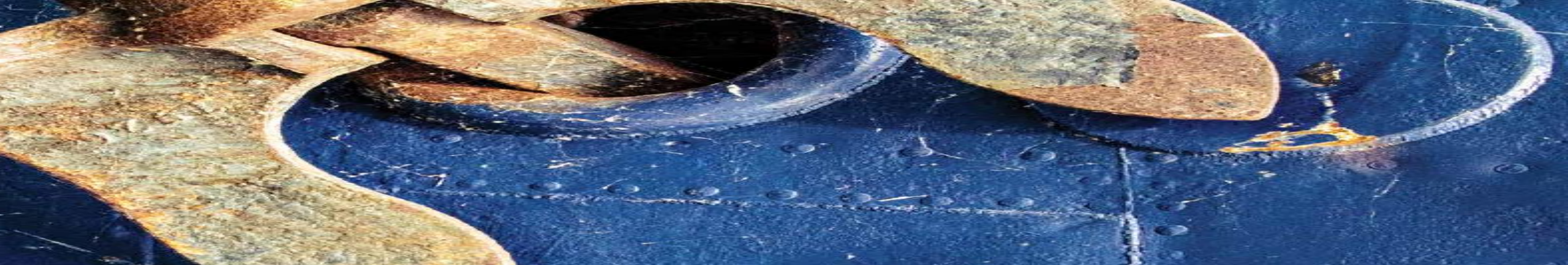


OCEANA GROUP LIMITED

APPLICATION OF THE KING IV REPORT ON CORPORATE GOVERNANCE™

JANUARY 2023





1

Leadership, Ethics And Corporate
Citizenship

2

Strategy, Performance And Reporting

3

Governing Structures And Delegation

4

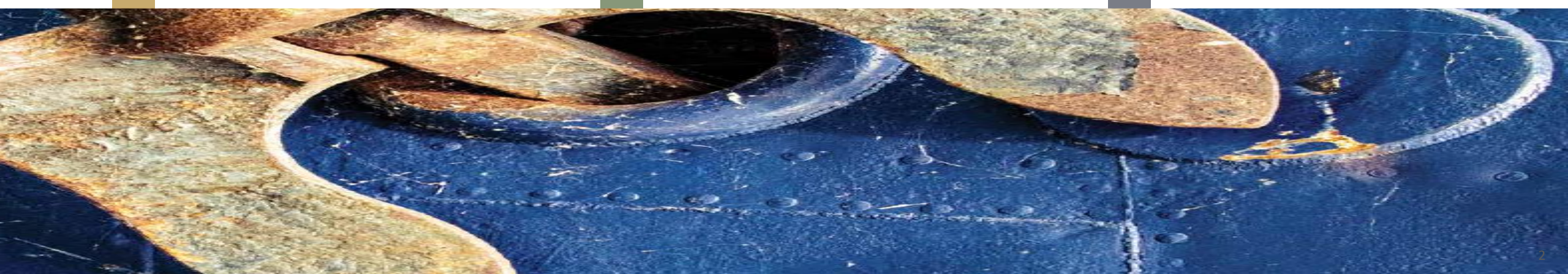
Governance Functional Areas

5

Legitimacy, Good Performance and Ethical
Culture

6

End



OPENING STATEMENT

Oceana is committed to achieving the highest standards of corporate governance, to ensure that we continue to operate ethically and sustainably and to deliver long-term value to our shareholders and other stakeholders.

The Chairman's Report as reflected on Pages 22-24 of the Oceana Integrated Annual Report for 2022, contains full details of the challenges faced by the Company.

Throughout this period, the Company has been unwavering in its adherence to sound corporate governance principles, and in particular, to the principles as set out in this Report.



LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

GOVERNANCE OUTCOME: ETHICAL LEADERSHIP

PRINCIPLE ONE: LEADERSHIP

The Governing Body should lead ethically and effectively.

Oceana is committed to achieving the highest standards of corporate governance. The Board is the focal point and custodian of corporate governance in the Company and assumes ultimate accountability for the performance and affairs of the Group, to ensure that we continue to operate ethically and sustainably and to deliver long-term value to our shareholders and other stakeholders. All deliberations, decisions and actions of the Board are based on fairness, accountability, responsibility and transparency.

Refer to Page 122 of the Oceana Integrated Annual Report

PRINCIPLE TWO: ORGANISATIONAL ETHICS

The Governing Body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board considers good corporate governance to be a significant contributor to value creation and ensures that the practices recommended in association with the King IV™ principles are incorporated into the Group's Governance Framework and related policies and practices. Oceana's Governance Framework is aimed at managing the Group's operations in an ethical and responsible manner, after considering risk parameters within an effective control environment. The Board is of the opinion that the Group currently complies with all governance principles contained in King IV™, as well as with all requirements of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements.

Refer to pages 110 – 144 of the Oceana Integrated Annual Report



PRINCIPLE THREE:
RESPONSIBLE CORPORATE CITIZENSHIP

The Governing Body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The Board is assisted by the Social, Ethics and Transformation Committee in fulfilling its role in ensuring that the Group is, and is seen to be, a responsible corporate citizen. This role includes ensuring compliance with all applicable laws, regulations and standards impacting the Group, as well as its own code of business conduct and policies.

The Board further has oversight of the Group's social investment initiatives with the aim of uplifting and improving the lives of all, in line with its core purpose and culture of generosity and positively impacting lives. Additionally, the values of: teamwork; respect; accountability; courage and trust.

The Group is committed to environmental sustainability and is continually striving to improve operations to limit environmental impacts and to operate well within natural boundaries.

Refer to Page 122 of the Oceana Integrated Annual Report



**PRINCIPLE FOUR:
STRATEGY AND PERFORMANCE**

The Governing Body should ensure that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board provides overall guidance and direction for the development and annual review of the strategy, which articulates the key imperatives and enablers required to deliver on the Group's outcomes.

The Oceana Integrated Annual Report, in its entirety, explains how the Board has ensured that Oceana's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. Please refer to the Contents Page of the Oceana Integrated Annual Report which explains how to navigate the various sections of the Integrated Annual Report.

**PRINCIPLE FIVE:
REPORTING**

The Governing Body should ensure that the reports issued by the organisation enable the stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.

The Board takes responsibility for the Group's financial and integrated annual reporting, supported by internal and external assurance mechanisms. The Board has ensured that the following reports: Oceana Integrated Annual Report, the Sustainability Report and the Annual Financial Statements, which are available at <https://oceana.co.za/investors/financial-results/>, enable stakeholders to make informed assessments of the Group's performance and its short, medium and long-term prospects.



GOVERNING STRUCTURES AND DELEGATION

GOVERNANCE OUTCOME: GOOD PERFORMANCE AND EFFECTIVE CONTROL

PRINCIPLE SIX: PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD

The Governing Body should serve as a focal point and custodian of corporate governance in the organisation.

The Board embraces its role as custodian of governance in the organisation and is fully committed to business integrity, fairness, transparency and accountability of all its activities.

Refer to the Chairman's Report on Pages 22-24 and the sections on Board governance and leadership on Pages 110 – 142 of the Oceana Integrated Annual Report.

PRINCIPLE SEVEN: COMPOSITION OF THE BOARD

The Governing Body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The Board composition aligns with the relevant King IV™ principles and its membership comprises the necessary expertise, skills and experience to lead the Company. The independence of the Non-Executive Directors is reviewed on an annual basis against the criteria stipulated in King IV™. The Board has delegated the responsibility of assessing the skills and composition of the Board to the Corporate Governance and Nominations Committee, and is satisfied that the composition of the Board is appropriate and constitutes a balance of power and authority so that no one individual or block of individuals is able to dominate the Board's decision-making process.

The Board Member profiles are reflected in Oceana's Integrated Annual Report and summarises the qualifications, status of each Board Member and indicates their respective tenures. Brief resumes of the Directors as well as the Board Diversity Policy are available at www.oceana.co.za. The Chairman is Mustaq Brey who is a non-executive Director. The Lead Independent Director is Peter de Bever.

GOVERNING STRUCTURES AND DELEGATION

GOVERNANCE OUTCOME: GOOD PERFORMANCE AND EFFECTIVE CONTROL

PRINCIPLE EIGHT: COMMITTEES OF THE BOARD

The Governing Body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and effective discharge of its duties.

The Board is satisfied that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and effective discharge of its duties. Please refer to pages 110 – 144 of the Oceana Integrated Annual Report for an explanation of how the Board delegates within its own structures.

PRINCIPLE NINE: EVALUATIONS OF THE PERFORMANCE OF THE BOARD

The Governing Body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The Board has adopted a performance appraisal process which is conducted every two years in line with King IV. The Board evaluations are conducted on an anonymous basis and the results are submitted to the Company Secretary and tabled and discussed at the following Board meeting. Evaluations for each Committee are also conducted and this feedback is reported to the Board.

A formal Board and Committee evaluation process was undertaken in 2022 by an independent external service provider, the Board Practise. The outcome of the evaluation will be reported on in 2023. Refer to pages 110 – 144 of the Oceana Integrated Annual Report



GOVERNING STRUCTURES AND DELEGATION

GOVERNANCE OUTCOME: GOOD PERFORMANCE AND EFFECTIVE CONTROL

PRINCIPLE TEN: APPOINTMENT AND DELEGATION TO MANAGEMENT

The Governing Body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The Board is satisfied that the appointment of, and the delegation to Management contributes to role clarity and the effective exercise of authority and responsibilities. Please refer to Page 18 and 19 of the Oceana Integrated Annual Report for an overview of the Executive Management and the interaction between the Board and Oceana Management.

Individual Directors or the Board Committees as a whole are entitled, at the expense of the Company, to take independent professional advice in connection with their duties, subject to an approved process being followed.

The Board delegates effectively to Management and the Company Secretary. The Company Secretary guides and advises individual Directors and the Board collectively on discharging their responsibilities and duties and on matters of good governance. During the year, Adela Fortune was the Company Secretary between 1 October 2021 and 4 March 2023, Ralph Buddle was the interim Company Secretary from 9 March until 31 July 2022 and Nicole Morgan was appointed as the Company Secretary on 1 August 2022.



GOVERNANCE FUNCTIONAL AREAS

GOVERNANCE OUTCOME: ETHICAL CULTURE, GOOD PERFORMANCE AND EFFECTIVE CONTROL

PRINCIPLE ELEVEN: RISK GOVERNANCE

The Governing Body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Board's responsibility for risk governance is expressed in the Board charter and the risk management plan and policy. Management is tasked with demonstrating to the Board that its risk responses provide for the identification and exploitation of opportunities to improve the performance of the Company. The Board delegates to management the responsibility to continuously identify, assess, mitigate and manage risks within the existing operating environment. To the extent appropriate, mitigating controls are in place to address these risks, which are monitored on a continuous basis.

Please refer to Pages 54 and 55 of the Oceana Integrated Annual Report for an overview of how the Board governs risk in a way that supports Oceana in setting and achieving its strategic objectives.

PRINCIPLE TWELVE: TECHNOLOGY AND INFORMATION GOVERNANCE

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic goals.

Governance processes and structures are in place to manage the operational, tactical and strategic initiatives for Oceana Group IT. Call management, incident management and change management are in place and measured against agreed service levels. Please refer to Page 116 of the Oceana Integrated Annual Report for an overview of IT. The Group has a dedicated Chief Information Officer who is responsible for IT governance.



GOVERNANCE FUNCTIONAL AREAS

GOVERNANCE OUTCOME: ETHICAL CULTURE, GOOD PERFORMANCE AND EFFECTIVE CONTROL

PRINCIPLE THIRTEEN: COMPLIANCE GOVERNANCE

The Governing Body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

Please refer to these various sections of the Oceana Integrated Annual Report and Sustainability Report for an overview of how the Board governs compliance:

- a. For the report relating to material risks refer to the Oceana Integrated Annual Report – Pages 54-55 “Managing our Material Risks”
- b. For the report relating to governance and sustainability refer to the Oceana Integrated Annual Report – Pages 110 - 142 “Ensure Good Governance and Sustainability”
- c. For the report on our strategic enablers and imperatives refer to the Oceana Integrated Annual Report – Page 58 “Strategic Imperatives”
- d. For the report on our Sustainability Governance and Management refer to the Oceana Sustainability Report on www.oceana.co.za

PRINCIPLE FOURTEEN: REMUNERATION GOVERNANCE

The Governing Body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Please refer to the report of the Remuneration Committee on Pages 131-142 of the Oceana Integrated Annual Report. The remuneration policy and implementation report will be tabled at the next Oceana Group Limited Annual General Meeting, scheduled for 06 April 2023, for a separate non-binding advisory vote by shareholders. By implementing the remuneration policy, in conjunction with other human resources-related policies, the Group aims to maintain a positive, quality, motivated workforce which operates responsibly within an ethical culture. This in turn will maximise shareholder value. The Board, assisted by the Remuneration Committee, ensures that executives and general employees are remunerated fairly and responsibly in line with industry standards.

**PRINCIPLE FIFTEEN:
ASSURANCE**

The Governing Body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Board is satisfied that its combined assurance model enables an effective control environment and supports the integrity of information used by Oceana for internal decision-making and for its external reports. The approach includes, but is not limited to, the Group's established outsourced internal audit function, its risk management and compliance functions, the external auditors and regulatory inspectors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time, including the Company Secretary (Nicole Morgan) who provides guidance on aspects of corporate governance, and a JSE sponsor which advises on the JSE Listings Requirements.

Please refer to "About This Report" section at the beginning of the Oceana Integrated Annual Report and Sustainability Report, and the report of the Audit Committee on Pages 123-130 of the Oceana Integrated Annual Report.



PRINCIPLE SIXTEEN: STAKEHOLDERS

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The Social, Ethics and Transformation Committee assists the Board with monitoring stakeholder management and with setting the approach to stakeholder relationships. The way in which Oceana considers and engages with its stakeholders is addressed in both the Oceana Integrated Annual Report and Sustainability Report.

Please refer to the “Engage Stakeholders and Manage Reputation” section on Pages 48-49 of the Oceana Integrated Annual Report. Please further refer to the Sustainability Report.

