

**OCEANA GROUP LIMITED**  
**("the Company")**

**CHARTER FOR BOARD OF DIRECTORS**

1. This Board Charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.
2. The purpose of this charter is to set out the Board's role and responsibilities as well as the requirements for its composition and meeting procedures.

**CONSTITUTION**

3. The constitution of the Board (also referred to as "the governing body"), is in terms of the Company's Memorandum of Incorporation, the Companies Act 71 of 2008 and King IV.
4. The Board, as the governing body of the Company, materially subscribes to the 16 principles of King IV. The Board is committed to ensuring that the Company applies good corporate governance throughout its operations taking into account the six capitals ( financial, manufactured, human, intellectual, natural and social and relationship) within the triple context (economy, society and environment).

**PRIMARY ROLE AND RESPONSIBILITIES**

5. The Board shall serve as a focal point and custodian of corporate governance in the Company.
6. The Board is the guardian of the values and ethics of the Company.
7. The Board retains full and effective control of the Company.
8. The Board will at all times act in the best interests of the Company.
9. The Board has the following responsibilities, which includes application of the principles as espoused by King IV:

<b>King IV Principle</b>	<b>Board Responsibility</b> <i>(Any delegation by the governing body of its responsibilities to a Committee or a member of the governing body will not or of itself constitute a discharge of the governing body's accountability. The governing body shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i>	<b>Board Responsibility Delegated to Board Committees as follows:</b>
<b>1</b>	The governing body shall lead ethically and effectively.	
<b>2</b>	<ul style="list-style-type: none"> <li>• The governing body shall govern the ethics of the Company in a way that supports the establishment of an ethical culture.</li> <li>• The Board is responsible for providing effective leadership based on an ethical foundation, and has in terms of the Companies Act 2008 constituted the Social, Ethics and Transformation committee to deal with these matters.</li> </ul>	The Social, Ethics and Transformation Committee shall assist the Board with the governance of ethics within the Company in a way that supports the establishment of an ethical culture.
<b>3</b>	The governing body should ensure that the Company is and is seen to be a responsible corporate citizen.	The Social, Ethics and Transformation Committee shall assist the Board with ensuring that the Company is and is seen to be a responsible corporate citizen.
<b>4</b>	<ul style="list-style-type: none"> <li>• The governing body appreciates that the organisation's core purpose, its risks and opportunities, strategy, business model,</li> </ul>	

	<p>performance and sustainable development are all inseparable elements of the value creation process.</p> <ul style="list-style-type: none"> <li>• The Board is responsible for approving the strategic direction of the company and the budgets necessary for the implementation thereof. Targets for key business areas and identification of key performance indicators shall be included in this process.</li> <li>• The Board is responsible for approving the policy and planning that give effect to the strategic direction provided.</li> </ul>	
5	<ul style="list-style-type: none"> <li>• The governing body shall ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</li> <li>• Ensuring accountability for Company performance by means of, among others, reporting and disclosure.</li> <li>• The governing body shall ensure that the Company publishes the reports and disclosures required in terms of King IV.</li> </ul>	Board committees shall be responsible for reviewing and recommending approval of their respective Committee reports to the Board for inclusion in the integrated report.
6	The governing body shall serve as a focal point and custodian of corporate governance in the organisation.	
7	The governing body shall comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively.	The Remuneration and Nomination Committee shall assist the Board with ensuring that the Board membership comprises the appropriate balance of knowledge, skills, experience, diversity and independence to enable the Board to discharge its governance roles and responsibilities objectively and effectively
8	The governing body shall ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties	The Remuneration and Nomination Committee shall assist the Board with ensuring that the Board's arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties
9	The governing body shall ensure that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Committees shall be responsible for ensuring that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
10	<ul style="list-style-type: none"> <li>• The governing body shall ensure that the appointment and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.</li> <li>• The Board is responsible for appointing the chief executive officer and Group Financial Director.</li> </ul>	The Remuneration and Nomination Committee shall assist the Board with ensuring that the appointment and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.

	<ul style="list-style-type: none"> <li>• The governing body shall overseeing and monitoring of implementation and execution by management.</li> <li>• The Board is responsible for the appointment and removal of the company secretary. The company secretary shall have unfettered access to the Board but, for reasons of independence, should maintain an arms-length relationship with it and its members; accordingly the company secretary shall not be a member of the governing body.</li> </ul>	
11	<ul style="list-style-type: none"> <li>• The governing body shall govern risk in a way that supports the Company in setting and achieving its strategic objectives.</li> <li>• The Board is responsible for the total process of risk management, as well as for forming its own opinion on the effectiveness of the process. It will identify and fully appreciate the business risk issues and key performance indicators affecting the ability of the Company to achieve its strategic purpose and objectives. It will ensure that appropriate systems are in place to manage the identified risks, measure the impact and proactively manage it, so that the Company's assets and reputation are suitably protected. The Board has delegated the risk management process to the Risk Committee.</li> <li>• The Board may from time to time designate an executive to be responsible for risks and opportunities presented by each of the triple bottom line criteria.</li> </ul>	The Risk Committee shall assist the Board with the governance of risk in a way that supports the Company in setting and achieving its strategic objectives.
12	<ul style="list-style-type: none"> <li>• The governing body shall govern technology and information in a way that supports the organisation setting and achieving its strategic objectives</li> <li>• The board shall be responsible for IT governance and shall ensure that an IT charter and policies are established and implemented. The board has delegated its responsibility in terms of IT governance to the Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Committee shall assist the Board with the governance of technology and information in a way that supports the organisation setting and achieving its strategic objectives.</li> <li>• The Audit Committee will assist the Board with the governance of IT within the Company and shall ensure that an IT charter and policies are established and implemented.</li> </ul>
13	<ul style="list-style-type: none"> <li>• The governing body shall 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.</li> <li>• The Board is responsible for considering business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act, 2008.</li> </ul>	The Social, Ethics and Transformation Committee and the Audit Committee shall assist the Board with the governance of 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.
14	The governing body shall 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	The Remuneration and Nomination Committee shall assist the Board with ensuring 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.
15	The governing body shall 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 Audit Committee shall assist the Board with ensuring 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.
16	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Board will communicate with shareholders and stakeholders openly and timeously throughout the year, including triple bottom line reporting.</li> <li>• The Board shall oversee that the Company encourages proactive engagement with shareholders, including engagement at the annual general meeting (AGM) of the Company.</li> <li>• All directors should be available to attend the AGM to respond to shareholders' queries on how the Board executed its governance responsibilities.</li> <li>• The Board shall ensure that the designated partner of the external audit firm attends the AGM.</li> <li>• The Board shall ensure that shareholders are equitably treated, and that the interests of minority shareholders are protected.</li> <li>• The minutes of the AGM will be made publicly available.</li> <li>• The Board of the Company shall assume responsibility for governance across the Oceana group by setting the direction of how relationships and exercise of power within the group should be conducted.</li> <li>• The Board should approve a group governance framework that articulates and give effect to its direction on relationships and exercise of authority across the Oceana group. To this end the Board shall ensure that it applies the recommended practices 11 to 19 under principle 16 of King IV.</li> <li>• The Board shall ensure that the Company applies with the reporting and disclosure requirements and recommended practices as detailed in King IV.</li> </ul>	The Social, Ethics and Transformation Committee shall assist the Board with formulating a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

10. As a rule, whilst the Board may request Committees to assist it and to provide recommendations on the following matters, it will not delegate its responsibilities in respect thereof:

## **10.1 Financial**

- a. Adoption of any significant change or departure in the accounting policies and practices of the company.
- b. Approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
- c. Approval of annual financial statements, the approval of interim reports, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends.
- d. Recommendation to shareowners of any increase, reduction or alteration to the share capital of the company and the allotment, issue or other disposal of shares of the company (except for shares allotted under any share incentive scheme).

## **10.2 Statutory and administrative**

- a. Recommending amendments to the Memorandum of Incorporation of the company.
- b. Frequency of meetings of the Board.
- c. Convening of general meetings of shareowners of the company.
- d. Approval of recommended policies in relation to industrial relations.
- e. Prosecution, defence or settlement of legal or arbitration proceedings where material and except in the ordinary course of business.
- f. Appointment of responsible persons as may be required in terms of any statute in South Africa or elsewhere in respect of the company.
- g. Approval of the rule amendments to pension and provident funds having a material effect on the actuarial liabilities of those funds.
- h. Granting of general signing authorities pursuant to the Memorandum of Incorporation of the company.
- i. Appointment and removal of the company secretary.
- j. Establishing any overseas branch or duplicate register of shareowners of the company.
- k. Variation of the rights attaching to shares where such powers are vested in the directors.

## **10.3 Regulatory**

- a. Approval of terms and conditions of the company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions.
- b. Approval of and authority to issue prospectuses, listing particulars, rights offers or take-over or merger documents.
- c. Recommending to shareowners that they approve any ordinary or special resolutions in respect of the company.
- d. Recommending that the shareowners take a particular course of action proposed by the company.
- e. Any decision to list the company's shares on any stock exchange or the termination of any such listing.

## **10.4 Human Resources**

- a. Appointments to and removals from the Board including the appointment of the chairperson, any deputy chairperson, chief executive, executive directors and non-executive directors, and the approval of nomination of the alternate directors (if any) as recommended by the Remuneration and nominations Committee.
- b. Appointment of, and changes in the composition of the social, ethics and transformation; remuneration/nomination and risk committees and such other committees as the Board may appoint from time to time.
- c. Approval of the terms of reference of the audit; social, ethics and transformation; remuneration/nomination and risk committees and such other committees as the Board may appoint from time to time.
- d. Approval of any share or other incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the remuneration committee.
- e. Approval of recommended policies in relation to equal opportunity employment, environment, health and safety.

## **COMPOSITION**

11. Directors are to be appointed through a formal process. The process for nomination, election and appointment of members to the Board shall follow the recommended practices set out in Principle

7 of King IV, for. The Remuneration and Nomination Committee shall assist with the process of identifying suitable candidates to be proposed for appointment to the board in terms of a board approved policy.

12. At a minimum the CEO and one other executive shall be appointed to the Board.
13. The Board will include a chairman, lead independent director and a chief executive officer. The roles of the chairman and chief executive officer will be separate. The chairman shall be a non-executive director and shall be elected annually by the Board.
14. In order to determine whether the chairman is able to perform the duties of the office, the Board, together with the chairman, shall consider the number of outside professional positions that the chairman is allowed to hold, taking into account the relative size and complexity of the Company. The Remuneration and Nominations committee shall assist the Board in this determination.
15. Prior to re-election, the Board and the chairman are to formally consider the outside chairmanships held by the chairman.
16. A formal induction programme shall be in place for new directors.
17. The Board shall promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender.
18. The Board shall establish arrangements for periodic, staggered rotation of its members so as to reinvigorate its capabilities by introducing members with new expertise and perspectives whilst retaining valuable knowledge, skills and experience and maintaining continuity. Where directors require training, this will be provided by the Company. No single director will be allowed to dominate the Board.
19. 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.
20. The Board shall establish a succession plan for its membership which should include the identification, mentorship and development of future candidates.
21. The Board should also ensure that there is a succession plan in place for the chairman role.
22. The age limit for non-executive directors is 70 years and 63 years for executive directors.
23. The evaluation of the board, its committees and individual directors, including the chairman, must be performed yearly. The nomination for the reappointment of a director who is to retire by rotation should only occur after the evaluation of the performance of that director.
24. The Board shall monitor the independence of directors and manage any conflicts as required by the legislation, King IV and the JSE listing requirements.

#### **CHAIRMAN RESPONSIBILITIES**

25. The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer.
26. The Chairman has the following responsibilities:
  - a) Ensuring the proper working of the Board;
  - b) The Chairman shall preside over meetings of the Board and shall be responsible for ensuring the integrity and effectiveness of the Board governance process.
  - c) The Chairman must ensure that the content and order of the Board agenda is appropriate, that Board members are properly briefed on issues arising at Board meetings and that all relevant and available information on an issue is placed before the Board in order that members may make informed decisions.
  - d) The Chairman shall be responsible for maintaining regular dialogue with the Chief Executive Officer over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for concern.

- e) Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the committee chairman, does not have a vote, and is not entitled to fees for such attendance, unless payment of the fees is agreed by the governing body or shareholders.
- f) The company secretary shall report to the Board via the chairman on all statutory duties and functions performed in connection with the Board.
- g) Maintaining proper shareholder relations, both formally through the Annual General Meeting and reporting procedures;
- h) Ensuring that the Board plays an active role in strategic review and that development proposals and planning issues are referred to the Board for discussion and approval;
- i) Monitoring the Chief Executive's performance against established criteria/measures of financial and operating performance, in conjunction with the Board;
- j) Sometimes acting as the leading representative of the Company in its dealings with the outside world, including the financial markets, regulators, the press, governments, interest groups and the community;

#### **LEAD INDEPENDENTNON-EXECUTIVE DIRECTOR RESPONSIBILITIES**

27. The Lead Independent non-executive director has the following responsibilities:
- a. to Lead in the absence of the chairman;
  - b. to serve as a sounding board for the chairman;
  - c. to act as an intermediary between the chair and other members of the Board, if necessary;
  - d. to deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
  - e. to strengthen independence on the Board if the chairman is not an independent non-executive;
  - f. to chair discussions and decision-making by the Board on matters where the chairman has a conflict of interest; and
  - g. to lead the performance appraisal of the chair.

#### **BOARD MEETINGS**

28. The Board will meet at least four times per year. Additional meetings will be held as and when necessary.
29. Comprehensive minutes of the meetings will be kept.
30. Board papers will be timeously delivered to members so as to ensure that they are properly briefed prior to the meeting.
31. The company secretary will assist the directors in ensuring that they comply with the law and applies good corporate governance practices at all times.
32. The quorum for Board meetings is 40% (forty per cent) of the number of directors (not counting alternate directors) in office at the time.

This charter was approved by the board on 31 August 2017 and is reviewable annually.

  
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**Chairman**  
**BOARD OF DIRECTORS**  
**OCEANA GROUP LIMITED**  
11 September 2018