

BOARD CHARTER OF OCEANA GROUP LIMITED

Registration number: 1939/001730/06

(Company)

1. Introduction

- 1.1 The Company is committed to achieving the highest standards of corporate governance. The board of directors (**Board**) is the focal point and custodian of corporate governance in the Company and assumes ultimate accountability and responsibility for the performance and affairs of the Company. This is in furtherance of the legitimate expectations of the shareholders and other stakeholders.
- 1.2 The Board has therefore adopted this board charter in accordance with the recommendations of the King IV Report on Corporate Governance for South Africa, 2016 (**King IV**).
- 1.3 This charter applies to all directors and alternate directors appointed from time to time to the Board and any committees of the Board ("**Directors**"), save where otherwise provided. This charter is deemed to be accepted by all existing and future Directors from their acceptance of appointment as Directors, without the need for any further action.
- 1.4 This charter is subject to the provisions of the Companies Act, 2008, as amended (**Act**), the Listings Requirements of the JSE Limited (**Listings Requirements**), the Company's memorandum of incorporation (**MOI**), as well as any other applicable laws or regulations.
- 1.5 **All Directors are expected to be familiar with the statutory and regulatory requirements relating to their duties and responsibilities and the principles of good corporate governance set out in King IV and incorporated in the Listings Requirements.**

2. Purpose

The purpose of this charter is to:

- 2.1 set out the role, responsibilities and composition requirements of the Board;
- 2.2 provide guidance for the Board's effective functioning; and
- 2.3 ensure the highest levels of corporate governance for the Company.

3. Board composition

- 3.1.1 The number of Directors and the appointment process for Directors are regulated by the MOI.

- 3.1.2 The size of the Board shall be sufficiently large to ensure the presence of a wide range of skills, knowledge and experience without compromising common purpose, involvement, participation and a sense of responsibility amongst the Directors necessary to meet the Company's strategic objectives.
- 3.1.3 Directors are appointed to the Board through a formal and transparent process. The remuneration and nominations committee assists with the process of identifying suitably skilled and experienced candidates to be proposed for election by the shareholders.
- 3.1.4 The Board should collectively comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its responsibilities objectively and effectively.
- 3.1.5 It is a fundamental pre-requisite for achieving the highest levels of corporate governance that Directors be selected and appointed:
- 3.1.5.1 on the basis of the particular skills or experience each candidate brings to the Board;
 - 3.1.5.2 the capacity of each candidate to satisfy the competency requirements necessary for being a director; and
 - 3.1.5.3 taking cognisance of the race and gender of the candidate to ensure the achievement of demographic equity,
- all in the context of the Board as a whole.
- 3.1.6 Key competencies for membership of the Board are:
- 3.1.6.1 the ability to make sensible and informed business decisions and recommendations and the ability to contribute an independent view to matters under consideration and to add value to Board deliberations; and
 - 3.1.6.2 high ethical standards and sound practical sense and the ability to demonstrate a wide, and unfettered, perspective on issues to be deliberated by the Board.
- 3.2 Every Director recognises that his or her primary fiduciary duty is to the Company as a whole and not to the constituency on behalf of which that Director may have been appointed.
- 3.3 Diversity management is to be implemented for effective governance and attributes such as age, race, culture, gender and varied skills and experience are to be considered in order to promote effective decision-making.
- 3.4 The Board is to set targets for race and gender representation for its membership.
- 3.5 The Board should ensure there is appropriate succession planning for its members and the position of the chairperson.

4. **Continued professional development**

- 4.1 On appointment, new Directors will undergo a formal induction programme aimed at facilitating their understanding of the Company's business and operations.
- 4.2 Inexperienced Directors may be further developed through mentorship programmes.
- 4.3 Continuing professional development programmes will ensure that directors receive regular briefings on changes in corporate governance, risks, changes to the legal and regulatory environment and the external environment of the Company.

5. **Independent professional advice**

Any Director may request to consult independent, external experts on matters within the scope of his or her duties as a director. Such request should be directed in writing to the chairperson or the company secretary. Costs incurred as a result of such request will be borne by the Company, subject to the approval of the chairperson.

6. **Board leadership**

6.1 **chairperson of the Board**

The Board annually elects the chairperson of the Board from amongst its non-executive members to lead the Board in the objective and effective discharge of its role and responsibilities. The role and responsibilities of the chairperson are set out in Annexe A.

6.2 **lead independent director**

The Board must appoint a lead independent director ("**LID**"). The functions of the LID are set out in Annexe B.

6.3 **CEO**

The chief executive officer ("**CEO**") of the Company may not be the chairperson of the Board, or a member of the audit committee or the remuneration and nominations committee. The retired CEO may not be elected as chairperson of the Board until three years have passed since his tenure ended.

6.4 **company secretary**

- 6.4.1 The Board is responsible for the appointment and removal of the company secretary and should empower him or her to properly fulfil his or her duties. The Board should ensure that the company secretary has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the Company.
- 6.4.2 The company secretary reports to and is accountable to the Board. The performance and independence of the company secretary should be evaluated annually by the Board.

- 6.4.3 The company secretary will assist the Directors and Board committee members in ensuring that they comply with all applicable laws and apply good corporate governance practices at all times.

7. **Role and responsibilities**

7.1 **general**

- 7.1.1 As the focal point and custodian of corporate governance in the organisation, the Board:

7.1.1.1 is responsible for reviewing the Company's audit requirements and ensuring that the Company has effective risk-based internal audit processes; and

7.1.1.2 should monitor the Company's compliance with applicable laws and consider adherence to adopted non-binding rules, codes and standards.

7.1.2 In acting in the interests of all of the Company's stakeholders, the Board must ensure that formal mechanisms for communication and engagement are in place.

7.2 **organisational ethics and responsible corporate citizenship**

7.2.1 The Board shall take the lead in determining the Company values. With ethical leadership at its core, the Board must:

7.2.1.1 determine which policies are necessary to establish ethical business practices (these may include a gift policy, anti-bribery and anti-corruption policies, a whistle-blower policy and an insider trading policy);

7.2.1.2 ensure widespread awareness of these policies;

7.2.1.3 decide on the Company's ethical focus areas during a given reporting period; and

7.2.1.4 oversee management's implementation of such policies and focus areas, including understanding the key elements thereof.

7.2.2 The Board will decide what it means for the Company to be a responsible corporate citizen (taking into account the consequences of the Company's activities on the environment in which it operates).

7.3 **strategy and reporting**

7.3.1 The Board must, with management's input, set the Company's strategy taking into account its responsibilities as a corporate citizen and the needs of its stakeholders. This strategy should also address risk management and the Board should exercise ongoing oversight of risk management. This should involve regularly reviewing and evaluating the company-wide risk assessment and compliance processes.

- 7.3.2 The Board must assume responsibility for the integrity of the Company's integrated report and any other report issued to enable stakeholders to make informed assessments of the Company's performance. This means, *inter alia*, that the Board must approve management's bases for determining materiality in relation to information to be disclosed in external reporting.
- 7.3.3 The Board must communicate with shareholders and stakeholders openly and timeously throughout the Company's financial year, including triple bottom line reporting.

7.4 **technology and information governance**

The Board is responsible for ensuring that the governance of technology and information is addressed, and exercising ongoing oversight of technology and information management, including having an information technology charter with policies, processes and mechanisms to ensure that technology and information management delivers the Company's strategic objectives. 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.

7.5 **financial distress**

The Board is responsible for considering business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed pursuant to the Act or any other law.

8. **Delegation to committees**

- 8.1 The Board delegates certain functions to Board committees but without abdicating responsibility. The Board has established the following committees:
- 8.1.1 audit committee;
 - 8.1.2 remuneration and nominations committee;
 - 8.1.3 social, ethics and transformation committee; and
 - 8.1.4 risk committee.
- 8.2 Each Board committee is governed by its own charter, which sets out the powers, duties and responsibilities of each Board committee.
- 8.3 Board committees should observe the same rules and procedures as the Board.

9. **Declaration of interests**

- 9.1 All Directors must at all times comply with the statutory requirements set out in section 75 of the Act in relation to the declaration of personal financial interests, as such term is defined in section 1 of the Act.
- 9.2 In addition, all Directors are required to submit to the Board in the first month of each financial year a declaration, providing details of any financial, economic and other interests held by that Director or his or her related parties (as described in

paragraphs 9.3 and 9.4). Such declaration should be updated by the relevant Director during the course of the financial year whenever there are significant changes.

- 9.3 In terms of the Act, an individual is related to another individual if they are married or live together in a relationship similar to marriage or are separated by no more than two degrees of natural or adopted consanguinity. With respect to juristic persons, an individual is related to such juristic person if the individual directly or indirectly controls the juristic person, and a juristic person is related to such juristic person if either of them directly or indirectly controls the other or the business of the other, either of them is a subsidiary of the other or a person directly or indirectly controls each of them or the business of each of them.
- 9.4 In terms of the Act, a person (that is to say, an individual or a juristic person) controls a juristic person if:
- 9.4.1 in the case of a juristic person that is a company, the juristic person is a subsidiary of the first person, or the first person together with any related persons is able to exercise a majority of the company's voting rights or has the right to appoint or elect directors of that company who control a majority of board votes;
- 9.4.2 in the case of a juristic person that is a close corporation, the first person owns the majority of members' interest or is able to control the majority of the members' votes;
- 9.4.3 in the case of a juristic person that is a trust, the first person is able to control the majority of trustee votes or to appoint/change the majority of trustees or beneficiaries; or
- 9.4.4 the first person has the ability to materially influence the policy of the juristic person in a manner comparable to a person who would be able to exercise an element of control referred to in paragraph 9.4.1, 9.4.2 or 9.4.3.
- 9.5 At the start of each and every Board or Board committee meeting and prior to any formal business being discussed, the Directors are requested to disclose any conflict of interest in respect of a matter on the agenda for the meeting. In the event that a Director declares a conflict of interest, such declaration should be duly recorded in the minutes of the meeting and the relevant chairperson should determine whether the interest as declared is of such a nature that the principles of good governance, or the provisions of the Act, the MOI, the Listings Requirements or any other law, regulation or policy, require the Board or the Board committee to request the Director to leave the meeting or to take such other steps as deemed appropriate by the Board or the Board committee under the circumstances and in terms of their own governance policies and/or procedures, with the ultimate goal being the proactive management of the conflict.

10. Meeting procedures

- 10.1 The provisions relating to Board meetings are set out in the MOI.

10.2 **frequency**

The Board must hold a sufficient number of meetings to discharge its role and responsibilities, but subject to a minimum of four meetings per year.

10.3 **attendance**

10.3.1 Members of senior management, assurance providers and professional advisers may attend Board or Board committees meetings by invitation of the Board or Board Committee, as applicable, but will not form part of the quorum nor be entitled to vote at such meetings.

10.3.2 Directors and Board committee members must attend all Board or Board committees meetings, as applicable, unless prior apology, with reasons, has been submitted to the company secretary.

10.3.3 If the nominated chairperson is not present within fifteen (15) minutes of the scheduled time for the commencement of the meeting or is unable to attend the meeting, the LID shall preside over the meeting, and if the LID is absent, the Directors present at the meeting shall elect one of them to chair the meeting.

10.4 **agenda and minutes**

10.4.1 The Board and each Board committee should follow an annual work plan to ensure that all relevant matters are dealt with in the agenda of the Board or Board committee meetings planned for the year, including proper coverage of the matters set out in this charter.

10.4.2 The number, timing and length of meetings, and the agendas, are to be determined in accordance with the annual work plan.

10.4.3 Meetings must be conducted according to a formal agenda, with supporting documentation, detailing all matters to be discussed and/or voted on at the meeting, circulated to the Board or Board committee, as applicable at least one week prior to the scheduled meeting.

10.4.4 Directors and Board committee members must be fully prepared for meetings and be able to give considered input on matters for discussion.

10.4.5 The Board should approve the protocol to be followed by its non-executive Directors for requisitioning information or documentation from and setting up meetings with management to allow those members to make informed decisions at Board or Board committee meetings.

10.4.6 The company secretary shall keep appropriate records of all meetings as well as minutes of the proceedings and all decisions made, as well as any disclosures made pursuant to paragraph 9.5.

10.4.7 Minutes of Board or Board committee meetings shall be completed as soon as reasonably permissible after the meeting and shall be included in the agendas for subsequent Board or Board committee meetings, for formal approval by the Board or Board committee, as the case may be.

11. Evaluation

- 11.1 The performance and effectiveness of the Board and that of its committees, its chairperson and its individual members must be evaluated every two years.
- 11.2 The evaluation of the Board and its committees shall be conducted by the chairperson or the chairperson of the relevant Board committee, with the assistance of a duly authorised independent external party.
- 11.3 The LID shall lead the evaluation of the chairperson's performance.
- 11.4 Every alternate year, the Board should schedule in its yearly work plan a discussion of its performance and that of its committees, its chairperson and its members as a whole.

12. Review of the charter

This charter shall be reviewed by the Board on an annual basis or as and when the need arises.

13. Miscellaneous

- 13.1 The recommended age limit for Directors is 63 years in the case of executive Directors, and 70 years in the case of non-executive Directors.
- 13.2 The tenure for non-executive Directors is 12 years.



2 December 2020

Chairman
BOARD OF DIRECTORS
OCEANA GROUP LIMITED

DATE

Role and responsibilities of the chairperson

1. In relation to the Company

The chairperson's core responsibilities in relation to the Company include:

- 1.1 presiding over shareholders' meetings;
- 1.2 making public statements on behalf of the Board;
- 1.3 maintaining a healthy relationship with shareholders of the Company on behalf of the Board; and
- 1.4 building and maintaining stakeholders' trust and confidence in the Company.

2. In relation to the Board responsibilities

The chairperson is responsible for the proper and efficient functioning of the Board. The chairperson's core functions include:

- 2.1 providing overall leadership to the Board;
- 2.2 overseeing that the Board leads ethically and effectively and that the Board conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency;
- 2.3 participating in the selection process for Directors (via the remuneration and nominations committee) and overseeing a formal succession plan for the Board, CEO and other executives;
- 2.4 taking the lead in the allocation of Directors to Board committees including the appointment of the respective chairpersons;
- 2.5 ensuring clarity of mandate and effectiveness of such Board committees;
- 2.6 encouraging collegiality, team work and collaboration among Directors without inhibiting candid debate and creative tension;
- 2.7 managing conflicts of interest of Directors;
- 2.8 ensuring that each Director contributes fully to the effective and objective discharge of the Board's role and duties;
- 2.9 taking the lead in ensuring the evaluations of the Board, its members, and Board committees and in addressing non-performance by members of the Board and if necessary the removal of unsuitable directors from the Board;
- 2.10 mentoring - and ensuring that the other Directors mentor - new/young/less experienced Directors to develop skill and enhance confidence;

- 2.11 ensuring that new Directors are appropriately made aware of their responsibilities through an induction programme and ensuring that a formal programme for continuing professional education for Directors is adopted and implemented;
- 2.12 keeping the Directors suitably informed of significant issues between meetings;
- 2.13 ensuring that the Board fulfils its responsibilities; and
- 2.14 ensuring that good relations are maintained with the Company's major shareholders and other material stakeholders.

3. In relation to management

The chairperson should act as an interface between the Board and management and in particular, the chairperson should be responsible for, among other things:

- 3.1 acting as the link between the Board and the CEO;
- 3.2 being collegial with management while at the same time maintaining an arm's length relationship;
- 3.3 assessing performance of the CEO and keeping informed of performance appraisal findings of other executives;
- 3.4 acting as a sounding board for providing counsel to CEO; and
- 3.5 overseeing the performance of and acting as the contact point for the company secretary.

4. In relation to meetings of the Board

The core functions of the chairperson in relation to meetings of the Board include:

- 4.1 presiding over Board meetings and ensuring that time in meetings is used productively;
- 4.2 exercising judgement as to when additional interventions and/or additional meetings of the Board may be required and the format thereof;
- 4.3 ensuring that complete, timely, relevant, accurate, and appropriately assured information is placed before the Board to enable Directors to reach informed decisions;
- 4.4 ensuring that rigorous standards of preparation are applied in relation to Board meetings, by for example, meeting with the company secretary / in-house counsel and the CEO before meetings and studying the meeting information packs prior to distribution;
- 4.5 formulating (with the CEO and company secretary / in-house counsel) the yearly work plan for the Board against agreed objectives, and playing an active part in setting the agendas for Board meetings;

- 4.6 ensuring that sufficient time and effort has been devoted to preparation for meetings by Directors;
- 4.7 ensuring that those present constitute a quorum at meetings before decisions are taken;
- 4.8 ensuring that decisions by the Board are suitably recorded in the minutes and executed; and
- 4.9 determining when independent professional advice may be necessary and ensuring that this is procured within the parameters of the approved protocol.

Additionally, the chairperson shall at times act 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.

Annexe B**Role and responsibilities of the LID**

1. The main function of the LID is to provide leadership and advice to the Board, without detracting from the authority of the chairperson, when the chairperson has a conflict of interest. Specifically, in such cases, he/she should chair discussions and decision-making by the Board. His/her role also includes:
 - 1.1 to lead in the absence of the chairperson;
 - 1.2 to serve as a sounding board for the chairperson;
 - 1.3 to act as an intermediary between the chairperson and other Directors, if necessary;
 - 1.4 to deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
 - 1.5 to strengthen the independence on the Board if the chairperson is not an independent non-executive Director;
 - 1.6 to chair discussions and decision-making by the Board on matters where the chairperson has a conflict of interest; and
 - 1.7 to lead the performance appraisal of the chairperson.
2. The LID should also chair the Board meetings which deal with the succession of the chairperson.