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OCEANA GROUP LIMITED

https://www.oceana.co.za/investors-information-integrated-reports

Annual General Meeting

27 February 2025

Financial Year End: 30 September 2024

Proxies voted
The Labour Research Trust (5950)
SCAT (Social Change Assistance Trust) (20000)

Oceana Group Limited is a diversified, international fish and food company with operations in South Africa, Namibia, and the USA. For the year ended 30 September 2024, the group demonstrated resilience and growth, reflected in a **9.5% increase in operating profit to R1.6 billion** and a **13.5% increase in headline earnings per share to 917.6 cents**. Revenue also saw a slight increase of 0.7% to R10.1 billion. The company has maintained its B-BBEE Level 1 status in 2024 for the 7th year running, achieving a total score of 106.02 out of 111.

Key performance drivers included a record performance from Daybrook in the USA, and strong demand for Lucky Star food products. Oceana's strategic focus includes:

- **Diversification**: Expanding into adjacent FMCG food categories to mitigate cyclical fishing patterns and market volatility.
- **Operational Efficiency**: Investments in assets and supply chain visibility.
- **Sustainability**: Commitment to ethical practices and alignment with global sustainability initiatives.

Despite these positive results, investors should note potential risks such as:

- **Cyclicality**: Dependence on fish catch rates and weather conditions.
- **Resource Sustainability**: Concerns about the long-term supply of wild-caught fish.
- **External Risks**: Geopolitical uncertainty, rising input costs and pressure on consumer income.
- **Cyber Security**: Increasing potential for data breaches and cyber-attacks.

Oceana aims to address these risks through diversification, strategic investments, and a strong focus on sustainability.

	Resolution	Rationale	Vote	Outcome of AGM
	Presentation of audited Annual Financial Statements (AFSs) and reports	Active considers it best practice to allow shareholders the opportunity to adopt the AFSs. However, it is not a requirement to do so, and few companies do this. Oceana does not. The auditors have expressed the opinion that the AFSs fairly present the results and financial position of the company. We have no issues with the AFSs.		
	To present the report of the Social, Ethics and Transformation Committee	An extensive Social, Ethics and Transformation report is provided as a stand-alone publication which discusses the company's performance in the areas of Affordable nutrition, Economic transformation, Investment in people, Community development, Responsible fishing and Environmental Management. Oceana demonstrates a commitment to sustainability, aligning with the principles of King IV and the JSE Climate Disclosure Guidance, as evidenced by the following: **Governance**: The Board ensures oversight of sustainability and climate-related issues and monitors performance against the strategy quarterly. **Strategy**: Oceana's strategy integrates sustainability using a materiality assessment, updated in May 2024, to guide strategy and reporting. Oceana is deepening its understanding of climate impacts. **Risk Management**: Oceana evaluates environmental risks, including those arising from climate change, within its Enterprise Risk Management framework. **Metrics and Targets**: The company has shown a decrease in GHG emissions, freshwater use, energy use and waste to landfill. Reporting and Disclosure: Oceana prepares its Sustainability		

	Resolution	Rationale	Vote	Outcome of AGM
		Report with reference to the UNGC Principles, GRI Standards, JSE Sustainability Disclosure Guidance, and IFRS Sustainability Disclosure Standards. Oceana plans to undertake a climate scenario analysis and acknowledges the need for continued focus on ESG reporting and alignment with S1 and S2 regulations. If 61% (by volume) of Oceana' catch is on the SASSI green list we are concerned to know on which the remaining 39% were. In addition, we did not find any reference to mitigating the inclusion of endangered species in any by-catch.		
Ordinary Resolutions				
OR 1.1	Re-election of Mustaq Brey as a Non-Executive Director	**Brey** has the necessary skills, qualifications and experience for the task however his long tenure (29 years), presumed shareholding and non-independent Board Chair count against him	AGAINST	FOR 77.26% AGAINST 22.74%
OR 1.2	Re-election of Peter Golesworthy as a Non-Executive Director	**Golesworthy** has the necessary skills, qualifications and experience for the task and a perfect meeting attendance.	FOR	FOR 99.97% AGAINST 0.03%
OR 1.3	Re-election of Aboubaker (Baker) Jakoet as a Non-Executive Director	**Jakoet** has the necessary skills, qualifications and experience for the task and a perfect meeting attendance.	FOR	FOR 99.97% AGAINST 0.03%
OR 1.4	Election of Poovendhri (Pooven) Viranna as a Non-Executive Direct	**Viranna** has the necessary skills, qualifications and experience for the task and a perfect meeting attendance.	FOR	FOR 99.97% AGAINST 0.03%
OR 1.5	Election of Noel Patrick Doyle as a Non-Executive Director	**Doyle** has the necessary skills, qualifications and experience for the task.	For	FOR 96.30% AGAINST 3.70%
OR 2	Appointment of Forvis Mazars as the external auditor	**Mazars** is a large international firm with a good track record and have been Oceana's auditors for three years. The designated auditor is registered with the IRBA.	FOR	FOR 99.53% AGAINST 0.47%

	Resolution	Rationale	Vote	Outcome of AGM
OR 3.1	Re-election of Peter Golesworthy as a member of the Audit Committee	**Golesworthy** has suitable skills, qualifications and experience for the task and has a perfect attendance record.	FOR	FOR 99.97% AGAINST 0.03%
OR 3.2	Re-election of Lesego Sennelo as a member of the Audit Committee	**Sennelo** has suitable skills, qualifications and experience for the task. She may be over-committed; however, we support her re-election on this occasion.	FOR	FOR 99.95% AGAINST 0.05%
OR 3.3	Re-election of Aboubaker (Baker) Jakoet as a member of the Audit Committee	**Jakoet** has suitable skills, qualifications and experience for the task. His membership of 3 committees and Chairmanship of another may mean he is over-committed; therefore, we do not support his re-election.	AGAINST	FOR 99.94% AGAINST 0.06%
OR 3.4	Election of Poovendhri (Pooven) Viranna as a member of the Audit Committee	**Viranna** has suitable skills, qualifications and experience for the task.	FOR	FOR 99.97% AGAINST 0.03%
OR 3.5	Election of Noel Patrick Doyle as a member of the Audit Committee	**Doyle** has suitable skills, qualifications and experience for the task.	FOR	FOR 96.30% AGAINST 3.70%
OR 4.1	Election of Lesego Sennelo as a member of the SETCOM	**Sennelo** has suitable skills, qualifications and experience for the task. We believe she may be over-committed (see 3.2 above) unless she is not re-elected to the Audit Committee. Given the unavailability of the current SETCOM Chair and for the sake of continuity we reluctantly support her re-election	FOR	FOR 99.95% AGAINST 0.05%
OR 4.2	Election of Nisaar Pangarker as a member of the SETCOM	**Pangarker** has suitable skills, qualifications and experience for the task and a perfect attendance.	FOR	FOR 99.95% AGAINST 0.05%
OR 4.3	Election of Thoko Mokgosi-Mwantembe as a member of the SETCOM	**Mokgosi-Mwantembe** has suitable skills, qualifications and experience for the task and a perfect attendance.	FOR	FOR 99.97% AGAINST 0.03%
OR 4.4	Election of Poovendhri (Pooven) Viranna as a member of the SETCOM	**Viranna** has suitable skills, qualifications and experience for the task and a perfect attendance.	FOR	FOR 99.96% AGAINST 0.04%

	Resolution	Rationale	Vote	Outcome of AGM
OR 4.5	Election of Neville Brink as a member of the SETCOM	**Brink** has suitable skills, qualifications and experience for the task and a perfect attendance. We also believe it is important for the CEO to be hands-on with his committee.	FOR	FOR 99.97% AGAINST 0.03%
OR 5	Authorisation of the Directors and Group Company Secretary	This is an administrative resolution giving any director or company secretary the authority to perform all the necessary actions to implement resolutions; we therefore support it.	FOR	FOR 94.87% AGAINST 5.03%
Special Resolutions				
SR 1	Approve and authorise the provision of financial assistance by the Company to related or inter-related Companies and others	This special resolution lacks sufficient detail about the recipients, reasons, and terms, raising concerns about potential conflicts of interest. The resolution's broad scope regarding the nature of assistance, terms, and beneficiaries limits the shareholders' ability to assess legitimate uses of company funds. Approving such a resolution could lead to value destruction and hidden remuneration. By opposing this resolution, we aim to encourage a more transparent, detailed explanation of financial assistance, restricting approval to clearly defined necessities.	AGAINST	FOR 94.87% AGAINST 5.13%
SR 2	Approve the Non-Executive Directors' remuneration (in respect of services rendered to the Board and its Committees)	NEDs earn fees based on the relevant committee. Fees are paid to NEDs on an annual retainer basis to account for the responsibilities borne by them throughout the year. NEDs are not paid an attendance fee per meeting. This does not encourage attendance. We do believe that remuneration "in respect of services rendered" is an inadequate substitute for a judicious mix of a fixed fee and an attendance fee. We do not support the resolution.	AGAINST	FOR 99.96% AGAINST 0.04%

	Resolution	Rationale	Vote	Outcome of AGM
SR 3	General authority to acquire the Company's shares	The resolution for a general authority to acquire the company's shares is opposed due to concerns that successive share buybacks could compromise minority shareholder rights. While share buybacks can be a tax-efficient method for returning capital to shareholders, the repeated approval of such buybacks has the potential to breach thresholds for non-public shareholding, further entrenching control over time, despite the company not having a majority shareholder	AGAINST	FOR 99.74% AGAINST 0.26%
Non-binding advisory votes				
NBA 1	Approval of Remuneration Policy	Oceana's remuneration policy aims to align executive compensation with company strategy and shareholder interests, but it has faced some shortcomings. The policy includes short-term incentives (STI) and long-term incentives (LTI), with ESG metrics incorporated into both. Sustainability targets form an essential element of the 'pay for performance' philosophy. A minimum shareholding requirement (MSR) is in place for executives to further align their interests with those of shareholders. However, we have the following concerns: **REMCOM Attendance**: The CEO, company secretary, and other executives attend remuneration committee meetings. We prefer that they attend only at specific invitation. **Consultant Disclosure**: The remuneration of consultants was not disclosed. **Benchmarking**: Comparator companies used for benchmarking vary widely in size, complexity and geographical diversity, and a more refined approach may be warranted. **STI Skew**: STI is heavily weighted towards financial metrics, with	AGAINST	FOR 94.36% AGAINST 5.64%

	Resolution	Rationale	Vote	Outcome of AGM
		insufficient consideration for operational, sustainability, or strategic imperatives. The CEO and CFO's STI relies excessively on HEPS growth. **LTI Focus**: LTI schemes are also excessively financially oriented. **Imperfect Alignment**: There is imperfect alignment between STI remuneration and strategy. Based on these concerns, we do not approve the Remuneration Policy.		
NBA 2	Approval of Implementation Report	The total single figure remuneration for the CEO and CFO in 2024 were R36 338 000 and R12 754 000 respectively. Compared to the PWC 2024 Directors Remuneration and Trends Report the CEO's earnings were double the average. We regard this as excessive and when considered in the light of our comments on the Remuneration Policy we are against the resolution.	AGAINST	FOR 96.05% AGAINST 3.95%

AGM OUTCOME

The AGM was held as advertised on 27 February 2025. The ordinary and special resolutions proposed at the meeting were unaltered from those reflected in the Notice of the AGM and were approved by the requisite majority of votes. The total issued ordinary share capital of the Company 130,431,804. The results are reflected in red in the above column labelled Outcome of AGM.

The most significant outcome was the 22.74% who voted AGAINST the re-election of Mustaq Brey as a non-executive director, a reflection of the growing concern about his long tenure.

There was also opposition to the Remuneration Policy, but not significant enough to trouble the Remuneration Committee yet.