, in its discretion, to participate in the Stakeholder Transaction and accept an invitation to become a Beneficiary.

The maximum number of Eligible SMEs who may become Beneficiaries and participate in the Stakeholder Transaction at any time is 15 (fifteen), of which no more than 3 (three) may be community based legal entities.

Whilst categories of SMEs have been identified in the eligibility criteria (see the definition of “Eligible SME”), individual SMEs in each category have not yet been identified. The Allocation Committee may, in its discretion, select which SMEs meeting the eligibility criteria will be invited to participate in the Stakeholder Transaction.

14.5 **Allocation of Beneficiaries’ Rights**

The maximum number of Subscription Shares to be allotted and issued to the Employee Trust and Stakeholder Trust in terms of the Subscription Agreements for purposes of participation by Beneficiaries shall be the 7 825 908 representing approximately 6.0% of Oceana’s issued Shares to the Employee Trust and 652 159 representing approximately 0.5% of Oceana’s issued Shares to the Stakeholder Trust, as set out in the Subscription Agreements. The shareholding percentages set out in this paragraph are premised on a full implementation of the OET Specific Repurchase and the BEE Transaction. No Allocation Notice may be given after the 6th anniversary of the First Effective Date and each subsequent allocation will be in respect of less Shares than the previous allocation as more fully set out below.

The Allocation Committee shall be responsible for and have authority to determine and decide from time to time which Eligible Employees and which Eligible SMEs shall be invited to accept Allocations (which become the subject of an Allocation Notice) and become Beneficiaries and the extent of such allocations per Eligible Employee and Eligible SME. The Trustees shall allocate Rights in such portions of the Unallocated Trust Shares of the Trust from time to time (but no more than once per year), to such Eligible Employees and Eligible SMEs as are communicated to them by the Allocation Committee. The number of Rights to be allocated will be determined with reference to a number of Trust Shares upon acceptance and which shall, at the time of each Allocation and at all times thereafter, be in the ratio of 1 (one) Right to 1 (one) Trust Share.

Each Allocation by the Employee Trust shall be in respect of Rights comprising Class A Rights, Class B Rights and Class C Rights. The number of Class A Rights, Class B Rights and Class C Rights which are the subject of each Allocation shall always be the same, as between Classes of Rights, and as between Eligible Employees. As a result, each Eligible Employee who receives and accepts an Allocation, shall have the same number of Rights as any other Eligible Employee, who receives and accepts that specific Allocation and each such person in respect of that specific Allocation shall have the same number of Class A Rights, Class B Rights and Class C Rights. The Rights attaching to these classes of Rights are the same, the only difference between such classes of Rights being the date on which the Trust Shares underlying such classes of Rights are repurchased, as explained at paragraph 14.10. The same principles apply to the Stakeholder Trust.

On each separate Allocation, each Eligible Employee will receive the same size Allocation as all other Eligible Employees who receive Allocations at that point in time only, irrespective of their length of service with or level of seniority in an Employer Company. On each separate Allocation, each Eligible SME will receive the same size Allocation as all other Eligible SMEs who receive Allocations at that point in time only. Given the staff composition of the Group as of 30 September 2020, had the initial Allocation under the Employee Trust been made at 30 September 2020, then approximately 94.5% of the Allocation would have been made to Black People. At least 85% of the value of the Allocations under the Stakeholder Trust must ultimately accrue to Black People.

No consideration shall be payable to the BEE Trusts by any Eligible Employee or an Eligible SME who accepts an Allocation.

In respect of all Allocations made after the initial Allocation in terms of the Trust Deeds, subject to there being sufficient Unallocated Trust Shares then held by the relevant BEE Trust, the number of Rights, with reference to underlying Trust Shares, which may be allocated to any Eligible Employee or any Eligible SME, as the case may be, shall be determined with reference to the following formula, namely:

$$A = B \times [(C - D)/C]$$

Where:

A = Rights to be Allocated to an Eligible Employee or Eligible SME, rounded to the nearest whole number;

B = that number of Trust Shares underlying Rights granted in terms of the initial Allocation under this Trust Deed, per Eligible Employee or Eligible SME;

C = 120 (being a number of months);

D = the number of whole calendar months between the First Effective Date and the last day of the calendar month during which the Eligible Employee or Eligible SME qualified as an Eligible Employee or Eligible SME,

provided that if there are insufficient Unallocated Trust Shares, then the number of Rights to be allocated shall be reduced so as to enable an allocation to be made using the number of Unallocated Trust Shares available at the time.

14.6 Terms of the Specific Issue

The Specific Issue will be implemented on the Subscription Date.

The Board has resolved that Oceana will issue 7 825 908 Subscription Shares (representing approximately 6% of the issued Shares of Oceana) to the Employee Trust and 652 159 Subscription Shares (representing approximately 0.5% of the issued Shares of Oceana) to the Stakeholder Trust. The Specific Issue will be at the Subscription Price being R0.01 (one cent) for each Subscription Share.

The Specific Issue will be implemented through the Subscription Agreements by way of the NVF. The Subscription Shares to be issued to the BEE Trusts will rank *pari passu* with the Other Ordinary Shares, save that they will be subject to the restrictions and suspensions contained in the terms of issue set out in the Subscription Agreements.

The Specific Issue constitutes a specific issue of shares for cash in terms of the JSE Listings Requirements and will thus require the approval of Oceana Shareholders at the General Meeting. The Subscription Shares are a class of Oceana Shares already in issue and will be issued to a non-public shareholder, as defined in the Listing Requirements.

Oceana will make a capital contribution to the BEE Trusts equal to the Subscription Amount payable by the BEE Trusts in order to enable the BEE Trusts to subscribe for the Subscription Shares.

14.7 Restrictions and suspensions

The Subscription Shares shall rank *pari passu* with all Other Ordinary Shares but, as a term of issue of the Subscription Shares, the Subscription Shares shall be issued subject to the following restrictions and suspensions, as well as other restrictions contained in the Trust Deeds and/or Relationship Agreements, namely that before the end of the Term:

- the BEE Trusts shall only be entitled to receive the Dividend Percentage (being, 25%) of the Normal Distributions, Extraordinary Distributions and Non-Elective Capitalisation Shares which Oceana declares on each other Share or issued to its other Shareholders, with the right to receive the balance of such Normal Distribution, Extraordinary Distribution, and Non-Elective Capitalisation Shares (being, 75%), which would ordinarily have been declared and accrued or have been issued to the BEE Trusts in respect of the Subscription Shares had this suspended rights not been imposed on the BEE Trusts, being suspended and taken into account in the Repurchase Formula;
- the BEE Trusts shall not be entitled to follow the BEE Trusts' rights in any rights issue by Oceana during the Term and the Trustees shall instead sell the nil paid letters of allocation which the BEE Trusts receive and distribute the proceeds (net of costs and taxes) to Beneficiaries *pro rata* to their Rights, unless otherwise agreed with Oceana; and
- the BEE Trusts shall be obliged, in respect of any Elective Capitalisation Shares which become available to them, to elect not to receive cash but instead to receive the Dividend Percentage of any Elective Capitalisation Shares to which they would otherwise be entitled but for the suspension, with the right to receive the balance of such Elective Capitalisation Shares (being 75% of such Non-Elective Capitalisation Shares), which would ordinarily have been issued to the BEE Trusts, being suspended and taken into account in the Repurchase Formula.

The restrictions and suspensions shall continue to apply at all times to each Beneficiary, until such time as such Beneficiary (or their nominee shareholder) receives Trust Shares from the Trust and the name of that Beneficiary is entered into the Register of Oceana as a shareholder in respect of those Shares, in which case from that time no restrictions shall apply to those Shares but all restrictions shall continue to apply to any remaining Rights still held by that Beneficiary.

14.8 Dividends and other Distributions

Before the end of the Term:

- the BEE Trusts shall only be entitled to receive an amount equal to 25% of any Normal Distributions, Extraordinary Distributions and Capitalisation Shares which the Company declares or issues; and
- with the right to receive the balance of such Normal Distributions, Extraordinary Distributions and Capitalisation Shares (being 75% of such Normal Distributions, Extraordinary Distributions and Capitalisation Shares), which would ordinarily have been declared and have accrued to or have been issued to the BEE Trusts had the suspended right not been imposed on the BEE Trusts, being suspended and taken into account in the Repurchase Formula.

If any amount from any source whatsoever is received by the BEE Trusts in respect of the BEE Trusts' holding of Allocated Trust Shares, after applying that income to any applicable costs and taxes, the Trustees shall determine (and distribute if appropriate) if any amounts are available for distribution as Net Income to the Beneficiaries *pro rata* to their Rights at that time. The Net Income shall:

- vest in the relevant Beneficiary *pro rata* in accordance with his/her Rights, after deduction of costs and taxes; and
- be paid to the Beneficiary as soon as practicable.

After the implementation of the final possible Repurchase of Trust Shares from the BEE Trusts by Oceana on or after the expiry of the Term, the suspensions of the rights of the BEE Trusts, including those to Normal Distributions, Extraordinary Distributions, rights issues and Capitalisation Shares shall cease and Oceana will thereafter pay the identical dividend and other Normal Distributions, Extraordinary Distributions, rights issues and Capitalisation Shares per Trust Share which may still then be held by the BEE Trusts as it declares on the Other Ordinary Shares to all its other Shareholders.

14.9 Voting

The Trustees of the BEE Trusts will be entitled to exercise all voting rights attached to the Trust Shares of which they are the registered owner until the Trust Shares are either Repurchased by Oceana or distributed to the Employee Beneficiaries and Stakeholder Beneficiaries, following which the new holders of the Oceana Shares shall be entitled to exercise all voting rights attached to the Shares received. In terms of the Trust Deeds, for so long as the First Trustees are the First Trustees they shall not be entitled to exercise any votes attaching to the Trust Shares held by the BEE Trusts and such Trust Shares (while under the control of the First Trustees) will be seen by the JSE as treasury shares from a voting perspective. The votes attaching to the Trust Shares may only be voted on resolutions required by the JSE once the Trustees elected by the Beneficiaries have been appointed and issued with letters of authority.

Given the nature of an “Employee Share Ownership Programme” and a “Broad-Based Ownership Scheme”, the decision as to how to vote the Trust Shares shall, where possible and practicable, be made by the Trustees after consultation with Beneficiaries in an attempt to ascertain the wishes of the majority of Beneficiaries in this regard. Where it is not possible or practicable to ascertain the wishes of the majority of Beneficiaries, the Trustees shall, in their discretion, come to a decision (by simple majority) as to how to vote the Trust Shares. In determining how to exercise their discretion, the Trustees may obtain professional advice but shall not be obliged to do so.

14.10 Terms of the BEE Transaction Specific Repurchase

Unless something occurs earlier which entitles Oceana to elect to implement an Accelerated Repurchase in terms of the Subscription Agreements or Relationship Agreements:

- on the First Repurchase Date, all Trust Shares underlying the Class A Rights shall be the subject of a Repurchase in terms of the Repurchase Formula, at the Repurchase Price per Repurchase Share;
- on the Second Repurchase Date, all Trust Shares underlying the Class B Rights shall be the subject of a Repurchase in terms of the Repurchase Formula, at the Repurchase Price per Repurchase Share; and
- on the Third Repurchase Date, all Trust Shares underlying the Class C Rights shall be the subject of a Repurchase in terms of the Repurchase Formula, at the Repurchase Price per Repurchase Share.

Pursuant to the NVF, on the date of each relevant Repurchase, Oceana will be entitled to repurchase the relevant Repurchase Shares (including on an Accelerated Repurchase) in accordance with the below Repurchase Formula:

$$RS = \frac{[N \times MV1 \times (1 + R)^{T1}] - D}{MV2}$$

Where:

RS = the number of Repurchase Shares; provided that *RS* may not exceed the number of Rights of the Class in question which are the subject of that Repurchase, or the total number of Trust Shares held by the Trust on the implementation of the Accelerated Repurchase and, shall be limited to such number;

N = the respective number of Trust Shares underlying the Rights of the Class in question which are the subject of that Repurchase, or the total Trust Shares held in the event of an Accelerated Repurchase;

MV1 = 95% of the Market Value per Share, calculated up to (and including) the Business Day prior to the Subscription Date;

R = a percentage equal to 75% of the Prime Rate applied on a compound escalation basis and not a simple escalation basis (“Escalation Factor”);

T1 = number of complete years from (and including) the First Effective Date to (but excluding) the date of the relevant Repurchase, provided that the final period may be a partial period, expressed as a decimal fraction, and determined as the number of days from (and including) the relevant anniversary of the Subscription Date to the relevant calculation date;

D = the cumulative sum of all amounts in respect of which a relevant right in relation to a Trust Share which is the subject of that Repurchase and held by the Trust has been suspended, as contemplated in clause 4 of the Subscription Agreement, multiplied by the number of Trust Shares which are the subject of that Repurchase plus (without double counting) the Market Value of any suspended Capitalisation

Shares attributable to the number of Trust Shares which are the subject of that Repurchase, calculated up to the Business Day prior to the date of the relevant Repurchase, all increased by the Escalation Factor from (and including) the date that each payment would have occurred to (but excluding) the date of the relevant Repurchase;

MV2 = the Market Value per Share calculated up to the Business Day prior to (but excluding) the date of the relevant Repurchase.

Following the relevant Repurchase, the Repurchase Shares acquired by Oceana will be cancelled as issued Shares and restored to the status of authorised and unissued shares in Oceana and Oceana shall, if applicable, make application to the JSE for the delisting of the Repurchase Shares acquired by Oceana.

14.11 Distribution of Net Capital Proceeds and Trust Shares

Unless same occurs earlier by way of the Accelerated Repurchase (in which case substantially the same shall apply, at such earlier time in relation to all Trust Shares), forthwith after the Final Date (scheduled to occur on the Third Repurchase Date), the Repurchase shall be implemented separately in relation to each BEE Trust in respect of all remaining Rights and all the underlying Trust Shares. After the implementation of such Repurchase, the Trustees shall determine the full extent of all assets then held respectively by the BEE Trusts, including Trust Shares, and shall make provision for the costs, liabilities and expenses, including fees, of winding up the respective BEE Trusts. After making such provision, the Trustees shall vest in and distribute to the respective Beneficiaries all remaining assets of the respective BEE Trusts, including Trust Shares, cash (if applicable) and consideration assets (if applicable), *pro rata* according to their respective Rights. The Trust Shares, and/or consideration assets and/or other assets shall be distributed as soon as reasonably possible thereafter to Beneficiaries of the respective BEE Trusts according to the following formula and the Rights of each Beneficiary at such time entitle each Beneficiary to receive a number of Trust Shares, calculated as follows namely:

$$N = (R/TR) \times RS$$

Where:

N = Number of Trust Shares held by the relevant BEE Trust

R = Number of Rights held by the Beneficiary of the relevant BEE Trust

TR = Total number of Rights held by all Beneficiaries of the relevant BEE Trust

RS = Total number of Remaining Shares/consideration assets/other assets held by the relevant BEE Trust.

Prior to the distribution of the applicable Trust Shares, Beneficiaries will have an election as to their preferred distribution option, in terms of which they may elect to:

- **Sell to transfer:** to appoint a broker to sell a portion of the Beneficiaries' applicable Shares in order to cover the Beneficiaries' taxes and costs and thereafter transfer the remainder of the Shares to the Beneficiaries' nominated broker account;
- **Sell all:** to appoint a broker to sell all of the Beneficiaries' applicable Shares, with the proceeds net of taxes and costs paid to the Beneficiaries' nominated bank account; and
- in respect of the Eligible SMEs only, **Transfer all:** the Beneficiary pays their applicable taxes and costs to the Stakeholder Trust, and following receipt of such amount, all of the Beneficiary's applicable Shares are transferred to the Beneficiary's nominated broker account.

14.12 Events influencing benefits to be received

Certain events could influence the benefits to be received by Employee Beneficiaries and Stakeholder Beneficiaries if they happen before the Final Date:

Employee Beneficiaries:

Unless the Directors determine and notify the Trustees otherwise, if an Employee Beneficiary ceases to be employed by a Group company by reason of a Non-Permitted Employee Event occurring:

- at any time before the Third Repurchase Date, he shall be deemed to have forfeited his/its Rights held at that time to the Employee Trust for no consideration;
- after the expiry of the Term and the implementation of the relevant Repurchase, there will be no effect on his Rights, which will continue in force in accordance with the Trust Deed.

If an Employee Beneficiary ceases to be employed by a Group Company by reason of a Permitted Employee Event occurring at any time, there shall be no effect on his Rights, which will continue in force in accordance with the Employee Trust Deed.

Stakeholder Beneficiaries:

Unless the Directors determine and notify the Trustees otherwise, if a Non-Permitted SME Event occurs in respect of an Eligible SME at any time before the Third Repurchase Date, it shall be deemed to have forfeited its Rights held at that time to the Stakeholder Trust for no consideration.

In respect of any Rights which are forfeited in terms of the Employee Trust Deed or the Stakeholder Trust Deed, the underlying Trust Shares in relation to those Rights shall revert to the status of Unallocated Trust Shares in the relevant BEE Trust and shall be available for re-Allocation of Rights to Eligible Employees or Eligible SMEs, as the case may be, in future Allocations.

14.13 Accelerated Repurchase

The Term may end on a day prior to the Third Repurchase Date in any of the following circumstances at the discretion of Oceana and Oceana may elect to implement the Accelerated Repurchase at the Repurchase Price in any of the following circumstances, namely:

- upon receipt of an offer to acquire 100% of the Shares in Oceana;
- an offer (including a scheme of arrangement proposed by the Company) is made to the Oceana Shareholders generally to acquire less than 100% of their Shares by an offeror;
- the declaration of an Extraordinary Distribution by Oceana;
- Oceana making an application to the JSE for a delisting of all its Shares;
- a change of control of Oceana;
- the occurrence of a corporate action or event;
- a negative change in the B-BBEE Score of Oceana or the Employee Trust or Stakeholder Trust which is not addressed by the Employee Trust or Stakeholder Trust to the satisfaction of Oceana in terms of the Relationship Agreements;
- a breach of the relevant Trust Deed, Subscription Agreement and/or the Relationship Agreement by either of the BEE Trusts; and
- the passing of a resolution for or the briefing of an attorney to, commence steps for the provisional sequestration of either of the Employee Trust or Stakeholder Trust.

If Oceana, in its sole discretion, determines that the BEE Trusts will not enjoy an Approximate Benefit as a result of a Corporate Action or Event, Oceana may propose adjustment/s to the Repurchase Formula to ensure that the BEE Trusts will enjoy an Approximate Benefit.

There shall be no Accelerated Repurchase in the case of: (i) a share split or consolidation or reorganisation of shares of Oceana; (ii) a scheme of arrangement in respect of Oceana (unless same occurs as a result of an offer which could result in the acquisition of 100% of Oceana's Shares or less than 100% of Oceana's Shares as contemplated above); (iii) the issue by Oceana of Shares in consideration for an acquisition; or (iv) the issue of Shares by Oceana for cash and/or by way of a vendor consideration placing.

14.14 Appointment of Trustees

Employee Trust

After the election of the first elected Trustees, there shall at all times be at least 3 (three) but not more than 5 (five) Trustees in office in the Employee Trust, at least 60% of whom shall be elected and/or appointed by the Employee Beneficiaries. Oceana shall at all times be entitled, but not obliged, on written notice to the Employee Trust at any time and from time to time to nominate and appoint 2 (two) Trustees (and 2 (two) alternates). The Employee Beneficiaries shall be entitled to elect 3 (three) Trustees (and 3 (three) alternates), 2 (two) of which persons must be Eligible Employees that are Beneficiaries and 1 (one of which must be an independent Trustee.

Stakeholder Trust

After the election of the first elected Trustees, there shall at all times be at least 3 (three) but not more than 5 (five) Trustees in office, at least 60% of whom shall be elected and/or appointed by the Stakeholder Beneficiaries. Oceana shall at all times be entitled, but not obliged, on written notice to the Stakeholder Trust at any time and from time to time to nominate and appoint 2 (two) Trustees (and 2 (two) alternates). The Stakeholder Beneficiaries shall be entitled to elect 3 (three) Trustees (and 3 (three) alternates), 2 (two) of which persons must be representatives of the Eligible SMEs that are Beneficiaries and 1 (one) independent Trustee (and 1 (one) alternate).

For so long as the Stakeholder Trust has Stakeholder Beneficiaries which fall within categories D to E of the definition of Eligible SME, at least 1 (one) elected Trustee (and 1 (one) alternate) shall be representatives of Eligible SMEs that fall within the aforementioned categories and the other elected Trustee (and alternate) shall be a representative of Eligible SMEs that fall within categories A to C of the definition of Eligible SMEs.

In compliance with B-BBEE Requirements, it is an additional requirement that the composition of Trustees of the Stakeholder Trust, after the first formal election of trustees occurs in accordance with the Employee Trust Deed, shall be:

- a) at least 50% Black People; and
- b) at least 25% (of the trustees appointed in (a) above) be Black People who are women; and
- c) at least 50% of all Trustees be independent, in that they have no employment with the “Broad-Based Ownership Scheme” conducted by the Stakeholder Trust implemented by way of the Stakeholder Trust, nor have any direct or indirect beneficial interest in that “Broad-Based Ownership Scheme” conducted by the Stakeholder Trust.

14.15 Administration

Oceana shall select an administrator for the BEE Trusts and shall instruct the First Trustees to appoint the selected administrator to administer the BEE Trusts. The First Trustees shall procure that the administrator selected and appointed enters into a written administration agreement on terms and conditions approved by Oceana, in respect of the administration of the BEE Trusts.

Oceana’s prior written consent is required if the Trustees wish to terminate the administration agreement with the appointed Administrator in order to appoint another administrator, or amend the terms of the administration agreement.

The costs and expenses of the administration of the BEE Trusts will be borne by the BEE Trusts. If the BEE Trusts have insufficient cash resources to do so, Oceana shall contribute such funds to the BEE Trusts for that purpose.

14.16 Salient terms of the Relationship Agreement

General

The purpose of the Relationship Agreements is to regulate, amongst other things, the ongoing relationship between the Oceana and each of the BEE Trusts for so long as the BEE Trusts hold Shares in Oceana in accordance with the Transaction Agreements.

Duration

The Relationship Agreements shall commence on the Subscription Date and shall continue to be of force and effect until the relevant BEE Trust is wound up.

General Undertakings

In terms of the Relationship Agreements, the BEE Trusts undertake to adhere to certain restrictions which seek to ensure that they maintain their existence as ring fenced special purpose vehicles, the sole purpose of which is to hold the Trust Shares for the benefit of the Beneficiaries. The BEE Trusts undertake to and in favour of Oceana, *inter alia*:

- to comply with the provisions of their respective Trust Deeds and the Transaction Agreements as well as to maintain all required authorisations;
- not to apply for or take steps to secure, or do anything which would have the effect of or result in, their existence being terminated or the BEE Trusts being wound up (voluntarily or involuntarily) or being de-registered or otherwise ceasing to have control over their business and affairs;
- not to make any distributions (as such term is defined in the Companies Act, read appropriately in the context) to its Beneficiaries other than as specifically permitted in terms of the Employee Trust Deed and Stakeholder Trust Deed; and
- for so long as the BEE Trusts hold the Trust Shares, the BEE Trusts are prohibited from making other investments, acquiring other assets, incurring any indebtedness or amending their Trust Deed, without the prior written consent of Oceana.

B-BBEE Undertakings

The BEE Trusts undertake, in terms of the Relationship Agreements, to comply with all relevant B-BBEE Requirements and not to do anything which could negatively impact on its own or Oceana’s B-BBEE Score nor do anything which would adversely impact and/or negate the Employee Trust’s status as an “Employee Share Ownership Programme” or the Stakeholder Trust’s status as a “Broad-Based Ownership Scheme” (as contemplated in the B-BBEE Codes).

The BEE Trusts further undertake to use their reasonable endeavours to ensure that their Beneficiaries have the ability to exercise voting rights and economic interests in relation to the Trust Shares and ensure they are and/or will remain a “black person” or deemed “black person” as contemplated in the B-BBEE Codes.

Restrictions during Lock-in period

For the duration of the Term, except in accordance with the provisions of the Trust Deeds and Transaction Agreements, the BEE Trusts are prohibited from encumbering the Trust Shares, disposing of the Trust Shares or any rights attaching thereto (save as contemplated in the Transaction Agreements), entering into any agreement in respect of the votes or any other rights attached to the Trust Shares, or agreeing to do any of the foregoing.

Oceana Entitlements

Oceana has the right, at any time and from time to time, to conduct B-BBEE verifications of the BEE Trusts and/or their Beneficiaries with a view to, amongst other things, ensure that the BEE Trusts are and/or remain a “black person” (or deemed “black person”) under the B-BBEE Act and/or the B-BBEE Codes. Oceana also has a right to be provided with access to certain record and information of the BEE Trusts.

14.17 Winding-up of the BEE Trusts

The BEE Trusts shall be wound up as soon as possible after the date 2 (two) years after the expiry of the Term, provided that if all relevant Beneficiaries have received and/or been paid what is due to them prior to such date, the commencement of the winding up of either or both BEE Trusts may commence earlier than the date 2 (two) years after the expiry of the Term.

15. ESTIMATED ECONOMIC COSTS

The estimated economic cost of the BEE Transaction for the Company and Oceana Shareholders is sensitive to the Oceana Share price based on the 30-day VWAP used to determine the issuance price of Shares to the Employee Trust and the Stakeholder Trust. As the issuance price of Shares to the Employee Trust and the Stakeholder Trust will be determined on implementation of the BEE Transaction, this poses uncertainty on the issuance price to be used and ultimately the estimated economic cost of the BEE Transaction, and therefore three price scenarios have been presented in the *pro forma* financial information:

- (a) Scenario 1 – R62 per Oceana Share (selected based on prevailing 30-day VWAP at time the IFRS 2 models were concluded);
- (b) Scenario 2 – R67 per Oceana Share (mid-point between scenario 1 and 3); and
- (c) Scenario 3 – R72 per Oceana Share (selected as it is close to the 52-week high of the Oceana share price).

The scenarios in (a), (b), and (c) above have used round numbers, with the equal distance between the scenario pricing to allow shareholders to more easily understand the differences between the various scenarios.

Oceana has estimated the economic cost of implementing the BEE Transaction for the Company and Oceana Shareholders in each scenario above, as at the Last Practicable Date to be approximately as follows:

		SCENARIO		
		1	2	3
30-day VWAP/Issuance price	Rand/share	62.0	67.0	72.0
IFRS 2 cost	R'm	171.3	186.8	202.3
– Employee Trust	R'm	158.1	172.4	186.7
– Stakeholder Trust	R'm	13.2	14.4	15.6
Shares in issue	million	130.4	130.4	130.4
Market cap @ scenario price	R'm	8 084.8	8 736.8	9 388.8
% of market cap		2.12%	2.14%	2.15%
Market cap @ Last Practicable Date ¹	R'm	8 800.2	8 800.2	8 800.2
% of market cap		1.95%	2.12%	2.30%

1. Market cap calculated at R67.47/share at the Last Practicable Date.

These figures were calculated with reference to the requirements of IFRS, including IFRS 2 – Share-Based Payments.

IFRS 2 sets out the basis for calculating the economic cost shown above and the valuation uses the following key inputs or assumptions:

- the Black Scholes simulation model (option pricing model) for valuing options; and
- the use of available market-sourced data and an estimation of future dividend yields at given dates, this option pricing model determines expected future ordinary share prices.

These calculations derive an expected future cost associated with the BEE Transaction that is then discounted to the present, resulting in the IFRS 2 charges shown above. This amount will be expensed over the Term where it relates to the Employee Trust, and expensed partially upfront with the balance amortised over the Term where it relates to the Stakeholder Trust, upon implementation of the BEE Transaction, in the Company's statement of comprehensive income in terms of IFRS. The IFRS 2 charge has no effect on the Company's cash flow.

These calculations do not include the anticipated financial benefits of substantially preserving Oceana's current B-BBEE ownership level by ensuring that Black ownership is not materially diluted through the unwinding of the Oceana Empowerment Trust during 2021 given that in South Africa, the allocation of fishing rights by DEFF is expected to be materially linked to the B-BBEE credentials of applicants.

Please see the *pro forma* financial statements at **Annexure 1** to this Circular, for more details in relation to these IFRS 2 economic costs.

16. **CONDITIONS PRECEDENT TO THE BEE TRANSACTION**

The implementation of:

- the Employee Transaction is subject to:
 - the OET Employee Transaction Specific Repurchase becoming unconditional and being implemented; and
 - the Shareholders approving by special resolution, (i) the provision of any financial assistance to be provided by Oceana to the Employee Trust in connection with the Employee Transaction; (ii) the Specific Issue of the Subscription Shares to the Employee Trust; and (iii) the repurchase of Repurchase Shares from the Employee Trust, including in terms of an Accelerated Repurchase, by no later than 31 March 2021 or such later date as agreed to in writing between Oceana and the Employee Trust;
- the Stakeholder Transaction is subject to:
 - the OET Employee Transaction Specific Repurchase and the OET Stakeholder Transaction Specific Repurchase becoming unconditional and being implemented, provided that if, upon becoming unconditional, the number of OET Stakeholder Transaction Repurchase Shares to be repurchased is reduced to zero in terms of the OET Repurchase Agreement (as explained at 3.2.5.1 of Section A of this Circular), the OET Stakeholder Transaction Specific Repurchase will be deemed to have been implemented; and
 - the Shareholders approving by special resolution, (i) the provision of any financial assistance to be provided by Oceana to the Stakeholder Trust in connection with the Stakeholder Transaction; (ii) the Specific Issue of the Subscription Shares to the Stakeholder Trust; and (iii) the repurchase of Repurchase Shares from the Stakeholder Trust, including in terms of an Accelerated Repurchase, by no later than 31 March 2021 or such later date as agreed to in writing between Oceana and the Stakeholder Trust.

17. **BEE TRANSACTION ACCOUNTING TREATMENT AND TAX TREATMENT**

17.1 **Accounting Treatment**

Oceana controls both the Employee Trust and Stakeholder Trust, based on the principles in IFRS 10 – Consolidated Financial Statements. Both BEE Trusts are therefore consolidated by Oceana. Any Oceana shares acquired by the Employee Trust and the Stakeholder Trust are accounted for as treasury shares in the consolidated financial statements, until such time that the Beneficiaries are unconditionally entitled to the Oceana Shares themselves.

The issuance of the shares to Beneficiaries of the Employee Trust and the Stakeholder Trust are accounted for as in-substance options within the scope of IFRS 2 – Share-based Payments. Both awards are classified as Equity-settled Awards.

Vesting of the award granted to employees who are Beneficiaries of the Employee Trust occurs over a 10-year period in line with the employees' services provided to Oceana; an employee-related expense is recognised over the service period based on the grant date fair value of the awards granted. The expense for awards granted to Beneficiaries of the Stakeholder Trust will either be recognised immediately on the date the award is made to the Beneficiary as a one-off charge or if

the award is subject to service conditions (as defined in IFRS 2 Share-based Payments) the expense will be recognised over the service period. Assessment of whether the award made to a Beneficiary of the Stakeholder Trust contains a service condition will be made at the date the award is made to the individual Beneficiary based on the terms and conditions specific to the award.

17.2 Tax Treatment

Shareholders are reminded that they should seek any relevant advice from their own professional advisors in relation to the contents of this Circular, including in relation to legal, financial or tax advice and potential effects and consequences thereof on them.

The tax considerations set out in this Circular are in respect of Oceana and/or the Oceana Group, and are not intended to cover Shareholders, the Employee Trust, the Stakeholder Trust, the Oceana Empowerment Trust, or the beneficiaries of the aforementioned trusts, notwithstanding that aforementioned trusts may form part of the Oceana Group at the time of this Circular.

The tax considerations set out in this Circular are based on various assumptions, amongst others, relevant to Oceana and its relationship with the BEE Trusts.

17.2.1 Contribution to the BEE Trusts

Contributions to the BEE Trusts by Oceana are unlikely to be deductible for Income Tax purposes by Oceana.

17.2.2 Issuance of Oceana Shares to the BEE Trusts

There will be no Security Transfers Tax incurred by Oceana or the BEE Trusts in respect of the issuance of Oceana Shares to the BEE Trusts and their issuance should not give rise to any adverse tax implications for Oceana.

Oceana's contributed tax capital should be increased by the subscription price due by the BEE Trusts in respect of the Oceana Shares issued to the BEE Trusts.

17.2.3 Dividends declared to BEE Trusts

No Income Tax deduction will be available to Oceana for Income Tax purposes in respect of any dividend declared by Oceana in respect of shares held by the BEE Trusts.

There may be an obligation on Oceana to withhold Employees Tax or Dividends Tax from dividends declared by Oceana in respect of shares held by the BEE Trusts and/or the Beneficiaries.

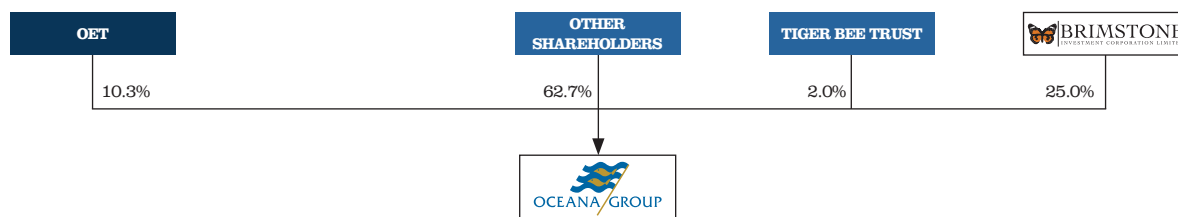
17.2.4 Potential future Repurchase by Oceana (or its nominee) of Oceana Shares from the BEE Trusts

STT will be payable on the value of the Oceana Shares repurchased, which will be payable by the transferor of the Oceana Shares but recoverable from Oceana (or its nominee purchaser).

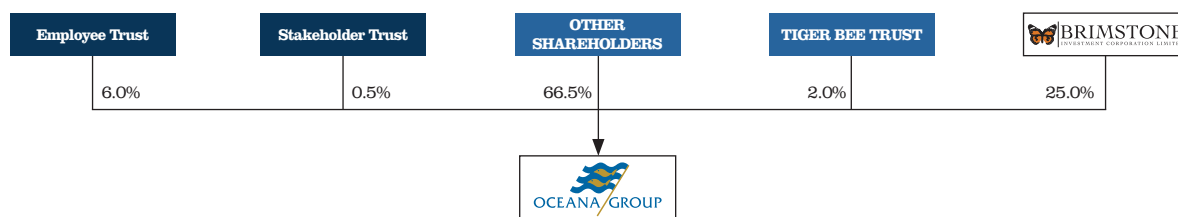
Unless the board of Oceana validly elects to reduce Oceana's contributed tax capital when effecting the Repurchase, the Repurchase consideration may constitute a "dividend" for tax purposes (in which regard please see 17.2.3 above).

18. OCEANA OWNERSHIP STRUCTURE ORGANOGRAMS

18.1 Pre-OET Specific Repurchase and pre-BEE Transaction shareholding



18.2 Post-OET Specific Repurchase and post-BEE Transaction shareholding



SECTION C: GENERAL INFORMATION

19. PRO FORMA FINANCIAL EFFECTS

Annexure 1 to this Circular sets out the *pro forma* consolidated statement of comprehensive income and *pro forma* consolidated statement of financial position and the *pro forma* financial effects of the OET Specific Repurchase and the BEE transaction on, *inter alia*, Oceana's net asset value per share, net tangible asset value per share, basic earnings per share, diluted basic earnings per share, headline earnings per share and diluted headline earnings per share based on the most recently published audited consolidated annual financial statements of Oceana for the year ended 30 September 2020. Three scenarios are shown on the basis of an assumed 30-day VWAP of Oceana Shares, being R62, R67 and R72 per Share as explained in paragraph 15 above. All other assumptions are kept constant throughout.

The *pro forma* financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated annual financial statements of Oceana for the year ended 30 September 2020.

The *pro forma* financial effects are the responsibility of the directors of Oceana and have been prepared for illustrative purposes only and may not, because of their nature, fairly present Oceana's financial position, changes in equity and results of its operations or cash flows nor the effect and impact of the OET Specific Repurchase and the BEE Transaction going forward. The *pro forma* financial effects do not purport to be indicative of what the financial results would have been, had the OET Specific Repurchase and the BEE Transaction been implemented on a different date.

The *pro forma* financial effects should be read in conjunction with the independent reporting accountant's assurance report on the *pro forma* financial information which is contained in **Annexure 3** to this Circular.

The *pro forma* financial effects do not include the anticipated financial benefits of substantially preserving Oceana's current B-BBEE ownership level by ensuring that black ownership is not materially diluted through the unwinding of the Oceana Empowerment Trust during 2021 given that in South Africa, the allocation of fishing rights by DEFF is expected to be materially linked to the B-BBEE credentials of applicants.

20. WORKING CAPITAL ADEQUACY

The Directors have considered the effect of the repurchase of Oceana Shares that may be required should it exercise the BEE Transaction, Specific Repurchase and/or the Accelerated Repurchase and are of the opinion that the JSE Listings Requirements have been complied with in respect thereof and that:

- Oceana and the Oceana Group will be able, in the ordinary course of business, to pay their respective debts for a period of 12 months after the date of approval of the Circular (for this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited annual results for the year ended 30 September 2020);
- the assets of Oceana and the Oceana Group will be in excess of the liabilities of Oceana and the Oceana Group for a period of 12 months after the date of the Circular;
- the ordinary share capital and reserves of Oceana and the Oceana Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Circular; and
- the working capital of Oceana and the Oceana Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Circular.

Furthermore, in respect of any repurchase of Oceana Shares required in the event of the Company exercising the BEE Transaction Specific Repurchase and/or Accelerated Repurchase, as the case may be, the Oceana Board shall ensure that the provisions of section 4 and 48 of the Companies Act are complied with prior to such repurchase, by, amongst other things, passing a resolution as contemplated in section 46(1) and paragraph 5.69(d) of the JSE Listings Requirements:

- authorising the BEE Transaction Specific Repurchase and/or Accelerated Repurchase, as the case may be; and
- acknowledging that it has applied the solvency and liquidity test, and reasonably concluded that the Company and the Oceana Group will satisfy the solvency and liquidity test immediately after completing the BEE Transaction Specific Repurchase and/or Accelerated Repurchase; and
- confirming that since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of the Oceana Group.

21. TRANSACTION COSTS

The estimated costs payable by Oceana in respect of the OET Specific Repurchase and BEE Transaction to Oceana (VAT exclusive) are set out below:

Service	Service provider	Amount (R)
Financial advisor	RMB	6 700 000
Legal and tax advisor	ENSAfrica	2 380 000
Independent Reporting Accountants	Deloitte & Touche	1 500 000
Independent Expert (Accounting treatment)	PWC	430 000
Independent Expert (Fairness Opinion)	PSG Capital	135 000
M&A consultant	Masico Advisory	450 000
JSE listing fee and de-listing fee	JSE	265 000
Sponsor	Standard Bank	150 000
Publishing and printing	Ince (Pty) Ltd	400 000
Communications	Various	100 000
JSE documentation inspection fee	JSE	90 000
Transfer Secretaries	Computershare	40 000
Takeover Regulation Panel fees	TRP	180 000
Contingency (1.4%)	–	180 000
Total		13 000 000

22. DIRECTORS' OPINION

The Board has considered this Circular, the OET Specific Repurchase and the BEE Transaction in light of the rationale for the proposed participation as set out in paragraph 1 of Sections A and B of this Circular above and is of the opinion that the OET Specific Repurchase and the BEE Transaction are in the best interests of Oceana Shareholders, are fair to all Oceana Shareholders, and recommends that the Oceana Shareholders vote in favour of the Resolutions at the General Meeting.

The Directors of Oceana who hold direct and/or indirect interests in Oceana, and who are not related to the related parties and are entitled to vote, have undertaken to vote in favour of the Resolutions to be proposed at the General Meeting, including those Resolutions required to provide financial assistance and implement the OET Specific Repurchase of Oceana Shares from the Oceana Empowerment Trust, and the Specific Issue to and BEE Transaction Specific Repurchase of Oceana Shares from the Employee Trust and Stakeholder Trust in respect of all of the Oceana Shares beneficially held by them.

23. GENERAL MEETING

The General Meeting of Oceana Shareholders to consider and, if deemed fit, to pass, with or without modification, the Resolutions set out in the Notice of General Meeting, will be held at 14:00 on Tuesday, 23 February 2021.

The Notice of General Meeting and a form of proxy (*blue*), for use by Certificated Shareholders and Dematerialised Shareholders with “own name” registration who are unable to participate in the General Meeting, are attached to this Circular. It is requested that, for administrative purposes, duly completed forms of proxy (*blue*) are received by Computershare by no later than 14:00 on Friday, 19 February 2021.

24. SALIENT INFORMATION ON OCEANA

24.1 History and nature of business of Oceana

Incorporated in 1918 and listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges, Oceana Group is a global fishing and commercial cold storage company, and an important participant in the South African, Namibian and US fishing industries. As at 30 September 2020, Oceana employed approximately 4 450 people globally, of whom approximately 3 005 were directly employed and 1 145 were indirectly employed. Oceana is a black-owned company and a level 1 B-BBEE contributor.

Oceana's core purpose is to be a leading global fishing and commercial cold storage company, creating sustainable value and positively impacting the lives of all our stakeholders. Oceana's core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid. The business includes midwater trawling (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, the Gulf menhaden species, red-eye herring and pilchard). In addition, the Company

provides refrigerated warehouse facilities and logistical support services. Oceana markets and sells approximately 263 000 tonnes of fish and fish products to consumers across the consumer spectrum, in 45 countries within Africa, North America, Asia, Europe and Australia.

Oceana is a diversified fishing group that harvest and procures fishing resources from four coastlines across five countries. Its fishing activities are conducted primarily through three operating divisions: Lucky Star; Daybrook Fisheries; and Blue Continent Products. A fourth division, CCS Logistics, provides refrigerated warehouse facilities and logistical support services with operations in Cape Town, Durban, Johannesburg and Walvis Bay.

The largest fishery that Oceana operates, is the US Gulf menhaden, which has a total biomass of 5.2 million tonnes, comparable to the Peruvian anchovy biomass of 6.7 million tonnes, the largest reduction fishery in the world. Trading in multiple species remains one of the strengths of Oceana, providing a natural hedge when environmental conditions change. Oceana's scale enables a well-established sales and marketing operation, allowing it to access larger wholesalers in export markets and to commit to consistent monthly volumes at better prices. In the horse mackerel business, Oceana competes in Africa against other commodity-type products, namely whole fish and other proteins. In terms of canned fish, Lucky Star is a market leader in the canned fish category. Its iconic South African brand is enjoyed by over 4 million people daily.

This structure creates value through economies of scale and efficiencies in terms of raw material and product volumes, use of vessels and production resources, market focus, risk management and growth opportunities.

Oceana's mission statement

To achieve its core purpose, Oceana is:

- responsibly harvesting and procuring a diverse range of global marine resources;
- promoting food security and job security by efficiently producing and marketing relevant products for global markets;
- actively harnessing talent and developing the potential of all employees;
- supporting diversity and empowerment; and
- investing in communities in which it operates, thereby consistently converting resources into shared value and providing superior and sustainable returns to all stakeholders.

Oceana's strategic imperatives

- Protect and optimise Oceana's quota businesses.
- To drive inclusive development in the Company's core areas of operation that have a direct impact on its ability to retain and grow its commercial fishing rights.

Deliver organic growth in Oceana's core businesses

- To explore opportunities to achieve organic growth in the Company's core businesses through product innovation, enhanced service offering and operational efficiencies.

Sustainable earnings through diversification

- To supplement organic growth with strategic acquisitive growth opportunities in aquaculture and vertically integrated fishing businesses, which help enhance earnings, increase diversification and reduce portfolio imbalance.

Strategic Enablers

- Galvanise the workforce.
- To nurture a healthy organisation and a capable workforce.

Engage stakeholders and manage reputation

- To understand and be responsive to the interests of Oceana's stakeholders through effective dialogue and engagement.

Ensure good governance and sustainability

- To secure and enable growth by providing professional frameworks and trusted advice that assures good governance, in areas of corporate governance, compliance, risk and sustainability.

24.2 Prospects

COVID-19 continues to bring uncertainty in all the geographies in which we operate. Our performance in 2020 was underpinned by in-home consumption of most of our products, matched with consistent supply brought about by the adoption of strong safety protocols across our workforce. We believe that this will continue to drive our activity and performance in the short term.

Over the medium term we anticipate that our diverse operations will continue to offer risk mitigation. Our product offerings remain attractive despite the continued effects of the pandemic and we will look to drive volume growth particularly in the canned fish and fishmeal segments.

We remain cautious, however, about the evolving impact of the COVID-19 pandemic on the global macroeconomic environment, the effect on consumer spending and the impact on the pace of economic recovery. We will continue to evaluate the group's prospects against this backdrop, and in particular the possible emergence of a vaccine when evaluating future capital allocation and dividend decisions.

In South Africa, updated timelines for the 2021 Fishing Rights Allocation Process have been published. It is currently anticipated that applications and allocations will be concluded during November 2021. We remain confident of an objective and transparent policy setting, application and adjudication process. As a level-1 B-BBEE contributor with 87.54% black ownership and the honour of being the most empowered food producer on the JSE, Oceana believes it is well placed to strongly contest for the renewal of its fishing rights.

24.3 COVID-19 statement

Oceana notes with concern the impact of the COVID-19 pandemic in South Africa and around the world, including in the USA where Oceana has its Daybrook operations. During the peak COVID-19 lockdown period, Oceana was classified as an essential service provider in all geographies it operates and was able to continue operating with minimal disruption. Throughout the pandemic, Oceana has remained committed to doing everything possible to safeguard the health and well-being of its employees and to ensure continuity of its operations through the implementation of stringent standard operating procedures and protocols.

The Oceana Group's financial results for the year ended 30 September 2020 were not impacted materially by the COVID-19 pandemic given its essential service provider status and sustained demand and firm pricing across most of its product categories which are mostly consumed in-home. Fishing operations were temporarily disrupted at times during the peak COVID-19 infection period and costs were incurred to mitigate the risk of infection within Oceana operations. A one-off staff recognition bonus payment was also paid to recognise and reward the extraordinary efforts of Oceana's front-line employees throughout the peak COVID-19 lockdown period.

The immediate outlook remains uncertain, with very different projections regarding the duration and severity of the pandemic. The second wave has been very severe in a number of countries globally, resulting in further economic restrictions which will impact economic activity in 2021. Logistical and financial challenges are expected for many countries in the short- to medium-term and this will present demand and supply challenges for the seafood sector. The successful development of a number of vaccines, and their expected roll-out during 2021, will have a positive impact later in the year.

Oceana's operating procedures and protocols remain in place and the health of its employees is closely monitored. Oceana has not experienced any material adverse COVID-19 effects subsequent to 30 September 2020.

24.4 Share price history

The price history of the Oceana Ordinary Shares on the JSE is summarised in **Annexure 5** to this Circular.

24.5 Share capital

The table below shows, at the Last Practicable Date, the authorised and issued ordinary Share capital (including treasury shares) of Oceana, before and after the implementation of the BEE Transaction;

	R'000
Authorised share capital	
300 000 000 Oceana Ordinary Shares of no-par value	–
Issued ordinary share capital before the OET Specific Repurchase and subsequent cancellation and delisting and BEE Transaction	
130 431 804 Oceana Ordinary Shares of no-par value	1 200 493
including: 13 685 206 Treasury Shares	
Issued ordinary share capital after the OET Specific Repurchase and subsequent cancellation and delisting and BEE Transaction	
130 431 804 Oceana Ordinary Shares of no-par value	1 200 493
including: 8 782 967 Treasury Shares	

24.6 Major shareholders

Insofar as it is known to the Company, the Oceana Ordinary Shareholders (other than Directors) that are, directly beneficially interested in 5% or more of the Oceana Shares, as at the Last Practicable Date are set out below:

Name of Shareholder	Number of Shares	Percentage of Oceana Share Capital
Brimstone Investment Corporation	32 627 113	25.01
Oceana Empowerment Trust	13 380 306	10.26
Public Investment Corporation (SOC) Limited	12 778 289	9.80
Total	58 785 708	45.07

24.7 Irrevocable Undertakings

As at the Last Practicable Date, the following Shareholders have provided Irrevocable Undertakings to vote their Shares in favour of all Resolutions to be proposed at the General Meeting in respect of both the OET Specific Repurchase and the BEE Transaction (and in the case of OET, the BEE Transaction only) and such additional number of Shares as they may hold at the time of the General Meeting:

Name of Shareholder	Number of Shares Held	Percentage of Shares (%)
Brimstone Investment Corporation	32 627 113	25.01
Oceana Empowerment Trust	13 380 306	10.26

25. DIRECTORS' DETAILS

25.1 Directors' interests in Oceana Ordinary Shares

On the Last Practicable Date, the Directors, including in respect of any director who resigned in the last 18 months, (and their associates) held the following direct and indirect beneficial interests in the Oceana Share Capital:

	Number of Shares		
	Direct beneficial	Indirect beneficial	Aggregate
2021			
I Soomra	24 247 (0.02%)	200 723 (0.15%)	224 970 (0.17%)
Total	24 247 (0.02%)	200 723 (0.15%)	224 970 (0.17%)

25.2 **Directors' remuneration**

Subject to 25.3 (Directors' interests in the BEE Transaction) below, there will be no variation in the remuneration receivable by any of the Directors as a consequence of the implementation of the BEE Transaction.

25.3 **Directors' interest in the BEE Transaction**

The structure of the Oceana BEE Transaction has made provision for employee participation in the form of an employee share ownership plan known as the Employee Trust. Executive directors of Oceana as employees of Oceana are eligible to participate in the Employee Trust. The Company's Chief Executive Officer, Imraan Soomra, Chief Financial Officer, Hajra Karrim, and Company Secretary, Adela Fortune, will be participants in the BEE Transaction and beneficiaries of the Employee Trust. Imraan Soomra, Hajra Karrim and Adela Fortune will participate in the scheme on the same basis as other Eligible Employees and will be afforded no special privileges or awards under the BEE Scheme notwithstanding their positions as CEO, CFO and Company Secretary respectively. It is currently anticipated that the maximum number of Shares that will be issued to these parties would represent a maximum of 4 000 shares or 0.05% of the total allocation, per participant.

Those Directors who are also participants in the Employee Trust will be precluded from voting on the Board and Shareholder resolutions necessary to give effect to the BEE Transaction.

26. **OTHER INFORMATION**

26.1 **Material changes**

There has been no material change in the financial or trading position of Oceana and its subsidiaries since the issue of the full year results for the year ended 30 September 2020 and the date of this Circular.

26.2 **Directors' responsibility statement**

The Directors, whose names appear on page 20 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

26.3 **Consents**

The financial advisor, legal and tax advisor, Independent Expert, sponsor, M&A consultant, and Transfer Secretaries have all provided their written consent to their names being published in this Circular and have not withdrawn their consent prior to the publication of this Circular. The Reporting Accountants have provided their written consent to their names and reports being included in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

26.4 **Documents available for inspection**

Copies of the following documents will be available for inspection by Oceana Shareholders during normal business hours (Saturdays, Sundays and public holidays excluded) at the registered office of Oceana or from the Company Secretary by emailing adela.fortune@oceana.co.za from the date of the issue of this Circular up to and including the date of the General Meeting:

26.4.1 the MOI of Oceana;

26.4.2 a signed copy of this Circular, including all Annexures;

26.4.3 the Employee Trust Deed, and any addenda thereto;

26.4.4 the Stakeholder Trust Deed, and any addenda thereto;

26.4.5 the Subscription Agreements (Employee Transaction and Stakeholder Transaction);

26.4.6 the Relationship Agreements (Employee Transaction and Stakeholder Transaction);

26.4.7 the OET Repurchase Agreement, and any addenda thereto;

26.4.8 the Independent Expert Repurchase Fairness Opinion;

26.4.9 the audited annual financial statements of Oceana for each of the three financial years ended 30 September 2018, 30 September 2019 and 30 September 2020;

- 26.4.10 summaries of any service agreements entered into with Directors for the financial year 2020;
- 26.4.11 the report of the Reporting Accountants on the *pro forma* financial information;
- 26.4.12 consent letters from the Oceana advisors who have provided such consents;
- 26.4.13 the TRP Exemption letter; and
- 26.4.14 Irrevocable undertakings received from Brimstone Investment Corporation and the Oceana Empowerment Trust.

By order of the Board

A Fortune (Oceana Company Secretary)

Friday, 22 January 2021

Registered office:

Oceana House
25 Jan Smuts Street, Foreshore
Cape Town, 8001 South Africa
(PO Box 7206, Roggebaai, 8012)

PRO FORMA FINANCIAL INFORMATION OF OCEANA

The tables below set out the *pro forma* financial information of the OET Specific Repurchase and the BEE Transaction on the audited consolidated annual financial statements of Oceana for the year ended 30 September 2020. The *pro forma* financial information has been prepared for illustrative purposes only and because of its *pro forma* nature, it may not fairly present Oceana's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the OET Specific Repurchase and the BEE transaction going forward.

The estimated economic cost of the BEE Transaction for the Company and Oceana Shareholders is sensitive to the Oceana shares price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. As the issuance price of shares to the Employee Trust and the Stakeholder Trust will be determined on implementation of the BEE Transaction, this poses uncertainty on the issuance price to be used and ultimately the estimated economic cost of the BEE Transaction, and therefore three price scenarios have been presented in the *pro forma* financial information:

- (a) Scenario 1 – R62 per Oceana Share (selected based on prevailing 30-day VWAP at time the IFRS 2 models were concluded);
- (b) Scenario 2 – R67 per Oceana Share (mid-point between scenario 1 and 3); and
- (c) Scenario 3 – R72 per Oceana Share (selected as it is close to the 52-week high of the Oceana share price).

The scenarios in (a), (b), and (c) above have used round numbers, with the equal distance between the scenario pricing to allow shareholders to more easily understand the differences between the various scenarios.

The purpose of the *pro forma* financial information is to illustrate the impact of the OET Specific Repurchase and the BEE Transaction had it been effective 30 September 2020 for purposes of the *pro forma* consolidated statement of financial position and 1 October 2019 for purposes of the *pro forma* consolidated statement of comprehensive income and on the assumptions set out below. The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the OET Specific Repurchase and the BEE Transaction if it had been implemented on a different date.

The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated annual financial statements of Oceana for the year ended 30 September 2020. The *pro forma* financial information is presented in accordance with the JSE Listings Requirements and the Guide on *pro forma* Financial Information issued by the South African Institute of Chartered Accountants.

The Directors are responsible for the compilation, contents and preparation of the *pro forma* financial information. Their responsibility includes determining that the *pro forma* financial information has been properly compiled on the basis stated, which is consistent with the accounting policies of Oceana and that the *pro forma* adjustments are appropriate for purposes of the *pro forma* financial information disclosed pursuant to the JSE Listings Requirements.

The *pro forma* consolidated statement of financial position as at 30 September 2020 and the *pro forma* consolidated statement of comprehensive income for the year then ended, should be read in conjunction with the independent reporting accountant's assurance report thereon contained in **Annexure 3** to this Circular.

SCENARIO 1 – R62 ISSUANCE PRICE PER OCEANA SHARE

***PRO FORMA* CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

The financial effects of the BEE Transaction on the *Pro Forma* statement of comprehensive income is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro Forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R62 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown.

Pro forma consolidated statement of comprehensive income

	Published at 30 September 2020	Pro forma effects of OET Specific Repurchase The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8 & 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Revenue	8 308 341	-	-	-	-	-	8 308 341
Cost of sales	(5 338 068)	-	-	-	-	-	(5 338 068)
Gross profit	2 970 273	-	-	-	-	-	2 970 273
Sales and distribution expenditure	(461 095)	-	-	-	-	-	(461 095)
Marketing expenditure	(59 993)	-	-	-	-	-	(59 993)
Overhead expenditure	(1 082 222)	-	-	-	(17 714)	(8 496)	(1 108 432)
Net foreign exchange (loss)/gain	(3 146)	-	-	-	-	-	(3 146)
Operating profit before associate and joint venture profit/(loss)	1 363 817	-	-	-	(17 714)	(8 496)	1 337 607
Associate and joint venture profit/(loss)	18 462	-	-	-	-	-	18 462
Operating profit before other operating items	1 382 279	-	-	-	(17 714)	(8 496)	1 356 069
Other operating income/(expense) items	17 188	-	-	(13 000)	-	-	4 188
Operating profit	1 399 467	-	-	(13 000)	(17 714)	(8 496)	1 360 257
Investment income	18 383	(6 799)	-	-	-	-	11 584
Interest expense	(271 959)	-	-	-	-	-	(271 959)
Profit before taxation	1 145 891	(6 799)	(6 799)	(13 000)	(17 714)	(8 496)	1 099 882
Taxation expense	(329 740)	465	-	-	-	-	(329 275)
Profit after taxation	816 151	(6 334)	(6 334)	(13 000)	(17 714)	(8 496)	770 607
Other comprehensive income, net of taxation	495 757	-	-	-	-	-	495 757
Total comprehensive income for the year	1 311 908	(6 334)	(6 334)	(13 000)	(17 714)	(8 496)	1 266 364
Profit after taxation attributable to:							
Shareholders of Oceana Group Limited	760 635	(6 334)	-	(13 000)	(17 714)	(8 496)	715 091
Non-controlling interests	55 516	-	-	-	-	-	55 516
	816 151	(6 334)	(6 334)	(13 000)	(17 714)	(8 496)	770 607
Total comprehensive income attributable to:							
Shareholders of Oceana Group Limited	1 256 361	(6 334)	-	(13 000)	(17 714)	(8 496)	1 210 817
Non-controlling interests	55 547	-	-	-	-	-	55 547
	1 311 908	(6 334)	(6 334)	(13 000)	(17 714)	(8 496)	1 266 364

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8 & 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Determination of headline earnings:							
Profit after taxation attributable to shareholders of Oceana Group Limited	760 635	(6 334)	(13 000)	(17 714)	(8 496)	715 091	
Adjusted for:							
Impairment of capital contributions	4 047	-	-	-	-	4 047	
Impairment of property, plant and equipment and intangible assets	1 006	-	-	-	-	1 006	
Joint venture: Profit on disposal of vessels	(710)	-	-	-	-	(710)	
Profit on disposal of intangible assets	(22 107)	-	-	-	-	(22 107)	
Net profit on disposal of property, plant and equipment	(12 548)	-	-	-	-	(12 548)	
Gain on deregistration of foreign subsidiary	(3 414)	-	-	-	-	(3 414)	
Insurance proceeds received	(2 576)	-	-	-	-	(2 576)	
Total non-controlling interest on above	200	-	-	-	-	200	
Total tax effect of adjustments	9 885	-	-	-	-	9 885	
Headline earnings for the year	734 418	(6 334)	(13 000)	(17 714)	(8 496)	688 874	
Weighted Average Number of Shares, and Per Share effects ^{3,5,10}							
Weighted average number of ordinary shares used in the calculation of basic earnings and diluted headline earnings per share (000's)	116 863	4 955	-	-	-	121 818	
Weighted average number of ordinary shares used in the calculation of diluted earnings and diluted headline earnings per share (000's)	126 087	(4 269)	-	391	33	122 242	
Basic earnings per share (cents)	650.9					587.0	
Diluted earnings per share (cents)	603.3					585.0	
Basic headline earnings per share (cents)	628.4					565.5	
Diluted headline earnings per share (cents)	582.5					563.5	

Notes to the Pro Forma consolidated statement of comprehensive income:

1. The published consolidated statement of comprehensive income as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020 published on SENS on 3 December 2020.
2. The *pro forma* results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("the BEE Transaction") column is based on the assumption that The BEE Transaction was effective 1 October 2019 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed.
3. The effects on basic earnings, diluted earnings, basic headline earnings, and diluted headline earnings per share are calculated on the basis that the BEE Transaction was effective on 1 October 2019, while the effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the *pro forma* financial effects thereof on Oceana.
4. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These *pro forma* are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be approximately R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 934 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income, and reduction in tax expense of R1 903 701. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. This adjustment has a continuing effect on the consolidated statement of comprehensive income in relation to the foregone interest.
5. The repurchase and cancellation of treasury shares results in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.
6. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares (or equivalent 4 954 900 weighted average number of shares) will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNAV.
7. One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and implementation of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the *pro forma* consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
8. The Employee Transaction gives rise to a recurring annual share-based payment charge (IFRS 2 charge) of R17 714 364 (seventeen million seven hundred and fourteen thousand, three hundred and sixty-four Rand) for years one to eight, reducing to R11 126 377 (eleven million one hundred and twenty-six thousand, three hundred and seventy-seven Rand) in year nine and R5 270 398 (five million two hundred and seventy thousand and three hundred and ninety-eight Rand) in year 10. The annual IFRS 2 Charge is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.
9. The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Employee Transaction will be measured with reference to the fair value on grant date. The above mentioned IFRS 2 charge has been calculated using a Black Scholes share based option pricing model.
10. The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Employee Transaction include:
 - 7 825 908 (seven million eight hundred and twenty-five thousand, nine hundred and eight) new Oceana Shares;
 - An Oceana share price of R62 (sixty-two Rand) per share based on the assumed 30-day Volume Weighted Average Price at the time of implementation.
 - Volatility of 30% in the Oceana Share price, based on market-observable pricing;
 - Expected dividend yield of 3.9%; and
 - The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.
11. These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of The BEE Transaction.
12. The Stakeholder Transaction gives rise to:
 - (i) An upfront one-off IFRS 2 charge R7 905 584 (seven million, nine hundred and five thousand, five hundred and eighty four Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a non-continuing effect on the consolidated statement of comprehensive income and;
 - (ii) A recurring annual share-based payment charge (IFRS 2 charge) of R590 479 (five hundred and ninety thousand, four hundred and seventy nine Rand) for years one to eight, reducing to R370 879 (three hundred and seventy thousand, eight hundred and seventy nine Rand) in year nine and R175 680 (one hundred and seventy five thousand, six hundred and eighty Rand) in year 10. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.

The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Stakeholder Transaction will be measured with reference to the fair value on grant date. The abovementioned IFRS 2 charge has been calculated using a Black Scholes share based option pricing model. The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Stakeholder Transaction include:

- 652 159 (six hundred and fifty-two thousand, one hundred and fifty-nine) new Oceana Shares;
- An Oceana share price of R62 (sixty-two Rand) per share based on the assumed 30-day VWAP at the time of implementation;
- Volatility of 30% in the Oceana Share price, based on market-observable pricing;
- Expected dividend yield of 3.9%; and
- The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.

These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of The BEE Transaction.

9. Oceana Group will consolidate both the Employee and Stakeholder Trusts in terms of the guidance of IFRS 10: Consolidated Financial Statements. As a result of this consolidation, the Subscription Shares of 7 825 908 shares held by the Employee Trust and the 652 159 shares held by the Stakeholder Trust in Oceana will be consolidated and disclosed as treasury shares in the Oceana Group annual financial statements. As a result of the aforementioned, weighted average shares for the purposes of calculating basic earnings per share and basic headline earnings per share, excludes the treasury shares. Should the IFRS 10: Consolidated Financial Statements guidance criteria no longer be met, the Employee Trust and the Stakeholder Trust investments will be de-consolidated, and the issued shares will no longer be classified as treasury shares.

10. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.

Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R62 (sixty-two Rand) per share.

Under the Stakeholder Transaction, the assumed number of dilutive shares of 32 608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R62 (sixty-two Rand) per share.

The number of shares to be issued for no (Rnil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.

SCENARIO 1 – R62 ISSUANCE PRICE PER OCEANA SHARE

***PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The financial effects of the BEE Transaction on the *Pro Forma* statement of financial position is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro Forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R62 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown, which assumptions are included in the notes to the *Pro Forma* financial statements.

Pro forma consolidated statement of financial position

	Published at 30 September 2020	Pro forma effects of OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ^{3, 4, 6}	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R '000							
ASSETS							
Non-current assets	7 847 728	-	-	-	-	-	7 847 728
Property, plant and equipment	1 856 973	-	-	-	-	-	1 856 973
Right-of-use assets	173 507	-	-	-	-	-	173 507
Goodwill and intangible assets	5 388 881	-	-	-	-	-	5 388 881
Deferred taxation	20 793	-	-	-	-	-	20 793
Investments and loans	407 574	-	-	-	-	-	407 574
Current assets	4 204 233	(152 205)	(13 000)	-	-	-	4 039 028
Inventories	1 695 975	-	-	-	-	-	1 695 975
Accounts receivable	1 271 898	-	-	-	-	-	1 271 898
Taxation	23 663	-	-	-	-	-	23 663
Cash and cash equivalents	1 212 697	(152 205)	(13 000)	-	-	-	1 047 492
Non-current assets held for resale	19 420	-	-	-	-	-	19 420
Total assets	12 071 381	(152 205)	(13 000)	-	-	-	11 906 176
EQUITY AND LIABILITIES							
Capital and reserves	5 979 935	(150 771)	(13 000)	-	-	-	5 816 164
Stated capital	1 289 947	-	-	-	460 946	38 412	1 789 305
Treasury shares	(89 454)	-	-	-	(460 946)	(38 412)	(588 812)
Foreign currency translation reserve	1 352 491	-	-	-	-	-	1 352 491
Cash flow hedging reserve	(76 223)	-	-	-	-	-	(76 223)
Share-based payment reserve	99 066	-	-	-	49	7 907	107 022
Distributable reserves	3 221 312	(150 771)	(13 000)	(49)	(7 907)	-	3 049 585
Interest of own shareholders	5 797 139	(150 771)	(13 000)	-	-	-	5 633 368
Non-controlling interests	182 796	-	-	-	-	-	182 796

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ^{3, 4, 6}	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Non-current liabilities	3 908 692						3 908 692
Liability for share-based payments	7 919						7 919
Long-term loan	3 069 338						3 069 338
Lease liabilities	204 457						204 457
Derivative liabilities	85 721						85 721
Deferred taxation	541 257						541 257
Current liabilities	2 182 754		(1 434)				2 181 320
Accounts payable	1 680 101						1 680 101
Current portion – long-term loan	383 688						383 688
Current portion – lease liabilities	45 006						45 006
Provisions	37 199						37 199
Taxation	36 760		(1 434)				35 326
Total equity and liabilities	12 071 381		(152 205)	(13 000)			11 906 176
Number of Shares used in NAV/NTAV calculation ^{2, 5, 11}	116 747		4 902				121 649
Net asset value per share (cents)	4 965.6						4 630.8
Tangible net asset value per share (cents) #	331.9						183.9

Tangible net asset value is calculated as net asset value attributable to the owners of the parent, less the value of goodwill, other intangible assets and deferred tax assets attributable to the owner of the parent

Notes to the Pro Forma consolidated statement of financial position:

1. The published consolidated statement of financial position as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020, published on SENS on 3 December 2020, except for the additional disclosure of treasury shares. Treasury shares are not disclosed separately on the face of the published consolidated statement of financial position, however, have been separately disclosed above to improve the users understanding of the pro forma financial effects of The BEE Transaction.
2. The pro forma results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column is based on the assumption that The BEE Transaction was effective 30 September 2020 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed. The effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the pro forma financial effects thereof on Oceana.
3. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These pro forma's are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be c. R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 984 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income and tax expense of R1 903 701.
4. The repurchase and cancellation of treasury shares resulted in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.

5. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNVAV.
6. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. Only 1-365th of the R1 903 701 tax effect on interest foregone, being R5 215.62, is recognised in the consolidated statement of financial position as at 30 September 2020. Combined with the entire R1 439 152 Securities Transfer Tax charge, gives a total tax effect of R1 433 936 as reflected in the statement of financial position above. This adjustment has a continuing effect on the consolidated Statement of comprehensive income in relation to the foregone interest.
7. One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and implementation of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
8. The 7 825 908 (seven million, eight hundred and twenty five thousand, nine hundred and eight) new Oceana Shares issued to the Employee Trust at R0.01 (one cent) per share and valued at R460 945 995 based on an assumed BEE transaction price of R62 (sixty two Rand) per share less a 5% discount, are treated as treasury shares on a consolidated level basis. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend per share.
9. The 652 159 (six hundred and fifty two thousand, one hundred and fifty nine) new Oceana Shares issued to the Stakeholder Trust at R0.01 (one cent) per share and valued at R38 412 166 based on an assumed BEE transaction price of R62 (sixty two Rand) per share less a 5% discount, are treated as treasury shares on a consolidated level basis. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend per share.
10. Movement in share-based payment reserve:

Equity Settled Compensation Plans	(R'000)
Opening balance	99 066
Stakeholder Trust shares granted during the year	7 907
Employee Trust shares granted during the year	49
Closing balance	107 022

The Employee Transaction gives rise to a recurring annual share-based payment charge (IFRS 2 charge) of R17 714 364 (seventeen million, seven hundred and fourteen thousand, three hundred and sixty four Rand) for years one to eight, reducing to R11 126 377 (eleven million, one hundred and twenty six thousand, three hundred and seventy seven Rand) in year nine and R5 270 398 (five million, two hundred and seventy thousand, three hundred and eighty nine Rand) in year 10. Only R48 533 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.

The Stakeholder Transaction gives rise to a total *pro forma* IFRS 2 statement of financial position adjustment of R7 907 202, broken down as follows:

- (i) An upfront one-off IFRS 2 charge R7 905 584 (seven million, nine hundred and fifty thousand, five hundred and eighty-four Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of financial position at 30 September 2020 as a movement in the share-based payment reserve as the charge is recognised upfront. This adjustment has a non-continuing effect on the consolidated statement of financial position.
- (ii) A recurring annual IFRS 2 charge of R590 479 (five hundred and ninety thousand, four hundred and seventy nine Rand) for years one to eight, reducing to R370 879 (three hundred and seventy thousand, eight hundred and seventy nine Rand) in year nine and R175 680 (one hundred and seventy five thousand, six hundred and eighty Rand) in year 10. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. Only R1 618 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.
11. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue and the calculation of net asset value per share and tangible net asset per share is based on the number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.
- Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R62 (sixty-two Rand) per share.
- Under the Stakeholder Transaction, the assumed number of dilutive shares of 32 608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R62 (sixty-two Rand) per share.
- The number of shares to be issued for no (Rnil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.
12. There are no other post balance sheet events which require adjustment to the *pro forma* financial information.

SCENARIO 2 – R67 ISSUANCE PRICE PER OCEANA SHARE

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The financial effects of the BEE Transaction on the *Pro Forma* statement of comprehensive income is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro Forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R67 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown, which assumptions are included in the notes to the *pro forma* financial statements.

Pro forma consolidated statement of comprehensive income

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8, 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Revenue	8 308 341	-	-	-	-	-	8 308 341
Cost of sales	(5 338 068)	-	-	-	-	-	(5 338 068)
Gross profit	2 970 273	-	-	-	-	-	2 970 273
Sales and distribution expenditure	(461 095)	-	-	-	-	-	(461 095)
Marketing expenditure	(59 993)	-	-	-	-	-	(59 993)
Overhead expenditure	(1 082 222)	-	-	(19 314)	(9 263)	-	(1 110 799)
Net foreign exchange (loss)/gain	(3 146)	-	-	-	-	-	(3 146)
Operating profit before associate and joint venture profit/(loss)	1 363 817	-	-	(19 314)	(9 263)	-	1 335 240
Associate and joint venture profit/(loss)	18 462	-	-	-	-	-	18 462
Operating profit before other operating items	1 382 279	-	-	(19 314)	(9 263)	-	1 353 702
Other operating income/(expense) items	17 188	-	-	(13 000)	-	-	4 188
Operating profit	1 399 467	-	-	(13 000)	(9 263)	-	1 357 890
Investment income	18 383	(6 799)	-	-	-	-	11 584
Interest expense	(271 959)	-	-	-	-	-	(271 959)
Profit before taxation	1 145 891	(6 799)	(13 000)	(19 314)	(9 263)	-	1 097 515
Taxation expense	(329 740)	465	-	-	-	-	(329 275)
Profit after taxation	816 151	(6 334)	(13 000)	(19 314)	(9 263)	-	768 240
Other comprehensive income net of taxation	495 757	-	-	-	-	-	495 757
Total comprehensive income for the year	1 311 908	(6 334)	(13 000)	(19 314)	(9 263)	-	1 263 997
Profit after taxation attributable to:							
Shareholders of Oceana Group Limited	760 635	(6 334)	(13 000)	(19 314)	(9 263)	-	712 724
Non-controlling interests	55 516	-	-	-	-	-	55 516
Total comprehensive income attributable to:	816 151	(6 334)	(13 000)	(19 314)	(9 263)	-	768 240
Shareholders of Oceana Group Limited	1 256 361	(6 334)	(13 000)	(19 314)	(9 263)	-	1 208 450
Non-controlling interests	55 547	-	-	-	-	-	55 547
	1 311 908	(6 334)	(13 000)	(19 314)	(9 263)	-	1 263 997

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8, 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Determination of headline earnings:							
Profit after taxation attributable to shareholders of Oceana Group Limited	760 635	(6 334)	(13 000)	(19 314)	(9 263)		712 724
Adjusted for:							
Impairment of capital contributions	4 047	-	-	-	-	-	4 047
Impairment of property, plant and equipment and intangible assets	1 006	-	-	-	-	-	1 006
Joint venture: Profit on disposal of vessels	(710)	-	-	-	-	-	(710)
Profit on disposal of intangible assets	(22 107)	-	-	-	-	-	(22 107)
Net profit on disposal of property, plant and equipment	(12 548)	-	-	-	-	-	(12 548)
Gain on deregistration of foreign subsidiary	(3 414)	-	-	-	-	-	(3 414)
Insurance proceeds received	(2 576)	-	-	-	-	-	(2 576)
Total non-controlling interest on above	200	-	-	-	-	-	200
Total tax effect of adjustments	9 885	-	-	-	-	-	9 885
Headline earnings for the year	734 418	(6 334)	(13 000)	(19 314)	(9 263)		686 507
Weighted Average Number of Shares, and Per Share effects ^{3, 5, 10}							
Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share (000's)	116 863		4 955	-	-	-	121 818
Weighted average number of ordinary shares used in the calculation of diluted earnings and headline earnings per share (000's)	126 087	(4 269)	-	-	391	33	122 242
Basic earnings per share (cents)	650.9						585.1
Diluted earnings per share (cents)	603.3						583.0
Basic headline earnings per share (cents)	628.4						563.6
Diluted headline earnings per share (cents)	582.5						561.6

Notes to the Pro Forma consolidated statement of comprehensive income:

1. The published consolidated statement of comprehensive income as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020 published on SENS on 3 December 2020.
2. The *pro forma* results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("the BEE Transaction") column is based on the assumption that The BEE Transaction was effective 1 October 2019 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed.
3. The effects on basic earnings, diluted earnings, basic headline earnings, and diluted headline earnings per share are calculated on the basis that the BEE Transaction was effective on 1 October 2019, while the effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the *pro forma* financial effects thereof on Oceana.

4. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These *Pro Formas* are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be approximately R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 934 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income, and reduction in tax expense of R1 903 701. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. This adjustment has a continuing effect on the consolidated statement of comprehensive income in relation to the foregone interest.
5. The repurchase and cancellation of treasury shares results in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.
6. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares (or equivalent 4 954 900 weighted average number of shares) will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNAV.
7. One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and implementation of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the *pro forma* consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
8. The Employee Transaction gives rise to a recurring annual share-based payment charge (IFRS 2 charge) of R19 314 418 (nineteen million three hundred and fourteen thousand, four hundred and eighty Rand) for years one to eight, reducing to R12 131 370 (twelve million, one hundred and thirty-one thousand, three hundred and seventy Rand) in year nine and R5 746 438 (five million two hundred and forty six thousand and four hundred and thirty-eight Rand) in year ten. The annual IFRS 2 charge is recognised in the consolidated statement of comprehensive income for the twelve months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.
9. The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Employee Transaction will be measured with reference to the fair value on grant date. The above mentioned IFRS 2 charge has been calculated using a Black-Scholes share based option pricing model.
10. The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Employee Transaction include:
 - 7 825 908 (seven million, eight hundred and twenty-five thousand, nine hundred and eighty) new Oceana Shares;
 - An Oceana share price of R67 (sixty-seven Rand) per share based on the assumed 30-day Volume Weighted Average Price at implementation;
 - Volatility of 30% in the Oceana Share price, based on market-observable pricing;
 - Expected dividend yield of 3.6%; and
 - The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.
11. These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of The BEE Transaction.
12. The Stakeholder Transaction gives rise to:
 - (i) An upfront one-off IFRS 2 charge R8 619 658 (eight million, six hundred and nineteen thousand, six hundred and fifty eight Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a non-continuing effect on the consolidated statement of comprehensive income and;
 - (ii) A recurring annual share-based payment charge (IFRS 2 charge) of R643 814 (six hundred and forty three thousand, eight hundred and fourteen Rand) for years one to eight, reducing to R404 379 (four hundred and four thousand, three hundred and seventy nine Rand) in year nine and R191 548 (one hundred and ninety one thousand, five hundred and forty eight Rand) in year 10. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.
13. The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Stakeholder Transaction will be measured with reference to the fair value on grant date. The above mentioned IFRS 2 charge has been calculated using a Black-Scholes share based option pricing model. The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Stakeholder Transaction include:
 - 652 159 (six hundred and fifty-two thousand, one hundred and fifty-nine) new Oceana Shares;
 - An Oceana share price of R67 (sixty-seven Rand) per share based on the assumed 30-day VWAP at implementation;
 - Volatility of 30% in the Oceana Share price, based on market-observable pricing;
 - Expected dividend yield of 3.6%; and
 - The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.

These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of The BEE Transaction.

9. Oceana Group will consolidate both the Employee and Stakeholder Trusts in terms of the guidance of IFRS 10: Consolidated Financial Statements. As a result of this consolidation, the Subscription Shares of 7 825 908 shares held by the Employee Trust and the 652 159 shares held by the Stakeholder Trust in Oceana will be consolidated and disclosed as treasury shares in the Oceana Group annual financial statements. As a result of the aforementioned, weighted average shares for the purposes of calculating basic earnings per share and basic headline earnings per share, excludes the treasury shares. Should the IFRS 10: Consolidated Financial Statements guidance criteria no longer be met, the Employee Trust and the Stakeholder Trust investments will be de-consolidated, and the issued shares will no longer be classified as treasury shares.
10. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.
Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R67 (sixty-seven Rand) per share.
Under the Stakeholder Transaction, the assumed number of dilutive shares of 32 608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R67 (sixty-seven Rand) per share.
The number of shares to be issued for no (Rnil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.

SCENARIO 2 – R67 ISSUANCE PRICE PER OCEANA SHARE

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The financial effects of the BEE Transaction on the *Pro forma* statement of financial position is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R67 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown, which assumptions are included in the notes to the *pro forma* financial statements.

Pro forma consolidated statement of financial position

	Published at 30 September 2020	Pro forma effects of OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase 3, 4, 6	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
ASSETS							
Non-current assets	7 847 728	-	-	-	-	-	7 847 728
Property, plant and equipment	1 856 973	-	-	-	-	-	1 856 973
Right-of-use assets	173 507	-	-	-	-	-	173 507
Goodwill and intangible assets	5 388 881	-	-	-	-	-	5 388 881
Deferred taxation	20 793	-	-	-	-	-	20 793
Investments and loans	407 574	-	-	-	-	-	407 574
Current assets	4 204 233	(152 205)	(13 000)	-	-	-	4 039 028
Inventories	1 695 975	-	-	-	-	-	1 695 975
Accounts receivable	1 271 898	-	-	-	-	-	1 271 898
Taxation	23 663	-	-	-	-	-	23 663
Cash and cash equivalents	1 212 697	(152 205)	(13 000)	-	-	-	1 047 492
Non-current assets held for resale	19 420	-	-	-	-	-	19 420
Total assets	12 071 381	(152 205)	(13 000)	-	-	-	11 906 176
EQUITY AND LIABILITIES							
Capital and reserves	5 979 935	(150 771)	(13 000)	-	-	-	5 816 164
Stated capital	1 289 947	-	-	498 119	-	41 510	1 829 576
Treasury shares	(89 454)	-	-	(498 119)	-	(41 510)	(629 083)
Foreign currency translation reserve	1 352 491	-	-	-	-	-	1 352 491
Cash flow hedging reserve	(76 223)	-	-	-	-	-	(76 223)
Share-based payment reserve	99 066	-	-	53	-	8 621	107 740
Distributable reserves	3 221 312	(150 771)	(13 000)	(53)	-	(8 621)	3 048 867
Interest of own shareholders	5 797 139	(150 771)	(13 000)	-	-	-	5 633 368
Non-controlling interests	182 796	-	-	-	-	-	182 796

	Published at 30 September 2020	Pro forma effects of OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ^{3, 4, 6}	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Non-current liabilities	3 908 692	-	-	-	-	-	3 908 692
Liability for share-based payments	7 919	-	-	-	-	-	7 919
Long-term loan	3 069 338	-	-	-	-	-	3 069 338
Lease liabilities	204 457	-	-	-	-	-	204 457
Derivative liabilities	85 721	-	-	-	-	-	85 721
Deferred taxation	541 257	-	-	-	-	-	541 257
Current liabilities	2 182 754	(1 434)	-	-	-	-	2 181 320
Accounts payable	1 680 101	-	-	-	-	-	1 680 101
Current portion – long-term loan	383 688	-	-	-	-	-	383 688
Current portion – lease liabilities	45 006	-	-	-	-	-	45 006
Provisions	37 199	-	-	-	-	-	37 199
Taxation	36 760	(1 434)	-	-	-	-	35 326
Total equity and liabilities	12 071 381	(152 205)	(13 000)	-	-	-	11 906 176
Number of Shares used in NAV/NTAV calculation^{2, 5, 11}	116 747	4 902	-	-	-	-	121 649
Net asset value per share (cents)	4 965.6						4 630.8
Tangible net asset value per share (cents) #	331.9						163.9

Tangible net asset value is calculated as net asset value attributable to the owners of the parent, less the value of goodwill, other intangible assets and deferred tax assets attributable to the owner of the parent

Notes to the Pro Forma consolidated statement of financial position:

1. The published consolidated statement of financial position as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020, published on SENS on 3 December 2020, except for the additional disclosure of treasury shares. Treasury shares are not disclosed separately on the face of the published consolidated statement of financial position, however, have been separately disclosed above to improve the users understanding of the *pro forma* financial effects of The BEE Transaction.
2. The *pro forma* results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column is based on the assumption that The BEE Transaction was effective 30 September 2020 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed. The effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the *pro forma* financial effects thereof on Oceana.
3. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These *Pro Formas* are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be c. R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 934 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income and tax expense of R1 903 701.
4. The repurchase and cancellation of treasury shares resulted in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.

5. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNNAV.
6. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. Only 1-365th of the R1 903 701 tax effect on interest foregone, being R5 215.62, is recognised in the consolidated statement of financial position as at 30 September 2020. Combined with the entire R1 439 152 Securities Transfer Tax charge, gives a total tax effect of R1 433 936 as reflected in the statement of financial position above. This adjustment has a continuing effect on the consolidated Statement of comprehensive income in relation to the foregone interest.
7. One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and implementation of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
8. The 7 825 908 (seven million, eight hundred and twenty five thousand, nine hundred and eight) new Oceana Shares issued to the Employee Trust at R0.01 (one cent) per share and valued at R498 119 059 based on an assumed BEE transaction price of R67 (sixty seven Rand) per share less a 5% discount, are treated as treasury shares on a 'consolidated level basis'. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend 'per share'.
9. The 652 159 (six hundred and fifty two thousand, one hundred and fifty nine) new Oceana Shares issued to the Stakeholder Trust at R0.01 (one cent) per share and valued at R41 509 922 based on an assumed BEE transaction price of R67 (sixty seven Rand) per share less a 5% discount, are treated as treasury shares on a 'consolidated level basis'. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend 'per share'.
10. Movement in share-based payment reserve:

Equity-Settled Compensation Plans	(R'000)
Opening balance	99 066
Stakeholder Trust shares granted during the year	8 621
Employee Trust shares granted during the year	53
Closing balance	107 740

The Employee Transaction gives rise to a recurring annual share-based payment charge (IFRS 2 charge) of R19 314 418 (nineteen million three hundred and fourteen thousand, four hundred and eighty seven Rand) for years one to eight, reducing to R12 131 370 (twelve million one hundred and thirty-one thousand three hundred and seventy Rand) in year nine and R5 246 438 (five million two hundred and forty six thousand and four hundred and thirty-eight Rand). Only R52 916 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.

The Stakeholder Transaction gives rise to a total *pro forma* IFRS 2 statement of financial position adjustment of R8 621 422, broken down as follows:

- (i) An upfront one-off IFRS 2 charge R8 619 658 (eight million, six hundred and nineteen thousand, six hundred and fifty eight Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of financial position at 30 September 2020 as a movement in the share-based payment reserve as the charge is recognised upfront. This adjustment has a non-continuing effect on the consolidated statement of financial position.
- (ii) A recurring annual IFRS 2 charge of R643 814 (six hundred and forty three thousand, eight hundred and fourteen Rand) for years one to eight, reducing to R404 379 (four hundred and four thousand, three hundred and seventy nine Rand) in year nine and R191 548 (one hundred and ninety one thousand, five hundred and forty eight Rand) in year 10. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. Only R1 764 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.
11. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue and the calculation of net asset value per share and tangible net asset per share is based on the number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.
- Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R67 (sixty-seven Rand) per share.
- Under the Stakeholder Transaction, the assumed number of dilutive shares of 32 608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R67 (sixty-seven Rand) per share.
- The number of shares to be issued for no (Rnil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.
12. There are no other post-balance sheet events which require adjustment to the *pro forma* financial information.

SCENARIO 3 – R72 ISSUANCE PRICE PER OCEANA SHARE

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The financial effects of the BEE Transaction on the *Pro forma* statement of comprehensive income is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R72 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown, which assumptions are included in the notes to the *pro forma* financial statements.

Pro forma consolidated statement of comprehensive income

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8 & 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Revenue	8 308 341	-	-	-	-	-	8 308 341
Cost of sales	(5 338 068)	-	-	-	-	-	(5 338 068)
Gross profit	2 970 273	-	-	-	-	-	2 970 273
Sales and distribution expenditure	(461 095)	-	-	-	-	-	(461 095)
Marketing expenditure	(59 993)	-	-	-	-	-	(59 993)
Overhead expenditure	(1 082 222)	-	-	(20 919)	(10 033)	(10 033)	(1 113 174)
Net foreign exchange (loss)/gain	(3 146)	-	-	-	-	-	(3 146)
Operating profit before associate and joint venture profit/(loss)	1 363 817	-	-	-	(20 919)	(10 033)	1 332 865
Associate and joint venture profit/(loss)	18 462	-	-	-	-	-	18 462
Operating profit before other operating items	1 382 279	-	-	-	(20 919)	(10 033)	1 351 327
Other operating income/(expense) items	17 188	-	-	(13 000)	-	-	4 188
Operating profit	1 399 467	-	-	(13 000)	(20 919)	(10 033)	1 355 515
Investment income	18 383	(6 799)	-	-	-	-	11 584
Interest expense	(271 959)	-	-	-	-	-	(271 959)
Profit before taxation	1 145 891	(6 799)	(13 000)	(13 000)	(20 919)	(10 033)	1 095 140
Taxation expense	(329 740)	465	-	-	-	-	(329 275)
Profit after taxation	816 151	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	765 865
Other comprehensive income net of taxation	495 757	-	-	-	-	-	495 757
Total comprehensive income for the year	1 311 908	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	1 261 622
Profit after taxation attributable to:							
Shareholders of Oceana Group Limited	760 635	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	710 349
Non-controlling interests	55 516	-	-	-	-	-	55 516
	816 151	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	765 865
Total comprehensive income attributable to:							
Shareholders of Oceana Group Limited	1 256 361	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	1 206 075
Non-controlling interests	55 547	-	-	-	-	-	55 547
	1 311 908	(6 334)	(13 000)	(13 000)	(20 919)	(10 033)	1 261 622

	Published at 30 September 2020	Before the OET Specific Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase ⁴	Pro forma effects of Transaction Costs ⁶	Pro forma effects of The Employee Transaction ^{7 & 9}	Pro forma effects of The Stakeholder Transaction ^{8 & 9}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Determination of headline earnings:							
Profit after taxation attributable to shareholders of Oceana Group Limited	760 635	(6 334)	(13 000)	(20 919)	(10 033)		710 349
Adjusted for:							
Impairment of capital contributions	4 047	-	-	-	-	-	4 047
Impairment of property, plant and equipment and intangible assets	1 006	-	-	-	-	-	1 006
Joint venture: Profit on disposal of vessels	(710)	-	-	-	-	-	(710)
Profit on disposal of intangible assets	(22 107)	-	-	-	-	-	(22 107)
Net profit on disposal of property, plant and equipment	(12 548)	-	-	-	-	-	(12 548)
Gain on deregistration of foreign subsidiary	(3 414)	-	-	-	-	-	(3 414)
Insurance proceeds received	(2 576)	-	-	-	-	-	(2 576)
Total non-controlling interest on above	200	-	-	-	-	-	200
Total tax effect of adjustments	9 885	-	-	-	-	-	9 885
Headline earnings for the year	734 418	(6 334)	(13 000)	(20 919)	(10 033)		684 132
Weighted Average Number of Shares and Per Share effects ^{3, 5, 10}							
Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share (000's)	116 863		4 955	-	-	-	121 818
Weighted average number of ordinary shares used in the calculation of diluted earnings and headline earnings per share (000's)	126 087	(4 269)	-	-	391	33	122 242
Basic earnings per share (cents)	650.9						583.1
Diluted earnings per share (cents)	603.3						581.1
Basic headline earnings per share (cents)	628.4						561.6
Diluted headline earnings per share (cents)	582.5						559.7

Notes to the Pro Forma consolidated statement of comprehensive income:

- The published consolidated statement of comprehensive income as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020 published on SENS on 3 December 2020.
- The *pro forma* results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("the BEE Transaction") column is based on the assumption that The BEE Transaction was effective 1 October 2019 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed.
- The effects on basic earnings, diluted earnings, basic headline earnings, and diluted headline earnings per share are calculated on the basis that the BEE Transaction was effective on 1 October 2019, while the effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the *pro forma* financial effects thereof on Oceana.

4. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These *Pro Formas* are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be approximately R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 934 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income, and reduction in tax expense of R1 903 701. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. This adjustment has a continuing effect on the consolidated statement of comprehensive income in relation to the foregone interest.

The repurchase and cancellation of treasury shares results in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.
5. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares (or equivalent 4 954 900 weighted average number of shares) will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNAV.

One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and implementation of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the *pro forma* consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
7. The Employee Transaction gives rise to a recurring annual share based payment charge (IFRS 2 charge) of R20 919 179 (twenty million, nine hundred and nineteen thousand, one hundred and seventy nine Rand) for years one to eight, reducing to R13 139 319 (thirteen million, one hundred and thirty nine thousand, three hundred and nineteen Rand) in year nine and R6 223 888 (six million, two hundred and twenty three thousand, eight hundred and eighty eight Rand) in year ten. The annual IFRS Charge is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.

The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Employee Transaction will be measured with reference to the fair value on grant date. The above mentioned IFRS 2 charge has been calculated using a Black-Scholes share based option pricing model.

The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Employee Transaction include:

 - 7 825 908 (seven million eight hundred and twenty-five thousand nine hundred and eight) new Oceana Shares;
 - An Oceana share price of R72 (seventy-two Rand) per share based on the assumed 30-day Volume Weighted Average Price at implementation;
 - Volatility of 30% in the Oceana Share price, based on market-observable pricing;
 - Expected dividend yield of 3.3%; and
 - The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.

These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of the BEE Transaction.
8. The Stakeholder Transaction gives rise to:
 - (i) An upfront one-off IFRS 2 charge R9 335 832 (nine million, three hundred and thirty five thousand, eight hundred and thirty two Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the 12 months ended 30 September 2020 as overhead expenditure. This adjustment has a non-continuing effect on the consolidated statement of comprehensive income and;
 - (ii) A recurring annual IFRS 2 charge of R697 306 (six hundred and ninety seven thousand, three hundred and six Rand) for years one to eight, reducing to R437 977 (four hundred and thirty-seven thousand, nine hundred and seventy-seven Rand) in year nine and R207 463 (two hundred and seven thousand, four hundred and sixty-three Rand) in year ten. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. The full amount is recognised in the consolidated statement of comprehensive income for the twelve months ended 30 September 2020 as overhead expenditure. This adjustment has a continuing effect on the consolidated statement of comprehensive income.

The IFRS 2 charge relates to an equity-settled share-based arrangement, which is not tax deductible. On initial recognition, the liability relating to the Stakeholder Transaction will be measured with reference to the fair value on grant date. The above mentioned IFRS 2 charge has been calculated using a Black-Scholes share based option pricing model. The assumptions used in the model to determine the IFRS 2 charge for purposes of the *pro forma* financial information for the Stakeholder Transaction include:

 - 652,159 (six hundred and fifty-two thousand; one hundred and fifty-nine) new Oceana Shares;
 - An Oceana share price of R72 (seventy-two Rand) per share based on the assumed 30-day VWAP at implementation;
 - Volatility of 30% in the Oceana Share price, based on market-observable pricing;
 - Expected dividend yield of 3.3%; and
 - The risk-free rate of 7.31%, based on a swap curve constructed from market-observable information.

These assumptions will be updated when the final IFRS 2 charge is determined upon approval and implementation of The BEE Transaction.

9. Oceana Group will consolidate both the Employee and Stakeholder Trusts in terms of the guidance of IFRS 10: Consolidated Financial Statements. As a result of this consolidation, the Subscription Shares of 7 825 908 shares held by the Employee Trust and the 652 159 shares held by the Stakeholder Trust in Oceana will be consolidated and disclosed as treasury shares in the Oceana Group annual financial statements. As a result of the aforementioned, weighted average shares for the purposes of calculating basic earnings per share and basic headline earnings per share, excludes the treasury shares. Should the IFRS 10: Consolidated Financial Statements guidance criteria no longer be met, the Employee Trust and the Stakeholder Trust investments will be de-consolidated, and the issued shares will no longer be classified as treasury shares.
 10. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.
 - Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R72 (seventy-two Rand) per share.
 - Under the Stakeholder Transaction, the assumed number of dilutive shares of 32,608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0,01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R72 (seventy-two Rand) per share.
- The number of shares to be issued for no (R nil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.

SCENARIO 3 – R72 ISSUANCE PRICE PER OCEANA SHARE

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The financial effects of the BEE Transaction on the *Pro forma* statement of financial position is sensitive to the Oceana share price based on the 30-day VWAP used to determine the issuance price of shares to the Employee Trust and the Stakeholder Trust. The *Pro forma* financial effects have been calculated on an assumed Oceana 30-day VWAP of R72 per Share for the purposes of determining the issuance price of shares to the Employee Trust and the Stakeholder Trust. All other assumptions used are kept constant throughout all scenarios shown, which assumptions are included in the notes to the *pro forma* financial statements.

Pro forma consolidated statement of financial position

	Published at 30 September 2020	Pro forma effects of OET Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase 3, 4, 6	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
ASSETS							
Non-current assets	7 847 728	-	-	-	-	-	7 847 728
Property plant and equipment	1 856 973	-	-	-	-	-	1 856 973
Right of use assets	173 507	-	-	-	-	-	173 507
Goodwill and Intangible assets	5 388 881	-	-	-	-	-	5 388 881
Deferred taxation	20 793	-	-	-	-	-	20 793
Investments and loans	407 574	-	-	-	-	-	407 574
Current assets	4 204 233	(152 205)	(13 000)	-	-	-	4 039 028
Inventories	1 695 975	-	-	-	-	-	1 695 975
Accounts receivable	1 271 898	-	-	-	-	-	1 271 898
Taxation	23 663	-	-	-	-	-	23 663
Cash and cash equivalents	1 212 697	(152 205)	(13 000)	-	-	-	1 047 492
Non-current assets held for resale	19 420	-	-	-	-	-	19 420
Total assets	12 071 381	(152 205)	(13 000)	-	-	-	11 906 176
EQUITY AND LIABILITIES							
Capital and reserves	5 979 935	(150 771)	(13 000)	-	-	-	5 816 164
Stated capital	1 289 947	-	-	535 292	-	44 608	1 869 847
Treasury shares	(89 454)	-	-	(535 292)	(44 608)	(669 354)	(669 354)
Foreign currency translation reserve	1 352 491	-	-	-	-	1 352 491	1 352 491
Cash flow hedging reserve	(76 223)	-	-	-	-	(76 223)	(76 223)
Share-based payment reserve	99 066	-	-	57	57	9 338	108 461
Distributable reserves	3 221 312	(150 771)	(13 000)	(57)	(9 338)	(9 338)	3 048 146
Interest of own shareholders	5 797 139	(150 771)	(13 000)	-	-	-	5 633 368
Non-controlling interests	182 796	-	-	-	-	-	182 796

	Published at 30 September 2020	Pro forma effects of OET Repurchase and The BEE Transaction ¹	Pro forma effects of OET Specific Repurchase 3, 4, 6	Pro forma effects of Transaction Costs ⁷	Pro forma effects of The Employee Transaction ^{8, 10}	Pro forma effects of The Stakeholder Transaction ^{9, 10}	Pro forma results After the OET Specific Repurchase and The BEE Transaction ²
R'000							
Non-current liabilities	3 908 692	-	-	-	-	-	3 908 692
Liability for share-based payments	7 919	-	-	-	-	-	7 919
Long-term loan	3 069 338	-	-	-	-	-	3 069 338
Lease liabilities	204 457	-	-	-	-	-	204 457
Derivative liabilities	85 721	-	-	-	-	-	85 721
Deferred taxation	541 257	-	-	-	-	-	541 257
Current liabilities	2 182 754	(1 434)	-	-	-	-	2 181 320
Accounts payable	1 680 101	-	-	-	-	-	1 680 101
Current portion – long-term loan	383 688	-	-	-	-	-	383 688
Current portion – lease liabilities	45 005	-	-	-	-	-	45 005
Provisions	37 199	-	-	-	-	-	37 199
Taxation	36 760	(1 434)	-	-	-	-	35 326
Total equity and liabilities	12 071 381	(152 205)	(13 000)	-	-	-	11 906 176
Number of Shares used in NAV/NTAV calculation^{2, 5, 11}	116 747	4 902	-	-	-	-	121 649
Net asset value per share (cents)	4 965.6						4 630.8
Tangible net asset value per share (cents)[#]	333.9						183.9

[#] Tangible net asset value is calculated as net asset value attributable to the owners of the parent less the value of goodwill other intangible assets and deferred tax assets attributable to the owner of the parent

Notes to the Pro Forma consolidated statement of financial position:

1. The published consolidated statement of financial position as set out in the "Before the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column has been extracted from the summarised consolidated audited results for the year ended 30 September 2020, published on SENS on 3 December 2020, except for the additional disclosure of treasury shares. Treasury shares are not disclosed separately on the face of the published consolidated statement of financial position, however, have been separately disclosed above to improve the users understanding of the *pro forma* financial effects of The BEE Transaction.
2. The *pro forma* results as reflected in the "After the OET Specific Repurchase and The BEE Transaction" ("The BEE Transaction") column is based on the assumption that The BEE Transaction was effective 30 September 2020 and has been calculated on the basis that all the steps to implement The BEE Transaction have been completed. The effects on net asset value and net tangible asset value per share are calculated on the basis that the BEE Transaction was effective on 30 September 2020 for purposes of presenting the *pro forma* financial effects thereof on Oceana.
3. Oceana intends to repurchase a maximum of 8 478 067 shares from the Oceana Empowerment Trust, on the terms and conditions as set out at paragraph 3 of Section A of this Circular. These *Pro Formas* are prepared on the basis that Oceana will be able to repurchase the full 8 478 067 shares from the Oceana Empowerment Trust at a repurchase price of R67.90 (sixty seven Rand and ninety cents) per share. Following the repurchase, Oceana will apply to the JSE for the cancellation and delisting of these treasury shares and accordingly, the treasury shares should be cancelled and delisted on the JSE on a date to be advised by Oceana by way of a SENS announcement. Given the set-off arrangements discussed at paragraph 3.3 of Section A of this Circular, the net cash outflow for Oceana's repurchase is expected to be c. R152.2 million (one hundred and fifty two point two million Rand). This use of existing cash resources is expected to result in an effect of R6 798 934 in foregone interest, based on Oceana's money market investment rate of 4.5% as at the Last Practicable Date, and will have a concomitant reduction in Oceana's taxable income and tax expense of R1 903 701.
4. The repurchase and cancellation of treasury shares resulted in one-off Security Transfers Tax of R1 439 152 being levied at the rate of 0.25% on the market value of the treasury shares. Shares issued to the Employee Trust and Stakeholder Trust will be new share issuances, and will not be the same shares that were repurchased from the Oceana Empowerment Trust, notwithstanding that the same number of Oceana shares are (i) repurchased (and cancelled), and (ii) issued.

5. In terms of issued shares of Oceana, the OET Specific Repurchase will result in the repurchase and cancellation of a maximum of 8 478 067 Oceana Shares held by the Oceana Empowerment Trust. The remaining 4 902 239 shares, dependent on OET beneficiary elections, will either be transferred directly to beneficiaries or be sold by OET on the open market (or a combination of both). Therefore, the 4 902 239 shares will no longer be classified as treasury shares of Oceana, which will increase the number of shares used in the calculation of EPS, HEPS, NAV and TNAV.
6. The net taxation effect is made up of R1 439 152 of Securities Transfer Tax levied at the time of the repurchase, and a recurring reduction in Income Tax levied (at a 28% corporate tax rate) of R1 903 701 as a result of foregone interest on the cash used to part-settle the repurchase consideration. Only 1-365th of the R1 903 701 tax effect on interest foregone, being R5 215.62, is recognised in the consolidated statement of financial position as at 30 September 2020. Combined with the entire R1 439 152 Securities Transfer Tax charge, gives a total tax effect of R1 433 936 as reflected in the statement of financial position above. This adjustment has a continuing effect on the consolidated Statement of comprehensive income in relation to the foregone interest.
7. One-off transaction costs of R13 000 000 (thirteen million Rand) are incurred and paid from working capital assets. The transaction costs are assumed to be non-tax deductible. The majority of the transaction costs are assumed to relate to the structuring and funding of The BEE Transaction, with an immaterial amount directly related to the issuance of the Subscription Shares. All transaction costs are accordingly expensed as other operating expenses for purposes of the consolidated statement of comprehensive income for the year ended 30 September 2020. This adjustment will not have a continuing effect on the consolidated statement of comprehensive income. No amount is attributed to non-controlling interests because it is assumed that the transaction costs will be fully expensed by Oceana with no on charge to subsidiaries.
8. The 7 825 908 (seven million, eight hundred and twenty five thousand, nine hundred and eight) new Oceana Shares issued to the Employee Trust at R0.01 (one cent) per share and valued at R535 292 124, based on an assumed BEE transaction price of R72 (seventy two Rand) per share less a 5% discount, are treated as treasury shares on a 'consolidated level basis. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend 'per share.
9. The 652 159 (six hundred and fifty two thousand, one hundred and fifty nine) new Oceana Shares issued to the Stakeholder Trust at R0.01 (one cent) per share and valued at R44 607 677, based on an assumed BEE transaction price of R72 (seventy two Rand) per share less a 5% discount, are treated as treasury shares on a 'consolidated level basis. The shares issued result in an assumed IFRS 2 charge as described below and an increase in the total number of Oceana shares in issue used for calculating dividend 'per share.
10. Movement in share-based payment reserve:

Equity Settled Compensation Plans	(R'000)
Opening balance	99 066
Stakeholder Trust shares granted during the year	9 338
Employee Trust shares granted during the year	57
Closing balance	108 461

The Employee Transaction gives rise to a recurring annual share-based payment charge (IFRS 2 charge) of R20 919 179 (twenty million, nine hundred and nineteen thousand, one hundred and seventy nine Rand) for years one to eight, reducing to R13 139 319 (thirteen million, one hundred and thirty nine thousand, three hundred and nineteen Rand) in year nine and R6 223 888 (six million, two hundred and twenty three thousand, eight hundred and eighty eight Rand) in year ten. Only R57 313 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.

The Stakeholder Transaction gives rise to a total *pro forma* IFRS 2 statement of financial position adjustment of R9 337 743, broken down as follows:

- (i) an upfront one-off IFRS 2 charge R9 335 832 (nine million, three hundred and thirty-five thousand, eight hundred and thirty-two Rand) in year one in relation to beneficiaries that are community based trusts and fishing rights holders whose contractual arrangements exclude any service conditions. The full amount is recognised in the consolidated statement of financial position at 30 September 2020 as a movement in the share-based payment reserve as the charge is recognised upfront. This adjustment has a non-continuing effect on the consolidated statement of financial position;
- (ii) a recurring annual IFRS 2 charge of R697 306 (six hundred and ninety seven thousand, three hundred and six Rand) for years one to eight, reducing to R437 977 (four hundred and thirty seven thousand, nine hundred and seventy seven Rand) in year nine and R207 463 (two hundred and seven thousand, four hundred and sixty three Rand) in year ten. The recurring charge relates to fishing rights holders whose contractual arrangements include service conditions. Only R1 910 is recognised in the consolidated statement of financial position as at 30 September 2020 as movement in the share-based payment reserve as the charge will accrue over the vesting period. This adjustment has a continuing effect on the consolidated statement of financial position.
11. The calculation of diluted earnings and headline earnings per share is based on the weighted average number of shares in issue and the calculation of net asset value per share and tangible net asset per share is based on the number of shares in issue, increased by the number of shares to be issued for no (R nil) consideration to beneficiaries under the BEE Transaction on the assumption Oceana exercises its right in terms of the trust deed to implement an accelerated repurchase in terms of the repurchase formulae at the reporting date, being 30 September 2020.
- Under the Employee Transaction, the assumed number of dilutive shares of 391 295 is based on issuing 7 825 908 shares and the assumed 7 434 613 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R72 (seventy-two Rand) per share.
- Under the Stakeholder Transaction, the assumed number of dilutive shares of 32 608 is based on issuing 652 159 shares and the assumed 619 551 shares to be repurchased in terms of the repurchase formulae at nominal value of R0.01 (one cent) per share to settle outstanding notional funding balances at the reporting date at an average market price (based on the 30-day VWAP) of the Oceana share over the reporting period of R72 (seventy-two Rand) per share.
- The number of shares to be issued for no (R nil) consideration to beneficiaries under The BEE Transaction in future reporting periods have not been taken into consideration in the calculation of diluted earnings and headline earnings per share due to the uncertainty with regard to the outstanding notional funding balances and Oceana share price in future reporting periods.
12. There are no other post-balance sheet events which require adjustment to the *pro forma* financial information.

**EXTRACTS OF THE SUMMARISED CONSOLIDATED AUDITED
HISTORICAL FINANCIAL STATEMENTS OF OCEANA FOR THE
FINANCIAL YEARS ENDED 30 SEPTEMBER 2020,
30 SEPTEMBER 2019 AND 30 SEPTEMBER 2018**

**OCEANA HAS RECEIVED TRP APPROVAL FOR A VARIANCE IN THE REQUIREMENTS OF
REGULATION 106(7)(C)(I) OF THE COMPANIES REGULATIONS.**

The extracts of the summarised consolidated audited historical financial statements of Oceana for the years ended 30 September 2018, 30 September 2019 and 30 September 2020 are included in this **Annexure 2** to this Circular.

Full copies of the last three years' audited historical financial statements:

- (i) will be made available to Shareholders, on request;
- (ii) are accessible on Oceana's website (www.oceana.co.za), as follows:
 - for the year ended 30 September 2018:
<http://oceana.co.za/pdf/Annual%20Financial%20Statements%202018.pdf>
 - for the year ended 30 September 2019:
<http://oceana.co.za/pdf/Audited-annual-financial-statements-2019.pdf>
 - for the year ended 30 September 2020:
<http://oceana.co.za/pdf/Audited-annual-financial-statements-2020.pdf>

(iii) and, are available for inspection, at the registered office of Oceana.

Summarised Consolidated Statement of Comprehensive Income for the year ended 30 September 2018, 30 September 2019 and 30 September 2020

	2020	2019	2018
	R'000	R'000	R'000
Revenue	8 308 341	7 647 415	7 657 311
Cost of sales	(5 338 068)	(5 026 779)	(4 823 816)
Gross profit	2 970 273	2 620 636	2 833 495
Sales and distribution expenditure	(461 095)	(433 951)	(500 298)
Marketing expenditure	(59 993)	(59 045)	(55 184)
Overhead expenditure	(1 082 222)	(976 556)	(1 102 907)
Net foreign exchange (loss)/gain	(3 146)	30 093	19 248
Operating profit before associate and joint venture profit/(loss)	1 363 817	1 181 177	1 194 354
Associate and joint venture profit/(loss)	18 462	(5 852)	(5 447)
Operating profit before other operating items	1 382 279	1 175 325	1 188 907
Other operating income/(expense) items	17 188	(17 447)	(14 091)
Operating profit	1 399 467	1 157 878	1 174 816
Interest income	18 383	33 681	40 767
Interest expense	(271 959)	(294 547)	(332 532)
Profit before taxation	1 145 891	897 012	883 051
Taxation expense	(329 740)	(248 645)	(810)
Profit after taxation	816 151	648 367	882 241
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Movement on foreign currency translation reserve including hyperinflation effect	524 635	292 221	212 903
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect	31 643	16 963	8 214
Movement on cash flow hedging reserve from associate	(2 120)	(3 880)	–
Movement on cash flow hedging reserve	(69 609)	(23 951)	24 845
Income tax related to profit/(loss) recognised in equity	11 208	5 276	(5 813)
Other comprehensive income, net of taxation	495 757	286 629	240 149
Total comprehensive income for the year	1 311 908	934 996	1 122 390
Profit after taxation attributable to:			
Shareholders of Oceana Group Limited	760 635	617 616	857 831
Non-controlling interests	55 516	30 751	24 410
	816 151	648 367	882 241
Total comprehensive income attributable to:			
Shareholders of Oceana Group Limited	1 256 361	904 245	1 097 980
Non-controlling interests	55 547	30 751	24 410
	1 311 908	934 996	1 122 390
Earnings per share (cents)			
– Basic	650.9	528.3	734.6
– Diluted	603.3	486.1	674.6

Summarised Consolidated Statement of Financial Position as at 30 September 2018, 30 September 2019 and 30 September 2020

	2020	2019	2018
	R'000	R'000	R'000
ASSETS			
Non-current assets	7 847 728	7 042 312	6 685 126
Property, plant and equipment	1 856 973	1 697 221	1 586 626
Right-of-use assets	173 507	–	–
Goodwill and intangible assets	5 388 881	4 886 609	4 617 278
Derivative assets	–	–	17 398
Deferred taxation	20 793	26 567	29 338
Investments and loans	407 574	431 915	434 486
Current assets	4 204 233	3 757 887	4 014 355
Inventories	1 695 975	1 852 707	1 467 239
Accounts receivable	1 271 898	1 243 324	1 502 331
Taxation	23 663	73 820	29 725
Cash and cash equivalents	1 212 697	588 036	1 015 060
Assets held for sale	19 420	–	–
Total assets	12 071 381	10 800 199	10 699 481
EQUITY AND LIABILITIES			
Capital and reserves	5 979 935	5 121 727	4 721 969
Stated capital	1 200 493	1 193 473	1 189 482
Foreign currency translation reserve	1 352 491	796 213	487 029
Cash flow hedging reserve	(76 223)	(15 671)	6 884
Share-based payment reserve	99 066	93 406	90 535
Distributable reserves	3 221 312	2 943 871	2 851 418
Interest of own shareholders	5 797 139	5 011 292	4 625 348
Non-controlling interests	182 796	110 435	96 621
Non-current liabilities	3 908 692	3 840 143	3 818 656
Liability for share-based payments	7 919	6 044	10 145
Long-term loan	3 069 338	3 298 904	3 339 750
Lease liabilities	204 457	–	–
Derivative liabilities	85 721	10 320	–
Deferred taxation	541 257	524 875	468 761
Current liabilities	2 182 754	1 838 329	2 158 856
Accounts payable and provisions	1 717 300	1 480 502	1 711 483
Current portion – long-term loan	383 688	351 258	427 351
Current portion – lease liabilities	45 006	–	–
Taxation	36 760	6 569	20 022
Total equity and liabilities	12 071 381	10 800 199	10 699 481

Summarised Consolidated Statement of Changes of Equity for the year ended 30 September 2018, 30 September 2019 and 30 September 2020

	2020	2019	2018
	R'000	R'000	R'000
Balance at the beginning of the year	5 121 727	4 721 969	3 756 629
IFRS 16 leases transition adjustment	(53 680)	–	–
Adjusted balance at the beginning of the year	5 068 047	4 721 969	3 756 629
Total comprehensive income for the year	1 311 908	934 996	1 122 390
Profit after taxation	816 151	648 367	882 241
Movement on foreign currency translation reserve including hyperinflation effect	524 635	292 221	212 903
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect	31 643	16 963	8 214
Movement in cash flow hedging reserve from associate	(2 120)	(3 880)	–
Movement in cash flow hedging reserve	(69 609)	(23 951)	24 845
Income tax related to profit/(loss) recognised in equity	11 208	5 276	(5 813)
Decrease in treasury shares held by share trusts	1 105	1 335	1 853
Increase in treasury shares held by subsidiary	(16 878)	–	–
Share-based payment expense	14 309	12 298	12 456
Share-based payment exercised	(2 024)	(6 771)	(11 017)
Gain on disposal of shares distributed to deceased employee beneficiaries of Oceana Empowerment Trust	1 265	1 677	1 671
Issuance of shares to non-controlling interests	44 636	–	–
Oceana Empowerment Trust dividend distribution	(21 312)	(27 685)	(7 304)
Dividends paid	(421 121)	(516 092)	(154 709)
Balance at the end of the year	5 979 935	5 121 727	4 721 969
Comprising:			
Stated capital	1 200 493	1 193 473	1 189 482
Foreign currency translation reserve	1 352 491	796 213	487 029
Cash flow hedging reserve	(76 223)	(15 671)	6 884
Share-based payment reserve	99 066	93 406	90 535
Distributable reserve	3 221 312	2 943 871	2 851 418
Non-controlling interests	182 796	110 435	96 621
Balance at the end of the year	5 979 935	5 121 727	4 721 969

Summarised Consolidated Statement of Changes in Cash Flows for the year ended 30 September 2018, 30 September 2019 and 30 September 2020

	2020 R'000	2019 R'000	2018 R'000
Cash flow from operating activities			
Operating profit before associate and joint venture profit/(loss)	1 363 817	1 181 177	1 194 354
Adjustment for non-cash and other items	291 707	203 640	297 905
Cash operating profit before working capital changes	1 655 524	1 384 817	1 492 259
Working capital changes	427 107	(342 291)	(189 366)
Cash generated from operations	2 082 631	1 042 526	1 302 893
Investment income received	32 047	54 789	41 607
Interest paid	(269 456)	(285 447)	(296 845)
Taxation paid	(235 069)	(262 713)	(217 036)
Dividends paid	(442 433)	(543 777)	(162 013)
Cash inflow from operating activities	1 167 720	5 378	668 606
Cash outflow from investing activities	(170 641)	(217 141)	(180 928)
Replacement capital expenditure on property, plant and equipment	(222 457)	(228 146)	(163 742)
Replacement capital expenditure on intangible assets	–	(26 033)	(20 469)
Expansion capital expenditure on property, plant and equipment	(17 401)	–	–
Proceeds on disposal of property, plant and equipment	18 497	5 554	10 031
Proceeds on disposal of fishing rights	2 016	–	–
Proceeds on disposal of intangible assets	30 114	–	–
Proceeds on disposal of business	–	17 500	8 000
Decrease (increase) in loans receivable from business partners	18 931	13 984	(14 748)
Increase in shareholding in other investments	(341)	–	–
Cash outflow from financing activities	(428 278)	(239 721)	(720 152)
Proceeds from issue of share capital	2 370	3 012	3 523
Short-term borrowings repaid	(365 583)	(392 782)	(507 589)
Lease liabilities repaid	(38 816)	–	–
Repurchase of treasury shares	(16 879)	–	–
Long-term borrowings raised	–	172 658	–
Equity-settled share-based payment	(9 370)	(6 771)	(11 017)
Cost associated with debt refinancing	–	(15 838)	(2 170)
Settlement of put option	–	–	(202 899)
Net increase (decrease) in cash and cash equivalents	568 801	(451 484)	(232 474)
Cash and cash equivalents at the beginning of the year	588 036	1 015 060	1 222 040
Effect of exchange rate changes	55 860	24 460	25 494
Cash and cash equivalents at the end of the year	1 212 697	588 036	1 015 060

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION

To the Directors of Oceana Group Limited
9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town
8001

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information Included in the Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of *Oceana Group Limited* by the directors. The *pro forma* financial information, as set out in paragraph 19 of Section C and **Annexure 1** of the *circular* ("the circular"), to be dated on or about 22 January 2021, consists of the *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in paragraph 19 of Section C and **Annexure 1** of the circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in *Paragraph 2 of Section A and Paragraph 13 of Section B* of the circular, on the consolidated statement of financial position as at *30 September 2020*, and the *company's financial performance* for the period then ended, as if the corporate action or event had taken place at 1 October 2019 and for the period then ended. As part of this process, information about the company's *financial position* and *financial performance* has been extracted by the directors from the company's audited annual financial statements for the period ended *30 September 2020*, on which an *unmodified auditor's report* was issued on *3 December 2020*.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described paragraph 19 of Section C and **Annexure 1** of the *circular*.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2020 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 19 of Section C and **Annexure 1** of the *circular*.

Deloitte & Touche
Registered Auditor

Per: S Stemela
Partner
15 January 2021

Deloitte & Touche
(Practice number 902276)
The Ridge
6 Marina Road, Portsworld District
V&A Waterfront
Cape Town
8000
(PO Box 578, Cape Town, 8000)

REPORT OF THE INDEPENDENT EXPERT REGARDING THE OET SPECIFIC REPURCHASE

15 January 2021

Board of Directors
Oceana Group Limited (“**Oceana**” or the “**Company**”)
Oceana House
25 Jan Smuts Street
Foreshore
Cape Town
8001

Dear Sirs

INDEPENDENT EXPERT’S REPORT IN RESPECT OF A SPECIFIC SHARE REPURCHASE BY OCEANA FROM THE OCEANA EMPOWERMENT TRUST (“**OET**”)

1. INTRODUCTION

In the announcement released on SENS on Friday, 15 January 2021, holders of Oceana shares (“**Oceana Shareholders**”) were informed that the Company has entered into transaction agreements (“**Transaction Agreements**”) in terms of which Oceana has agreed to repurchase and cancel Oceana shares (“**Oceana Shares**”) held by the OET prior to its unwinding in 2021 (“**OET Specific Repurchase**”), subject to the fulfilment of conditions precedent.

The OET Specific Repurchase represents 6.5% of the total issued share capital of Oceana and will be repurchased at a price equal to the volume weighted average price of Oceana Shares measured over the 30 business days (“**30-day VWAP**”) up to 12 January 2021, equating to R67.90 per share (“**OET Specific Repurchase Price**”). The OET Specific Repurchase will be funded by way of available cash resources, subject to any consideration settled by way of the set-off arrangements as described in the Circular.

Full particulars of the OET Specific Repurchase are contained in the circular to Oceana Shareholders (“**the Circular**”), of which this opinion forms part.

2. SCOPE

As the OET Specific Repurchase will result in Oceana acquiring in excess of 5% of the Oceana Shares in issue, the OET Specific Repurchase is, in terms of section 48(8)(b) of the South African Companies Act, No. 71 of 2008, as amended (the “**Companies Act**”), subject to the provisions of sections 114 and 115 of the Companies Act and Regulation 90 of the Companies Regulations, 2011 (the “**Takeover Regulations**”). As such, the OET Specific Repurchase requires, *inter alia*, an independent expert (“**Independent Expert**”) to compile a report on the terms and conditions of the OET Specific Repurchase and opine as to the fair and reasonableness in respect of the OET Specific Repurchase as far as Oceana Shareholders are concerned (the “**Independent Expert Report**” or the “**Opinion**”).

PSG Capital Proprietary Limited (“**PSG Capital**”) has been appointed by the independent board of directors of Oceana (the “**Board**”) as the Independent Expert to advise, in accordance with the Companies Act and the Takeover Regulations, on whether the terms and conditions of the OET Specific Repurchase are fair and reasonable as far as Oceana Shareholders are concerned.

3. RESPONSIBILITY

Compliance with the Companies Act and the Takeover Regulations is the responsibility of the Board. PSG Capital’s responsibility is to report on the whether the terms and conditions of the OET Specific Repurchase are fair and reasonable to Oceana Shareholders.

We confirm that our Opinion has been provided to the Board for the sole benefit of assisting them in forming and expressing an opinion for the benefit of Oceana Shareholders, and that it will be distributed to shareholders in connection with the OET Specific Repurchase. We understand that the results of our work will be used by the Board to satisfy the requirements of the Companies Act and the Takeover Regulations.

4. **DEFINITION OF THE TERMS “FAIR” AND “REASONABLE”**

A transaction will generally be considered fair to a company’s shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value surrendered by a company.

The assessment of fairness is primarily based on quantitative considerations. Accordingly, the OET Specific Repurchase may be considered fair if the OET Specific Repurchase Price is lower than or equal to the value attributable to the Oceana Shares, or unfair if the OET Specific Repurchase Price is more than the value attributable to the Oceana Shares.

In terms of the Takeover Regulations, a transaction will be considered reasonable if the value received by the shareholders in terms of the corporate action is higher than the market price of the company’s securities at the time that the corporate action was announced, if same is applicable. In addition, the assessment of reasonableness is also based on qualitative considerations surrounding a transaction. Even though the consideration may differ from the market value of the Oceana Shares being acquired, a transaction may still be reasonable after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our Opinion. This fair and reasonable opinion does not purport to cater for an individual shareholder’s position but rather the general body of shareholders. A shareholder’s decision regarding fair and reasonableness of the terms of the OET Specific Repurchase may be influenced by their particular circumstances (for example taxation and the original price paid for the shares).

5. **SOURCES OF INFORMATION**

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Oceana management (“**Management**”) and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in formalising our Opinion include:

- the audited annual financial statements of Oceana for the financial years ended 30 September 2018 to 30 September 2020;
- the unaudited interim financial statements of Oceana for the six months ended 31 March 2020;
- management’s forecast for the financial years ending 30 September 2021 to 30 September 2023;
- Oceana’s SENS announcement relating to, *inter alia*, the OET Specific Repurchase, published on Friday, 15 January 2021;
- the final draft Circular;
- the Transaction Agreements dated Wednesday, 13 January 2021;
- other financial and non-financial information provided by Management;
- discussions with Management, including Board members, regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the OET Specific Repurchase; and
- publicly available information relating to Oceana and the industry in which Oceana operates that we deemed relevant, including company announcements, analysts’ reports and media articles.

6. **ASSUMPTIONS**

We have arrived at our Opinion based on the following assumptions:

- That the terms and conditions of the OET Specific Repurchase are legally enforceable and suspensive conditions to the OET Specific Repurchase will be duly fulfilled.
- The current economic, regulatory and market conditions will not change materially.
- That Oceana is not involved in any material legal proceedings.
- That Oceana has no material outstanding disputes with any regulatory body, including the South African Revenue Service.
- There are no undisclosed contingencies that could affect the value of the relevant securities.
- The structure of the OET Specific Repurchase will not give rise to any undisclosed tax liabilities.
- Reliance can be placed on the representations made by Management during the course of forming this Opinion.

7. **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our Opinion by:

- considering the historical trends of provided information and assumptions;
- comparing and corroborating such information and assumptions with external sources of information, if such information is available; and
- determining the extent to which representations from Management and other industry experts were confirmed by documentary evidence as well as our understanding of Oceana and the economic environment in which it operates.

8. **PROCEDURES**

In arriving at our Opinion, we relied upon financial and other information, obtained from Management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our Opinion, we have, *inter alia*, undertaken the following procedures:

- Reviewed and analysed the aforementioned financial information.
- Considered the relevant information included in the terms and conditions of the OET Specific Repurchase, as described in the Transaction Agreements and Circular.
- Considered the historical trading data for Oceana Shares, including the liquidity and share price movements.
- Reviewed the reasonableness of the information made available by and from discussions held with Management, such as, *inter alia*:
 - the rationale for the OET Specific Repurchase;
 - the events leading up to the OET Specific Repurchase; and
 - the current market conditions relating to Oceana;
- Where relevant, corroborated representations made by Management to source documents.
- Performed a valuation of the Company as detailed below.
- Reviewed certain publicly available information relating to Oceana that we have deemed relevant.
- Obtained letters of representation from Management asserting that we have been provided with all relevant material information and that no material information was omitted and that all such information provided to us is accurate in all material respects.
- Considered other relevant facts and information relevant to concluding this Opinion.

9. **VALUATION APPROACH**

In considering the OET Specific Repurchase, PSG Capital performed an independent valuation of Oceana. For the purposes of our valuation we have applied the discounted cash flow valuation (“**DCF**”) method as our primary valuation methodology and valued Oceana as a going concern, with a base value calculated for the Company amounting to R69.82 per Oceana Ordinary Share (“**DCF Base Value**”). We furthermore applied a market multiple approach as a secondary valuation approach, valuing Oceana on adjusted current and implied one-year forward trading multiples of similarly listed companies (“**Market Multiple**”).

Key external and internal value drivers identified in the valuation of Oceana include, *inter alia*:

- revenue growth, EBITDA margins, capital expenditure requirements, net working capital requirements, and the optimal weighted average cost of capital.

The key value drivers as set out above are influenced by various factors, including, *inter alia*:

- the impact of the general South African economy (employment rates, GDP growth, inflation and strength of the South African Rand compared to other key foreign currencies);
- the growth and global challenges and opportunities in the industry in which Oceana operates; and
- the ability of Oceana to achieve the forecasted revenue growth and EBITDA margins.

Sensitivity analyses on the DCF were conducted, where practical, utilising key value drivers, which included, *inter alia*:

- a variance range of 1% in the discount rate of 11.5% applied in the DCF, which analysis resulted in a variation range on the DCF Base Value of 3.2%;

- a variance range of 4% in the forecasted revenue growth rate applied in the DCF, which analysis resulted in a variation range on the DCF Base Value of 14.0%;
- a variance range of 6% in the forecasted EBITDA margin applied in the DCF, which analysis resulted in a variation range on the DCF Base Value of 10.7%; and
- a variance range of 1.0x to the one-year forward enterprise value to EBITDA exit multiple applied to the terminal value of Oceana in the DCF, which analysis resulted in a variation range on the DCF Base Value of 16.3%.

10. **OPINION**

We have considered the terms and conditions of the OET Specific Repurchase, and based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the indicative market value of the Oceana Shares (utilising the range implied by the DCF and Market Multiple valuation approaches), amounts to between R61.38 per share and R76.25 per share (“**Value Range**”), with the likely core value of R68.81 per share being the midpoint of the Value Range.

In considering the values listed above, Oceana Shareholders should take particular notice of the following factors:

1. We determined it reasonable to apply a Value Range in calculating the indicative market value per Oceana Ordinary Share, given the nature of, *inter alia*, the uncertainty of the forecasts and exit multiple applied in the primary and secondary valuation methodologies and relevant sensitivities thereto.
2. The actual market value achieved in a specific transaction may be higher or lower than our estimate of the market value depending upon the circumstances of the OET Specific Repurchase (for example strategic considerations of the purchaser) and the nature of the business (for example the purchaser’s perception of potential synergies).

Based on the result of our procedures performed, our valuation work, and subject to the conditions set out herein, we are of the opinion that:

- On a quantitative basis, the OET Specific Repurchase Price of R67.90 per Oceana share falls within the Value Range. The OET Specific Repurchase is therefore fair to Oceana Shareholders.

On a qualitative basis, the OET Specific Repurchase and the further share issuance as detailed in the Circular is materially linked to the broad-based black economic empowerment (“**B-BBEE**”) credentials of Oceana. The Company’s B-BBEE credentials are a commercial imperative for, *inter alia*, Oceana’s continued ability to obtain requisite fishing rights and is thus inextricably intertwined with the ability of the Company to succeed commercially. As a result, the OET Specific Repurchase is reasonable.

11. **LIMITING CONDITIONS**

This Opinion is provided to the Board in connection with and for the purpose of the OET Specific Repurchase, for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of Oceana Shareholders. This Opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

The forecasted probabilities relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those forecasts by Management.

We relied upon the accuracy of the information used by us in deriving our Opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the OET Specific Repurchase.

The Opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the OET Specific Repurchase have been or will be properly fulfilled. Subsequent developments may affect our Opinion; however, we are under no obligation to update, revise or re-affirm such.

12. SECTIONS 115 AND 164 OF THE COMPANIES ACT

Sections 115 and 164 of the Companies Act have been included as an annexure to the Circular.

13. MATERIAL INTEREST OF OCEANA DIRECTORS

The effective interests of Oceana directors, who hold Oceana Shares before the OET Specific Repurchase, are set out in paragraph 25.1 of the Circular.

14. INDEPENDENCE AND ADDITIONAL REGULATORY DISCLOSURES

We confirm that PSG Capital holds no shares in Oceana, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, and to the best of our knowledge, we are not related to a person who has or has had such interest in Oceana within the immediately preceding two years or in the outcome of the OET Specific Repurchase.

The directors, partners, officers and employees of PSG Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the OET Specific Repurchase; (ii) evaluate the consequences of the OET Specific Repurchase; and (iii) assess the effect of the OET Specific Repurchase on the value of the shares and on the rights and interests of Oceana Shareholders, or a creditor of Oceana and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

Furthermore, we confirm that our professional fee for the Opinion is R135 000 (excluding VAT), payable in cash, and is not contingent on the outcome of the OET Specific Repurchase.

15. CONSENT

We hereby consent to the inclusion of this Opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the OET Specific Repurchase.

Yours faithfully

RIAAN VAN HEERDEN
PSG CAPITAL PROPRIETARY LIMITED

TRADING HISTORY OF OCEANA SHARES ON THE JSE

The table below sets out the price history of the Oceana Shares traded on the JSE, disclosing the aggregate volumes and values traded, and the highest and lowest prices traded each month over the 12 months and each day over the 30-days preceding the Last Practicable Date prior to the date of issue of this Circular.

	High (R)	Low (R)	Close (R)	Volume of shares traded
Quarterly				
31/12/2019	74.00	61.01	61.55	15 196 360
31/03/2020	64.51	51.08	55.00	11 024 600
30/06/2020	71.90	54.05	71.31	11 969 120
30/09/2020	74.50	58.10	62.00	9 407 650
31/12/2020	71.29	58.68	64.25	8 956 410
Monthly 2020				
January	64.51	60.90	63.15	2 176 820
February	61.20	54.70	54.70	5 525 220
March	55.98	49.00	55.00	3 109 490
April	63.00	54.05	61.00	2 273 820
May	64.00	58.00	58.00	2 196 780
June	71.90	58.00	71.31	7 498 520
July	74.50	68.53	72.00	3 941 580
August	69.00	62.92	62.92	2 190 340
September	62.94	58.10	62.00	3 275 730
October	62.68	59.26	59.40	3 730 780
November	68.50	58.68	65.10	2 160 110
December	71.29	64.25	65.10	3 121 310
Daily				
27/11/2020	66.53	65.00	66.25	116 930
30/11/2020	67.45	65.00	65.10	227 050
01/12/2020	68.99	65.00	65.94	53 820
02/12/2020	66.89	65.63	66.00	38 370
03/12/2020	71.18	64.42	65.28	332 730
04/12/2020	69.99	65.96	66.49	431 620
07/12/2020	69.91	66.49	68.05	87 620
08/12/2020	69.99	65.69	67.19	56 790
09/12/2020	69.00	65.01	69.00	310 440
10/12/2020	71.27	68.01	69.46	206 730
11/12/2020	71.53	68.81	69.62	127 530
14/12/2020	70.99	68.88	69.12	219 320
15/12/2020	69.17	67.36	68.21	178 490
17/12/2020	70.99	68.00	69.90	235 350
18/12/2020	72.42	70.00	71.29	137 240
21/12/2020	73.94	68.96	69.53	86 240
22/12/2020	70.89	68.68	69.54	66 870
23/12/2020	70.84	69.18	70.46	78 710
24/12/2020	70.72	69.94	70.52	195 790
28/12/2020	70.89	69.99	70.40	83 380
29/12/2020	69.89	64.97	67.59	65 570
30/12/2020	69.94	65.51	66.96	55 960
31/12/2020	68.00	64.00	64.25	16 950
04/01/2021	66.21	62.00	64.73	55 790
05/01/2021	68.95	65.02	65.95	73 350
06/01/2021	68.49	64.80	64.80	35 590
07/01/2021	67.89	62.55	67.49	65 770
08/01/2021	67.93	63.75	66.19	71 020
11/01/2021	69.00	66.19	69.00	20 460
12/01/2021	70.88	66.30	67.47	116 340



OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1939/001730/06)

JSE share code: OCE

NSX share code: OCG

ISIN: ZAE000025284

("Oceana" or "the Company")

NOTICE OF GENERAL MEETING

ALL TERMS DEFINED IN THE CIRCULAR TO WHICH THIS NOTICE OF GENERAL MEETING IS ATTACHED SHALL BEAR THE SAME MEANINGS HEREIN.

Notice is hereby given that a General Meeting of Oceana Shareholders will be held entirely by electronic communication at 14:00 (South African Standard time) on Tuesday, 23 February 2021 to consider and, if deemed fit, pass, with or without modification, the Resolutions set out hereunder in the manner required by the JSE Listings Requirements, the MOI and the Companies Act.

RESOLUTIONS IN RESPECT OF THE EMPLOYEE TRANSACTION

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE OET EMPLOYEE TRANSACTION SPECIFIC REPURCHASE

“RESOLVED AS A SPECIAL RESOLUTION that, the Company be and is hereby authorised, by way of a specific authority in accordance with the applicable provisions of the Companies Act, the Listings Requirements and its MOI, to repurchase the OET Employee Transaction Repurchase Shares from the Oceana Empowerment Trust at the OET Specific Repurchase Price per OET Employee Transaction Repurchase Share subject to the Company’s rights in terms of section 115(5)(b) of the Companies Act.”

Reason for and effect of Special Resolution Number 1

The reasons for Special Resolution Number 1 is that (i) the Companies Act requires shareholders to approve, by way of special resolution, the repurchase by a company of more than 5% of its issued share capital whether in one transaction or together with other transactions in an integrated series of transactions; and (ii) the Listings Requirements require shareholders to approve, by way of special resolution, any specific repurchase by a company of its issued share capital.

The effects of Special Resolution Number 1 will be that the Company will be authorised to implement the OET Employee Transaction Specific Repurchase.

Once the OET Employee Transaction Specific Repurchase has been implemented, the OET Employee Transaction Repurchase Shares will be cancelled and restored to the authorised, but unissued, share capital of Oceana and will be delisted from the JSE. The Company reserves the right to treat this special resolution as a nullity in the circumstances envisaged by section 115 of the Companies Act.

The quorum requirement for Special Resolution Number 1 to be adopted is sufficient persons being present to exercise, in aggregate at least 25% of all of the voting rights entitled to be exercised on the Special Resolution.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 1, excluding the votes attached to Oceana Shares beneficially held by the Oceana Empowerment Trust and its associates.

SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE OET EMPLOYEE TRANSACTION SPECIFIC REPURCHASE IS TERMINATED

“RESOLVED AS A SPECIAL RESOLUTION THAT IF:

- (i) Special Resolution Number 1 is approved at the General Meeting in terms of the Companies Act; and
- (ii) the OET Employee Transaction Specific Repurchase is cancelled, terminated, lapses, or treated as a nullity for any reason,

Special Resolution Number 1 is revoked with effect from the date that such termination, cancellation, lapsing or nullification is announced, as contemplated in section 164(9) of the Companies Act, and accordingly any dissenting shareholder that has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of the its Oceana Shares, shall have no right to be so paid under section 164 of the Companies Act.”

Reason for and effect of Special Resolution Number 2

The reason for Special Resolution Number 2 is to obtain approval from the Shareholders to revoke Special Resolution 1 in the event that Special Resolution 1 is approved but the OET Employee Transaction Specific Repurchase is cancelled, terminated or treated as a nullity for any reason, as contemplated in section 164(9) of the Companies Act, with the effect that a Shareholder who has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act has no right to be paid the fair value of the its Oceana Shares.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 2.

SPECIAL RESOLUTION NUMBER 3 – SPECIFIC AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN RESPECT OF THE EMPLOYEE TRANSACTION

“RESOLVED AS A SPECIAL RESOLUTION that, to the extent required by sections 44 and 45 of the Companies Act, the Board may, subject to compliance with the requirements of the Company’s MOI, the Companies Act and the JSE Listings Requirements, authorise the Company to provide financial assistance (as contemplated in the Companies Act) to the trustees for the time being of the *Oceana Empowerment Trust No. 2* registered in accordance with the laws of South Africa under Master’s Reference No. IT001289/2020 (C) (“**Employee Trust**”) and to any director or prescribed officer of the Company or of a related or inter-related company, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, that are or will be beneficiaries of the Employee Trust, for the purposes of enabling the Employee Trust to subscribe for **7 825 908** Subscription Shares at one cent per Share, as contemplated in the Circular to which this Notice of General Meeting is attached.”

Reason for and effect of Special Resolution Number 3

The reason for Special Resolution Number 3 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance in connection with the Employee Transaction (as defined in the Circular), to the extent required, in accordance with the provisions of sections 44 and 45 of the Companies Act. The effect of Special Resolution Number 3 is that the Company will have the necessary authority to provide such financial assistance to the Employee Trust and, to the extent required, Eligible Employees who become Beneficiaries of the Employee Trust. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 3.

SPECIAL RESOLUTION NUMBER 4 – ISSUE OF THE SUBSCRIPTION SHARES TO THE EMPLOYEE TRUST

“RESOLVED AS A SPECIAL RESOLUTION that, the issue of **7 825 908** Subscription Shares by the Company to the Employee Trust, as a specific issue for cash, on the terms and subject to the conditions set out in the Circular to which this Notice of General Meeting is attached, be and is hereby approved.”

Reason for and effect of Special Resolution Number 4

In terms of paragraph 5.51(g) of the JSE Listings Requirements, Shareholder approval is required in respect of a specific issue of shares for cash by ordinary resolution passed by votes, in favour of the resolution, representing at least 75% of the voting rights exercised on the resolution. In addition, for such time as the First Trustees are the only Trustees in office and until new Trustees have been appointed by the Employee Beneficiaries, the Employee Trust constitutes a related person to Oceana and accordingly, in terms of section 41(1)(b) of the Companies Act the issue of the Subscription Shares to the Employee Trust (being a related person) must be approved by a special resolution. The reason and effect of this Special Resolution Number 4 is to authorise the Company to issue the Subscription Shares to the Employee Trust.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution Number 4.

SPECIAL RESOLUTION NUMBER 5 – SPECIFIC AUTHORITY TO REPURCHASE THE REPURCHASE SHARES FROM THE EMPLOYEE TRUST

“RESOLVED AS A SPECIAL RESOLUTION that, in terms of paragraph 5.67(B)(a) of the JSE Listings Requirements and the Company’s MOI, the Company or a third party or third parties, including any subsidiary of Oceana, as its nominee, be and is hereby authorised, in accordance with and to the extent it is entitled to do so in terms of the provisions of the Transaction Agreements to acquire the Repurchase Shares from the Employee Trust, as calculated in accordance with the Subscription Agreement relevant to the Employee Transaction, at one cent per Share, such specific authority being subject to the requirements of paragraph 5.69 of the Listings Requirements having been met in relation to the acquisition made by the Company pursuant to this Special Resolution 5. The specific authority granted in terms of this Special Resolution 5 shall be valid until such time as the acquisitions contemplated in this Special Resolution 5 have been implemented or it is amended or revoked by another special resolution.”

Reason for and effect of Special Resolution Number 5

In terms of paragraph 5.67(B)(a) of the JSE Listings Requirements, the acquisition by an issuer of its own securities or a purchase by a subsidiary of securities in its holding company (in accordance with section 48 of the Companies Act), will be regarded as a repurchase of securities in terms of the JSE Listings Requirements, in which case such acquisition must be approved by a special resolution. The reason for and effect of this Special Resolution Number 5 is to authorise the Company (or a third party or third parties, including any subsidiary of Oceana, as its nominee) to acquire the Repurchase Shares from the Employee Trust in terms of the Subscription Agreement and Relationship Agreement (i.e. the BEE Transaction Specific Repurchase).

Pursuant to the Listings Requirements, for this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 5.

Special Resolutions 1 to 5, to the extent that they are proposed for adoption at the General Meeting, are inter-conditional and, accordingly, none of Special Resolutions 1 to 5 will become effective and be implemented unless each of Special Resolutions 1 to 5 to the extent proposed for adoption at the General Meeting are approved by the requisite majority. For the avoidance of doubt to the extent that any of Special Resolutions 1 to 5 are not proposed for adoption at the General Meeting, such other Special Resolutions that are proposed for adoption at the General Meeting will only be inter-conditional on those actually proposed at the General Meeting. Shareholders are referred to paragraph 16 of Section B read with paragraph 5 of Section A of the body of the Circular, which sets out the conditions precedent to the Employee Transaction showing the effective inter-conditional of Special Resolutions 1 to 5.

RESOLUTIONS IN RESPECT OF THE STAKEHOLDER TRANSACTION

SPECIAL RESOLUTION NUMBER 6 – APPROVAL OF THE OET STAKEHOLDER TRANSACTION SPECIFIC REPURCHASE

“**RESOLVED AS A SPECIAL RESOLUTION** that the Company be and is hereby authorised, by way of a specific authority in accordance with the applicable provisions of the Companies Act, the Listings Requirements and its MOI, to repurchase the OET Stakeholder Transaction Repurchase Shares from the Oceana Empowerment Trust at the OET Specific Repurchase Price per OET Stakeholder Repurchase Share, subject to the Company’s rights in terms of section 115(5)(b) of the Companies Act.”

Reason for and effect of Special Resolution Number 6

The reasons for Special Resolution Number 6 is that (i) the Companies Act requires shareholders to approve, by way of special resolution, the repurchase by a company of more than 5% of its issued share capital whether in one transaction or together with other transactions in an integrated series of transactions; and (ii) the Listings Requirements require shareholders to approve, by way of special resolution, any specific repurchase by a company of its issued share capital.

The effects of Special Resolution Number 6 will be that the Company will be authorised to implement the OET Stakeholder Transaction Specific Repurchase.

Once the OET Stakeholder Transaction Specific Repurchase has been implemented, the OET Stakeholder Transaction Repurchase Shares will be cancelled and restored to the authorised, but unissued, share capital of Oceana and will be delisted from the JSE. The Company reserves the right to treat this special resolution as a nullity in the circumstances envisaged by section 115 of the Companies Act.

Quorum requirement for Special Resolution Number 6 to be adopted is sufficient persons being present to exercise, in aggregate at least 25% of all of the voting rights entitled to be exercised on the Special Resolution.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 6, excluding the votes attached to Oceana Shares beneficially held by the Oceana Empowerment Trust.

SPECIAL RESOLUTION NUMBER 7 – REVOCATION OF SPECIAL RESOLUTION NUMBER 6 IF THE OET STAKEHOLDER TRANSACTION SPECIFIC REPURCHASE IS TERMINATED

“**RESOLVED AS A SPECIAL RESOLUTION THAT IF:**

- (i) Special Resolution Number 6 is approved at the General Meeting in terms of the Companies Act; and
- (ii) the OET Stakeholder Transaction Specific Repurchase is cancelled, terminated, lapses or treated as a nullity for any reason,

Special Resolution Number 6 is revoked with effect from the date that such termination, cancellation, lapsing, or nullification is announced, as contemplated in section 164(9) of the Companies Act, and accordingly any dissenting shareholder that has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of the its Oceana Shares, shall have no right to be so paid under section 164 of the Companies Act.”

Reason for and effect of Special Resolution Number 7

The reason for Special Resolution Number 7 is to obtain approval from the Shareholders to revoke Special Resolution 6 in the event that Special Resolution 6 is approved but the OET Stakeholder Transaction Specific Repurchase is cancelled, terminated or treated as a nullity for any reason, as contemplated in section 164(9) of the Companies Act, with the effect that a Shareholder who has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act has no right to be paid the fair value of the its Oceana Shares.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 7.

SPECIAL RESOLUTION NUMBER 8 – SPECIFIC AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN RESPECT OF THE STAKEHOLDER TRANSACTION

“**RESOLVED AS A SPECIAL RESOLUTION** that, to the extent required by sections 44 and 45 of the Companies Act, the Board may, subject to compliance with the requirements of the Company’s MOI, the Companies Act and the JSE Listings Requirements, authorise the Company to provide financial assistance (as contemplated in the Companies Act) to the trustees for the time being of the Oceana Stakeholders Empowerment Trust registered in accordance with the laws of South Africa under Master’s Reference No. IT001288/2020 (C) (“**Stakeholder Trust**”) and to any related or inter-related company, or to a person related to any such company, corporation, director or prescribed officer of the Company or any related or inter-related company, that are or will be beneficiaries of the Stakeholder Trust, for the purposes of enabling the Stakeholder Trust to subscribe for **652 159** Subscription Shares at one cent per Share, as contemplated in the Circular to which this Notice of General Meeting is attached.”

Reason for and effect of Special Resolution Number 8

The reason for Special Resolution Number 8 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance in connection with the Stakeholder Transaction (as defined in the Circular), to the extent required, in accordance with the provisions of sections 44 and 45 of the Companies Act. The effect of Special Resolution Number 8 is that the Company will have the necessary authority to provide such financial assistance to the Stakeholder Trust and, to the extent required, Eligible SMEs who become Beneficiaries of the Stakeholder Trust. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 8.

SPECIAL RESOLUTION NUMBER 9 – ISSUE OF THE SUBSCRIPTION SHARES TO THE STAKEHOLDER TRUST

“**RESOLVED AS A SPECIAL RESOLUTION** that, the issue of **652 159** Subscription Shares by the Company to the Stakeholder Trust, as a specific issue for cash, on the terms and subject to the conditions set out in the Circular to which this Notice of General Meeting is attached, be and is hereby approved.”

Reason for and effect of Special Resolution Number 9

In terms of paragraph 5.51(g) of the JSE Listings Requirements, Shareholder approval is required in respect of a specific issue of shares for cash by ordinary resolution passed by votes, in favour of the resolution, representing at least 75% of the voting rights exercised on the resolution. In addition, for such time as the First Trustees are the only Trustees in office and until new Trustees have been appointed by the Stakeholder Beneficiaries, the Stakeholder Trust constitutes a related person to Oceana and accordingly, in terms of section 41(1)(b) of the Companies Act the issue of the Subscription Shares to the Stakeholder Trust (being a related person) must be approved by a special resolution. The reason and effect of this Special Resolution Number 9 is to authorise the Company to issue the Subscription Shares to the Stakeholder Trust.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution Number 9.

SPECIAL RESOLUTION NUMBER 10 – SPECIFIC AUTHORITY TO REPURCHASE THE REPURCHASE SHARES FROM THE STAKEHOLDER TRUST

“**RESOLVED AS A SPECIAL RESOLUTION** that, in terms of paragraph 5.67(B)(a) of the JSE Listings Requirements and the Company’s MOI, the Company or a third party or third parties, including any subsidiary of Oceana, as its nominee, be and is hereby authorised, in accordance with and to the extent it is entitled to do so in terms of the provisions of the Transaction Agreements to acquire the Repurchase Shares from the Stakeholder Trust, as calculated in accordance with the Subscription Agreement relevant to the Stakeholder Transaction, at one cent per Share, such specific authority being subject to the requirements of paragraph 5.69 of the Listings Requirements having been met in relation to the acquisition made by the Company pursuant to this Special Resolution 10. The specific authority granted in terms of this Special Resolution 10 shall be valid until such time as the acquisitions contemplated in this Special Resolution 10 have been implemented or it is amended or revoked by another special resolution.”

Reason for and effect of Special Resolution Number 10

In terms of paragraph 5.67(B)(a) of the JSE Listings Requirements, the acquisition by an issuer of its own securities or a purchase by a subsidiary of securities in its holding company (in accordance with Section 48 of the Companies Act), will be regarded as a repurchase of securities in terms of the JSE Listings Requirements, in which case such acquisition must be approved by a special resolution. The reason for and effect of this Special Resolution Number 10 is to authorise the Company (or a third party or third parties, including any subsidiary of Oceana, as its nominee) to acquire the Repurchase Shares from the Stakeholder Trust in terms of the Subscription Agreement and Relationship Agreement (i.e. the BEE Transaction Specific Repurchase).

Pursuant to the Listings Requirements, for this resolution to be passed, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the General Meeting in respect of Special Resolution 10.

Special Resolutions 6 to 10, to the extent that they are proposed for adoption at the General Meeting, are (i) inter-conditional and, in addition, (ii) conditional on the adoption of Special Resolutions 1 to 5, to the extent that they are proposed for adoption at the General Meeting. Accordingly, none of Special Resolutions 6 to 10 will become effective and be implemented unless each of Special Resolutions 1 to 10 to the extent proposed for adoption at the General Meeting are adopted by the requisite majority. For the avoidance of doubt to the extent that any of Special Resolutions 1 to 10 are not proposed for adoption at the General Meeting, such other Special Resolutions that are proposed for adoption at the General Meeting will only be inter-conditional on those actually proposed at the General Meeting. Shareholders are referred to paragraph 16 of Section B read with paragraph 5 of Section A of the body of the Circular, which sets out the conditions precedent to the Employee Transaction and the Stakeholder Transaction showing the effective inter-conditional of Special Resolutions 1 to 10, and the conditionality of the Stakeholder Transaction on the implementation of the Employee Transaction

ORDINARY RESOLUTION NUMBER 1 – AUTHORISATION OF DIRECTORS AND COMPANY SECRETARY

“RESOLVED AS AN ORDINARY RESOLUTION that any director of the Company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of Special Resolutions 1 to 10 which are passed by the Shareholders at this General Meeting.”

Reason for and effect of Ordinary Resolution Number 1

Ordinary resolution number 1 is to provide a specific authority allowing any director of the Company, or company secretary, to take any actions required to implement the transactions and resolutions as approved by shareholders. This approval is in addition to the statutory general authority of the board, as per, inter alia, section 66(1) the Companies Act to take those actions.

For this resolution to be passed, votes in favour of the resolution must represent more than 50% of the voting rights exercised at the General Meeting in respect of Ordinary Resolution 1.

RECORD DATES, PROXIES AND VOTING

Record date

The record date on which Shareholders must be recorded as such in the Register maintained by Computershare for the purposes of being entitled to receive the Circular and Notice of General Meeting is **Friday, 15 January 2021**.

The record date on which Shareholders must be recorded as such in the Register maintained by Computershare for the purposes of being entitled to attend and vote at the General Meeting is **Friday, 12 February 2021**. Accordingly, the last day to trade for the purposes of being entitled to attend and vote at the General Meeting is **Tuesday, 9 February 2021**.

Voting and proxies

Dematerialised Oceana Shareholders without “own name” registration, who are unable to attend the General Meeting but wish to be represented thereat, should timeously inform their Participant or Broker (as the case may be) of their intention to participate in the General Meeting and request such Participant or Broker to issue them with the necessary Letter of Representation. If they do not wish to participate in the General Meeting, they may provide such Participant or Broker with their voting instructions.

Certificated Oceana Shareholders and Dematerialised Oceana Shareholders with “own name” registration are entitled to participate and vote at the General Meeting and are entitled to appoint a proxy or proxies to participate and vote in their stead. The person so appointed need not be a Shareholder of the Company. Forms of proxy (blue) should, for administrative purposes only, be forwarded to reach Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posting it to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132, or by sending an email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 (South African Standard time) on Friday, 19 February 2021.

Forms of proxy (blue) must only be completed by Certificated Oceana Shareholders and Dematerialised Oceana Shareholders with “own name” registration. Every member present in person or by proxy and entitled to vote at the General Meeting of the Company shall, on a show of hands, have one vote only irrespective of the number of Shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company, which the aggregate amount of the nominal value of the Shares held by such member bears to the aggregate amount of the nominal value of all the Shares issued by the Company.

ELECTRONIC PARTICIPATION

Shareholders or their duly appointed proxy(ies) who wish to participate in the General Meeting via electronic communications must either:

- register online using the online registration portal at www.smartagm.co.za; or
- apply to Computershare, by registering the duly completed electronic participation form to: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posting it to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132, or by sending an email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 (South African Standard time) on Monday, 22 February 2021. The electronic participation form can be found as an insert to the Notice of General Meeting. Computershare will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communications facility will be provided.

Computershare will inform Shareholder participants who notified SmartAGM or Computershare of their intended participation, by no later than Monday, 22 February 2021 by email of the relevant details through which Shareholder participants can participate electronically.

The cost of electronic participation in the General Meeting is for the account of the Shareholder participant and will be billed separately by the Shareholder participant's own service provider.

The Shareholder participant acknowledges that the electronic services are provided by third parties and indemnifies Oceana against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Shareholder participant or anyone else. In particular, but not exclusively, the Shareholder participant acknowledged that he/she will have no claim against Oceana, whether for consequential damages or otherwise, arising from the use of electronic services or any defect in it or from the total or partial failure of the electronic services and connections linking the Shareholder participant via the electronic services to the General Meeting.

IDENTIFICATION

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of that person to participate and vote at the General Meeting, either as an Oceana Shareholder, or as a proxy for an Oceana Shareholder, has been reasonably verified before being entitled to attend or participate in the General Meeting. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

A Shareholder or its representative or proxy, as the case may be, will be required to provide Computershare with reasonably satisfactory identification as a part of the validation process to participate in the General meeting by way of electronic communication. Failure to do so may mean that the participant is unable to participate in the General meeting either at all, or promptly. Oceana and Computershare shall not be liable for any failure by any Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

By order of the Board

Adela Fortune

Company Secretary

Cape Town

22 January 2021



OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number: 1939/001730/06)
 JSE share code: OCE
 NSX share code: OCG
 ISIN: ZAE000025284
 ("Oceana" or "the Company")

FORM OF PROXY

For use only by Oceana Certificated Shareholders and Dematerialised Shareholders with "own name" registration at the General Meeting of Oceana Shareholders to be conducted entirely by electronic communication at 14:00 (South African Standard Time) on Tuesday, 23 February 2021 or any adjournment thereof.

I/We _____ (full names in block letters)

of _____
 (Address)

Telephone number _____ Cellphone number _____

being a holder/s of ordinary shares in the Company (delete whichever is inapplicable), hereby appoint

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairman of the Company, or failing him the chairman of the General Meeting, as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf, as indicated below, at the General Meeting and/or at any adjournment thereof

	Number of votes (one per share)		
	In favour	Against	Abstain
Special Resolution 1 Specific authority to repurchase the OET Employee Transaction Repurchase Shares from the Oceana Empowerment Trust			
Special Resolution 2 Revocation of Special Resolution 1 if the OET Employee Transaction Specific Repurchase is terminated			
Special Resolution 3 Specific authority to provide financial assistance in respect of the Employee Transaction			
Special Resolution 4 Specific authority to issue of the Subscription Shares to the Employee Trust			
Special Resolution 5 Specific authority to repurchase the Repurchase Shares from the Employee Trust			
Special Resolution 6 Specific authority to repurchase the OET Stakeholder Transaction Repurchase Shares from the Oceana Empowerment Trust			
Special Resolution 7 Revocation of Special Resolution 6 if the OET Stakeholder Transaction Specific Repurchase is terminated			
Special Resolution 8 Specific authority to provide financial assistance in respect of the Stakeholder Transaction			
Special Resolution 9 Specific authority to issue of the Subscription Shares to the Stakeholder Trust			
Special Resolution 10 Specific authority to repurchase the Repurchase Shares from the Stakeholder Trust			
Ordinary Resolution 1 Authorisation of Directors and Company Secretary			

Note: Please indicate with an "X" in the spaces above how you wish your votes to be cast.

Signed at _____ on this _____ day of _____ 2021

Signature: _____

NOTES TO THE FORM OF PROXY

1. An Oceana Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to participate and vote in his/her stead. A proxy need not be a registered member of the Company.
2. On a show of hands, every Oceana Shareholder who is present in person or represented by proxy will have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company, which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Oceana Shareholders registered in their own name are Shareholders who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Investor Services Proprietary Limited as their CSDP with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.

Instructions on signing and lodging the form of proxy (blue):

1. An Oceana Shareholder may insert the name of a proxy or the names of two alternative proxies of the Oceana Shareholder's choice in the space/s provided overleaf, with or without deleting the Chairperson of the General Meeting, but any such deletion must be initiated by the Oceana Shareholder. Should this space be left blank, the proxy will be exercised by the chairperson of the General Meeting in accordance with the voting instructions as marked. The person whose name appears first on the form of proxy (blue) and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. An Oceana Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that Oceana Shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Oceana Shareholder's exercisable votes. An Oceana Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Oceana Shareholder or by his/her proxy.
3. To be valid, the completed forms of proxy (blue) should, for administrative purposes only, be lodged with Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posting it to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132, or by sending an email to proxy@computershare.co.za so as to be received by Computershare, so as to be received by them no later than 14:00 (South African Standard time), on Friday, 19 February 2021. Any forms of proxy (blue) not lodged by this time must be handed to the Chairperson of the General Meeting before the General Meeting is due to commence.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy (blue) unless previously recorded by Computershare Investor Services Proprietary Limited or waived by the Chairperson of the General Meeting.
5. The completion and lodging of this form of proxy (blue) will not preclude the relevant member from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
6. The completion of any blank spaces overleaf need not be initialed. Any alterations or corrections to this form of proxy must be initialed by the signatory/ies.
7. The Chairperson of the General Meeting may accept any form of proxy (blue) which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which an Oceana Shareholder wishes to vote.
8. Dematerialised Oceana Shareholders without "own name" registration, who are unable to attend the General Meeting but wish to be represented thereat, should timeously inform their Participant or Broker (as the case may be) of their intention to participate in the General Meeting and request such Participant or Broker to issue them with the necessary Letter of Representation. If they do not wish to participate in the General Meeting, they may provide such Participant or Broker with their voting instructions.

SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT AS REQUIRED BY SECTION 58(8)(b)(i) OF THE COMPANIES ACT

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at a shareholders meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
 - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company;
 - 4.2 the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - 4.3 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
 - 5.1 stated in the revocation instrument, if any; or
 - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4) (c) (ii) of the Companies Act.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to –
 - 6.1 the shareholder; or
 - 6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provide otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 8.2 the company must not require that the proxy appointment be made irrevocable; and
 - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

PARTICIPATION IN THE GENERAL MEETING VIA ELECTRONIC COMMUNICATION



CAPITALISED TERMS USED IN THIS ANNEXURE SHALL BEAR THE MEANINGS ASCRIBED THERETO IN THE NOTICE TO WHICH THIS ANNEXURE IS ATTACHED

1. **Shareholders or their duly appointed proxy(ies) that wish to participate in the General Meeting via electronic communication (“Participants”), must apply to Computershare, by delivering the duly completed Form to:**

Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 on Friday, 19 February 2021.

2. **Important notice**

- 2.1 Computershare shall, by no later than Monday, 22 February 2021, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically
- 2.2 The cut-off time to participate in the General Meeting via electronic communication will be at 13:55 on Tuesday, 23 February 2021.

Application form
Full name of Participant:
ID number:
Email address:
Cell number:
Telephone number: (code): (number):
Name of CSDP or broker (if shares are held in dematerialised format):
Contact number of CSDP/broker:
Contact person of CSDP/broker:
Number of share certificate (if applicable):
Signature:
Date:

Terms and conditions for participation in the GENERAL MEETING via electronic communication

- The cost of electronic participation in the GENERAL MEETING is for the expense of the Participant and will be billed separately by the Participant's own service provider.
- The Participant acknowledges that the electronic communication services are provided by a third parties and indemnifies RMB Holdings Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the GENERAL MEETING.
- The application to participate in the GENERAL MEETING electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.

Participant's name

Signature

Date

APPENDIX A – EXTRACTS OF PORTIONS OF THE COMPANIES ACT

115. Required approval for transactions contemplated in Part

- (1) *Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:*
- (a) *the disposal, amalgamation or merger, or scheme of arrangement:*
 - (i) *has been approved in terms of this section; or*
 - (ii) *is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and*
 - (b) *to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:*
 - (i) *dispose of all or the greater part of its assets or undertaking;*
 - (ii) *amalgamate or merge with another company; or*
 - (iii) *implement a scheme of arrangement,*
- the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).*
- (2) *A proposed transaction contemplated in subsection (1) must be approved:*
- (a) *by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64 (2); and*
 - (b) *by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:*
 - (i) *the holding company is a company or an external company;*
 - (ii) *the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and*
 - (iii) *having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and*
 - (c) *by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).*
- (3) *Despite a resolution having been adopted as contemplated in subsections (2) (a) and (b), a company may not proceed to implement that resolution without the approval of a court if:*
- (a) *the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or*
 - (b) *the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).*
- (4) *For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:*
- (a) *required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or*
 - (b) *required to be voted in support of a resolution, or actually voted in support of the resolution.*
- (4A) *In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).*
- (5) *If a resolution requires approval by a court as contemplated in terms of subsection (3) (a), the company must either:*
- (a) *within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or*
 - (b) *treat the resolution as a nullity.*

- (6) *On an application contemplated in subsection (3) (b), the court may grant leave only if it is satisfied that the applicant:*
 - (a) *is acting in good faith;*
 - (b) *appears prepared and able to sustain the proceedings; and*
 - (c) *has alleged facts which, if proved, would support an order in terms of subsection (7).*
- (7) *On reviewing a resolution that is the subject of an application in terms of subsection (5) (a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:*
 - (a) *the resolution is manifestly unfair to any class of holders of the company's securities; or*
 - (b) *the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.*
- (8) *The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:*
 - (a) *notified the company in advance of the intention to oppose a special resolution contemplated in this section; and*
 - (b) *was present at the meeting and voted against that special resolution.*
- (9) *If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:*
 - (a) *the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;*
 - (b) *the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;*
 - (c) *the transfer of shares from one person to another;*
 - (d) *the dissolution, without winding-up, of a company, as contemplated in the transaction;*
 - (e) *incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or*
 - (f) *any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.*

164. Dissenting shareholders appraisal rights

- (1) *This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.*
- (2) *If a company has given notice to shareholders of a meeting to consider adopting a resolution to:*
 - (a) *amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or*
 - (b) *enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.*
- (3) *At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.*
- (4) *Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:*
 - (a) *gave the company a written notice of objection in terms of subsection (3); and*
 - (b) *has neither:*
 - (i) *withdrawn that notice; or*
 - (ii) *voted in support of the resolution.*
- (5) *A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:*
 - (a) *the shareholder:*
 - (i) *sent the company a notice of objection, subject to subsection (6); and*
 - (ii) *in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;*
 - (b) *the company has adopted the resolution contemplated in subsection (2); and*

- (c) *the shareholder:*
 - (i) *voted against that resolution; and*
 - (ii) *has complied with all of the procedural requirements of this section.*
- (6) *The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.*
- (7) *A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:*
 - (a) *20 business days after receiving a notice under subsection (4); or*
 - (b) *if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.*
- (8) *A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:*
 - (a) *the shareholder's name and address;*
 - (b) *the number and class of shares in respect of which the shareholder seeks payment; and*
 - (c) *a demand for payment of the fair value of those shares.*
- (9) *A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:*
 - (a) *the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);*
 - (b) *the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or*
 - (c) *the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.*

[Para. (c) substituted by s. 103 (b) of Act No. 3 of 2011.]
- (10) *If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.*
- (11) *Within five business days after the later of:*
 - (a) *the day on which the action approved by the resolution is effective;*
 - (b) *the last day for the receipt of demands in terms of subsection (7)(a); or*
 - (c) *the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.*
- (12) *Every offer made under subsection (11):*
 - (a) *in respect of shares of the same class or series must be on the same terms; and*
 - (b) *lapses if it has not been accepted within 30 business days after it was made.*
- (13) *If a shareholder accepts an offer made under subsection (12):*
 - (a) *the shareholder must either in the case of:*
 - (i) *shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or*
 - (ii) *uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and*
 - (b) *the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:*
 - (i) *tendered the share certificates; or*
 - (ii) *directed the transfer to the company of uncertificated shares.*
- (14) *A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:*
 - (a) *failed to make an offer under subsection (11); or*
 - (b) *made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.*
- (15) *On an application to the court under subsection (14):*

- (a) *all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;*
 - (b) *the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and*
 - (c) *the court:*
 - (i) *may determine whether any other person is a dissenting shareholder who should be joined as a party;*
 - (ii) *must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);*
 - (iii) *in its discretion may:*
 - (aa) *appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or*
 - (bb) *allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;*
 - (iv) *may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and*
 - (v) *must make an order requiring:*
 - (aa) *the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13) (a); and*
 - (bb) *the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13) (a), subject to any conditions the court considers necessary to ensure that the company fulfills its obligations under this section.*
- (15A) *At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:*
- (a) *that shareholder must comply with the requirements of subsection 13(a); and*
 - (b) *the company must comply with the requirements of subsection 13(b).*
- (16) *The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.*
- (17) *If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:*
- (a) *the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and*
 - (b) *the court may make an order that:*
 - (i) *is just and equitable, having regard to the financial circumstances of the company; and*
 - (ii) *ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.*
- (18) *If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.*
- (19) *For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:*
- (a) *the provisions of that section; or*
 - (b) *the application by the company of the solvency and liquidity test set out in section 4.*
- (20) *Except to the extent:*
- (a) *expressly provided in this section; or*
 - (b) *that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.*

