



OCEANA GROUP LIMITED - KING IV APPLICATION DISCLOSURE

Glossary

* AFS	- Oceana Group Limited's 2017 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 2017 Integrated Report
* SR	- Oceana Group Limited's 2017 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 25 and 27 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 25 and 27 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 “Social and Relationship Capital” on page 18 and to, ‘Building Trusted Relationships” on pages 45 to 47 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 7 and the sections on board governance and leadership on pages 25 to 28 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 29 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 non-executives however there is an equal amount of independent non-executives to non-executives. The Board is however 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>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 25 to 28 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, Mrs. Corinne Ringwood, are independent from the Company and are suitable for re-appointment as the Company's external auditor, with Mrs. C Ringwood as designated partner at the Company's Annual General Meeting on 15 February 2018. The Audit Committee has accordingly nominated Deloitte & Touche, with Mrs. C Ringwood as designated partner, for appointment as such at the Company's Annual General Meeting on 15 February 2018.</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 continued improvement in its performance and effectiveness.</p>	<p>Refer to page 25 of the Oceana IR for more detail on Board evaluations.</p>
<p>Principle 10 - Appointment and Delegation to management The governing body should ensure that the appointment of, and delegation to,</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 25, 26 and 30 of the Oceana IR for an overview of the executive management and the interaction between the Board and Oceana management.</p>

<p>management contribute to role clarity and the effective exercise of authority and responsibilities.</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 21 to 23, and 27 to 28 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 that supports the organisation setting and achieving its strategic goals.</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 2017 has been on capacity, availability and preparation for a new ERP implementation. An Information Systems Cyber Risk and Security report was presented to the Audit Committee in May 2017. The priority strategic initiative for FY18 will continue to be the implementation of the new ERP. The planned areas of future focus are improving information and cyber security, enhancing governance processes and the compliance with Protection of Personal Information (PoPI) Act.</p> <p>Please refer to page 28 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> <ul style="list-style-type: none"> a. Oceana IR - Page 41 “Optimising Operations “ b. Oceana IR – Page 15 “Our Profit Formulae” c. Oceana IR – Page 16 “Our Material Risks” d. Oceana IR – Page 18 “Governance approach to creating value” e. Oceana IR – Pages 21 to 23 “Managing our Material Risks” f. Oceana IR – Pages 25 to 28 “ Board Governance” g. Oceana IR – Page 43 “Leading Stewardship of Marine Resource” h. 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 48 to 53 of the Oceana IR. The remuneration policy and implementation report will be tabled at the next Oceana Group Limited Annual General Meeting, scheduled for 15 February 2018, 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-making and of the organisation’s external reports.</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” on page 2 of the Oceana IR and on page 2 of the SR, and the report of the audit committee on page 7 of the AFS.</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,</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 45 to 47.</p>

interests and expectations of material stakeholders in the best interests of the organisation over time.

Please refer to the SR.

Oceana is in the process of formalising a Stakeholder Relationship policy.