



OCEANA GROUP LIMITED – APPLICATION OF THE KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA, 2016 (KING IV)

Glossary

* AFS	- Oceana Group Limited’s 2019 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 2019 Integrated Report
* SR	- Oceana Group Limited’s 2019 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 pages 54 to 61 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 pages 54 to 61 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 pages 10 to 15 and to, 'Engage stakeholders and manage reputation' on pages 47 to 56 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 Report on page 20 and the sections on board governance and leadership on pages 18 and 19 of the Oceana IR.</p>
<p>Principle 7 - Composition of the Board The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence</p>	<p>Refer to page 18 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 Board. The Board is comprised of a majority of independent non-executives. The Board is satisfied that there</p>

<p>for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>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, 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 60 and 61 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, as amended and as set out in 3.84(h) of the JSE Limited Listing Requirements. The Audit Committee is satisfied that both Deloitte & Touché 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 3 March 2020. The Audit Committee has accordingly nominated Deloitte & Touché, with Ms. A Legge as designated partner, for appointment as such at the Company's Annual General Meeting on 3 March 2020.</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 pages 58 and 59 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, 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 19 and 54 to 61 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 30 to 32, and 56 to 61 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 2018 has been cyber security and optimising the IT infrastructure and systems to support organisational efficiencies.</p> <p>The following initiatives will be undertaken for FY2020 and beyond are as follows:</p> <ul style="list-style-type: none"> • Continuous improvement of the ERP platform • Rollout of the ERP platform to the US operation

	<ul style="list-style-type: none"> • Rollout of a software-defined wide-area network • Decommissioning and retirement of remaining legacy applications • Migration of data centre workloads into the cloud • Rollout of IP telephony across the Group • Pilot robotic process automation technologies within back-office functions <p>Please refer to page 56 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 80 “Managing our Material Risks” b. Oceana IR – Page 60 “Ensure Good Governance and Sustainability” c. Oceana IR – Page 38 “Strategic Imperatives” d. 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 62 to 69 of the Oceana IR. The remuneration policy and implementation report will be tabled at the next Oceana Group Limited Annual General Meeting, scheduled for 3 March 2020, 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” section at the beginning of the Oceana IR and SDR, and the report of the audit committee on page 8 of the AFS.</p>

Legitimacy, Good Performance and Ethical Culture

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.

The way in which Oceana considers and engages with its stakeholders is addressed in both the Oceana IR and the SDR.

Please refer to the “Engage Stakeholders and Manage Reputation” section of the Oceana IR on pages 47 to 51.

Please refer to the SDR.