

# OCEANA GROUP LIMITED

## REMUNERATION AND NOMINATION COMMITTEE CHARTER

The role of the Remunerations and Nominations committee (“Committee”) will be to work on behalf of the Board of Directors (“the Board”) and be responsible for its recommendations within these terms of reference.

The Board of directors of Oceana Group Limited (“Oceana” or the “company”) has delegated the following responsibilities to the Committee:-

### REMUNERATION

1. The Committee shall assist the Board with ensuring that Oceana and its subsidiaries (“the Group”) remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.
2. The Committee shall assist the board with formulating a remuneration policy that in accordance with King IV:
  - a) Articulates and gives effect to the board’s direction on fair, responsible and transparent remuneration;
  - b) Is designed to:
    - i. Attract, motivate, reward and retain human capital;
    - ii. Promote the achievement of strategic objectives within the organization’s risk appetite;
    - iii. Promote positive outcomes; and
    - iv. To promote an ethical culture and responsible corporate citizenship;
  - c) Addresses organizational-wide remuneration and includes provision for the following specifically:
    - i. Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organization;
    - ii. The use of performance measures that support positive outcomes across the economic, social and environmental context in which the organization operates; and/or all the capitals that the organization uses or affects;
    - iii. The voting by shareholders on the remuneration policy, implementation report, and the measures to be taken should either the policy, the report or both be voted against by 25% or more of the votes exercised;
    - iv. All elements of remuneration that are offered in the organization and the mix of these should be set out in the remuneration policy
3. The Committee will co-ordinate its activities with the chairperson of the Board and the chief executive of the company as well as consult with them in formulating the remuneration policy and when determining specific remuneration packages.

4. The Committee shall oversee that the implementation and execution of the remuneration policy achieves the objectives of the remuneration policy;
5. The Committee shall determine specific remuneration packages for executive directors and other members of the Executive Committee of the company including but not limited to basic salary, benefits in kind, any annual bonuses, performance base incentives, share incentives, pension and other benefits; and
6. The Committee will aim to position senior executive pay levels relative to local and international industry benchmarks such that they are sufficient to attract, retain and motivate executives of the quality required by the Board. In determining the specific remuneration packages for executive directors and senior managers, the Committee will have due regard to the remuneration policy and local and international industry benchmarks.
7. The Committee shall determine any criteria necessary to measure the performance of executive directors and senior management in discharging their functions and responsibilities.
8. The Committee will aim to give the executive directors and senior management every encouragement to enhance the company's performance and to ensure that they are fairly but responsibly rewarded for their individual contributions and performance.
9. The Committee will review (at least annually) the terms and conditions of remuneration packages for executive directors and senior management.
10. The Committee will determine any grants to executive directors and other senior employees made pursuant to any share incentive scheme adopted by the company.
11. The chief executive officer will keep the Committee informed of relevant information in respect of other group executives and senior managers whose remuneration packages are not determined by the Committee.
12. The company secretary will keep the Committee informed of all share transactions and shareholdings of all directors of the company.
13. The Committee will be responsible for making recommendations to the Board on the fee structure and all fees payable by the company to non-executive directors for membership of both the Board and any board sub-committee as well as fees to the chairperson of the Board and chairperson of the board sub-committees including fees for additional extraordinary work performed. No member of the Committee shall participate in the decision making of the Board in respect of his/her own remuneration.
14. In order to achieve and maintain fair, responsible and acceptable levels of remuneration, the Committee should, *inter alia*, give consideration to the following:

- a) the fees payable to non-executive directors of comparable listed companies, established, if considered necessary by the Committee, by reference to independent surveys and consultants;
  - b) the general level of hourly/daily rates of fees earned by directors in their professional capacities;
  - c) the hours spent in travel and preparation for meetings, as well as actual attendances;
  - d) a fair and reasonable allowance for indirect costs pertinent to the role of directors;
15. To the extent required by the company's memorandum of association and any relevant legislation and/or regulations, the Board shall be responsible for making recommendations on such fees to the members of the company in general meeting;
16. The Committee shall review the fees payable to non-executive directors on a regular basis and at least annually;
17. The Committee shall determine the frequency of payment of the fees;
18. The Committee shall develop performance criteria for non-executive directors and board committees;

#### **NOMINATIONS AND APPOINTMENTS**

19. The Committee will give consideration to the composition of the Board, retirements, nominations and appointments of additional and replacement directors, and make appropriate recommendations to the Board;
20. The company secretary will assist the Committee with the appointment of directors and in their induction and training programmes.
21. The Committee shall assist the Board with the recruitment and appointment of the Chief Executive Officer and the company secretary.
22. The Committee will ensure that the roles and functions of the Chairman of the Board and the Chief Executive Officer are formalised, and that their performance is evaluated against these formalised criteria.
23. The executive directors' service agreement should not normally exceed three years. In the event that the Committee considers a longer period to be necessary full disclosure of the relevant agreement and the reasons for the extended period should be made and the consent of shareholders obtained.

## **ANNUAL EVALUATIONS**

24. The Committee shall on an annual basis evaluate:-
- a) The performance, competency and suitability of the chairman of the Board and the Chief Executive Officer;
  - b) The suitability of any additional professional positions, including membership of other governing bodies, held by the Chief Executive Officer outside of the company;
  - c) The independence of the Independent Non-Executive directors and the Lead Independent Director;
  - d) The suitability of those directors, who are independent, and have served on the Board for more than 9 years;
  - e) The composition and chairmanship of the Board sub-committees, taking into account; -
    - i. The responsibilities of the Board sub-committees;
    - ii. Collaboration between the Board sub-committees;
    - iii. The available skills of directors for the purposes of rotating members across the various Board sub-committees and succession planning; and
    - iv. Balancing powers in respect of membership across the Board sub-committees, so that no one individual has the ability to dominate decision- making, and no undue influence is placed on any individual;
  - f) The terms and conditions of any executive director's service agreements;
  - g) That key management functions are
    - i. Headed up by individuals with the necessary competence and authority; and
    - ii. Adequately resourced
  - h) The performance and independence of the company secretary.
25. The Committee may consult with other non-executive directors in its evaluation of the chairperson of the Board or chief executive of the company.

## **SUCCESSION PLANNING**

26. The Committee shall ensure that an up-to-date succession plans are in place for the governing body members, the chairman of the Board and the Chief Executive Officer;
27. Ensure that there is a succession plan in place for executive management and other key positions to provide continuity of leadership. Succession planning should be reviewed periodically but at least yearly, and provide for both succession in emergency situations and succession over the longer term;

## **REPORTING**

28. The chairperson of the Committee shall report to the Board on a regular basis on matters dealt with by the Committee.
29. The Committee shall ensure that its annual report and the annual remuneration report substantially comply with the recommended practices set out in Principle 14 of King IV.

30. The Committee will liaise with the Board in relation to the preparation of the annual remuneration report to stakeholders as required and will ensure that the remuneration policy and implementation report is put to a non binding advisory vote at annual general meetings of shareholders.
31. The chairperson of the Committee or a member shall attend the annual general meeting and be prepared to answer questions concerning the appointment of executive and non-executive directors.

## **MEMBERSHIP**

32. The Committee shall consist of not less than three directors appointed by the Board, all of whom shall be non-executive directors, with the majority being independent non-executive directors.
33. In appointing the members of the Committee the Board will nominate the chairperson of the Committee, who must be an independent non-executive, and determine the period for which he/she shall hold office.
34. The chairperson of the Board may be a member of the Committee but shall not be eligible to be appointed as chairperson of the Committee.
35. The chairperson of the Committee will be responsible for the convening of the Committee and the transmission of recommendations to the Board.
36. The Committee shall nominate a Committee secretary who will be responsible for record keeping.

## **MEETINGS**

37. Meetings of the Committee should be held as the Committee deems to be appropriate, but will take place a minimum of two times per financial year. Meetings may be called by the chairperson of the Committee or any member of the Committee.
38. The notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed, other than under exceptional circumstances, be forwarded to each member of the Committee not less than four working days' prior to the date of the meeting.
39. A quorum for decisions of the Committee shall be any three members present (two of whom must be independent) who shall vote on the matter for decision.
40. The company shall normally invite the chairperson of the Board (if not a member of the Committee) and the chief executive to attend meetings to discuss the performance of other executive directors and senior management and make proposals as necessary.

41. Minutes of meetings shall be taken by the Committee's secretary.
42. Any director may, provided that there is no conflict of interest and with the consent of the chairperson of the Committee, obtain copies of the Committee's minutes.
43. Save as required by the consideration of fees payable to non-executive directors, no Committee attendee shall participate in any discussion or decision on their own remuneration.

#### **REIMBURSEMENT OF EXPENSES**

44. Directors should ensure that they are reimbursed for all direct and indirect expenses reasonably and properly incurred in performance of their obligation as a director e.g. accommodation and travelling expenses.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

45. The Committee should satisfy itself that subject to the reasonable costs thereof, the company has arranged for directors' and officers' liability insurance to be taken out and paid by the company.

#### **GENERAL**

46. The Committee, in carrying out its tasks under these terms of reference, may obtain outside or other independent professional advice as it considers necessary to perform its duties, subject to an agreed approval process being followed.
47. These terms of reference shall be reviewed annually and may be amended from time to time as required subject to the approval of the Board.

#### **ACCOUNTABILITY**

48. The delegation by the Board of any of its responsibilities to this Committee or any member of this Committee will not by or of itself constitute a discharge of the Board's accountability. The Board shall still be required to apply its collective mind to the information, opinions, recommendations, reports and statements presented by this Committee or any members of this Committee.