



OCEANA GROUP LIMITED - KING IV APPLICATION DISCLOSURE

Glossary

* AFS	- Oceana Group Limited's 2018 Annual Financial Statements
* Board	- Oceana Group Limited Board of Directors
* Oceana Group Limited and its subsidiaries	- Group
*Oceana Group Limited	- Oceana
* Oceana IR	- Oceana Group Limited's 2018 Integrated Report
* SR	- Oceana Group Limited's 2018 Sustainability Report

PRINCIPLES	IMPLEMENTATION
Leadership, Ethics And Corporate Citizenship Governance Outcome: Ethical Leadership	
Principle 1 - Leadership The governing Body should lead ethically and effectively.	Refer to page 32 and 35 of the Oceana IR.
Principle 2 - Organisational Ethics The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Refer to page 32 and 35 of the Oceana IR.

<p>Principle 3 - Responsible Corporate Citizenship The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>Refer to “our business model” on page 4 to 5 and to, ‘Building Trusted Relationships” on pages 70 to 71 of the Oceana IR.</p>
<p>Strategy, Performance And Reporting Governance Outcome: Good Performance and Legitimacy</p>	
<p>Principle 4 - 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.</p>	<p>The Oceana IR, in its entirety, explains how the Board has ensured that the Oceana’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. The contents page explains how to navigate the various sections of the IR.</p>
<p>Principle 5 - Reporting The governing body should ensure that the reports issued by the organisation enable the stakeholders to make informed assessments of the organisations performance and its short, medium and long-term prospects.</p>	<p>The Board has ensured that the following reports:- Oceana IR, the SR and the AFS, which are available at www.oceana.co.za , enable stakeholders to make informed assessments of the Group’s performance and its short, medium and long-term prospects.</p>
<p>Governing Structures And Delegation Governance Outcome: Good Performance and Effective Control</p>	
<p>Principle 6 - Primary role and Responsibilities of the Board The governing body should serve as a focal point and custodian of corporate governance in the organisation.</p>	<p>Refer to the chairman’s introduction on page 14 and the sections on board governance and leadership on pages 10 to 11 of the Oceana IR.</p>
<p>Principle 7 - Composition of the Board The governing body should comprise the appropriate balance of knowledge, skills,</p>	<p>Refer to page 11 of the Oceana IR for details of the Oceana directorate. Brief resumes of the directors are available at www.oceana.co.za. The chairman is not an independent non-executive director, however a strong lead independent director ensures that the necessary independence is maintained in the functioning of the</p>

<p>experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>Board. The Board is comprised of a majority of independent non-executives. The Board is satisfied that there is the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> <p>The Board is aware that three of its independent non-executives, namely PG de Beyer, S Pather and NV Simamane, have been on the board for 9 years or more. In light of the afore going the Board did a thorough review of the performance of these directors to assess whether there were any factors that would indicate that these directors were no longer considered to be independent. After this review, and a review of the results of the external board assessments conducted through PWC this year, the board remains satisfied that PG de Beyer, S Pather and NV Simamane remain independent non-executive directors as envisaged by King IV.</p> <p>A Board Diversity policy was approved in August 2017 and is available on www.oceana.co.za. The targets are detailed in the policy.</p>
<p>Principle 8 - 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.</p>	<p>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 32 to 33 of the Oceana IR for an explanation of how the Board delegates within its own structures.</p> <p>The Audit Committee has executed its responsibilities as set out in Section 94 of the Companies Act 71 of 2008 and as set out in 3.84(h) of the JSE Limited Listing Requirements. The Audit committee is satisfied that both Deloitte & Touche and its designated partner, Ms. A Legge, are independent from the Company and are suitable for re-appointment as the Company's external auditor, with Ms. A Legge as designated partner at the Company's Annual General Meeting on 14 February 2019. The Audit Committee has accordingly nominated Deloitte & Touche, with Ms. A Legge as designated partner, for appointment as such at the Company's Annual General Meeting on 14 February 2019.</p>
<p>Principle 9 - 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</p>	<p>Refer to page 33 of the Oceana IR for more detail on Board evaluations.</p>

<p>continued improvement in its performance and effectiveness.</p>	
<p>Principle 10 - 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.</p>	<p>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 pages 12, 32 and 33 of the Oceana IR for an overview of the executive management and the interaction between the Board and Oceana management.</p> <p>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 Company Secretary guides and advises individual directors and the board collectively on discharging their responsibilities and duties and on matters of good governance.</p>
<p>Governance Functional Areas Governance Outcome: Ethical culture, Good Performance and Effective Control</p>	
<p>Principle 11 - Risk Governance The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>Please refer to pages 28 to 30, and 32 to 35 of the Oceana IR for an overview of how the Board governs risk in a way that supports Oceana in setting and achieving its strategic objectives.</p>
<p>Principle 12 - Technology and Information governance The governing body should govern technology and information in a way</p>	<p>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. The focus in 2018 has been on the rollout of a new ERP system. The planned areas of future focus for FY19 and beyond are as follows:</p>

<p>that supports the organisation setting and achieving its strategic goals.</p>	<ul style="list-style-type: none"> • Ongoing optimisation and enhancement of the ERP platform • Rollout of the ERP platform to US operation • Decommissioning and retirement of legacy applications • Incorporation of remaining IT systems into the single sign on solution • Automated deployment and monitoring of end user devices • Migration of additional workloads into the cloud <p>Please refer to page 35 of the Oceana IR for an overview of Information and Technology governance.</p>
<p>Principle 13 - 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.</p>	<p>Please refer to these various sections the Oceana IR and the SR for an overview of how the Board governs compliance:</p> <ol style="list-style-type: none"> a. Oceana IR – Page 28 “Managing our Material Risks” b. Oceana IR – Page 32 “Protecting value through governance” c. Oceana IR – Page 62 “Driving transformation and localisation” d. Oceana IR - Page 64 “Optimising Operations “ e. Oceana IR – Page 66 “Leading Stewardship of Marine Resource” f. Sustainability Governance and Management – www.oceana.co.za
<p>Principle 14 - 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.</p>	<p>Please refer to the report of the remuneration committee on pages 72 to 81 of the Oceana IR. The remuneration policy and implementation report will be tabled at the next Oceana Group Limited Annual General Meeting, scheduled for 14 February 2019, for a separate non-binding advisory vote by shareholders.</p>
<p>Principle 15 - 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-</p>	<p>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.</p> <p>Please refer to “About This Report” section at the beginning of the Oceana IR and SDR, and the report of the audit committee on page 8 of the AFS.</p>

<p>making and of the organisation's external reports.</p>	
<p>Legitimacy, Good Performance and Ethical Culture</p>	
<p>Principle 16 - 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.</p>	<p>The way in which Oceana considers and engages with its stakeholders is addressed in both the Oceana IR and the SR.</p> <p>Please refer to the "Building Relationships" section of the Oceana IR on pages 70 to 71.</p> <p>Please refer to the SR.</p> <p>Oceana is in the process of formalising a Stakeholder Relationship policy.</p>