OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

FORWARD-LOOKING REMUNERATION POLICY

BACKGROUND

This section of the report deals specifically with the remuneration of non-executive directors, executive directors, management and other grades of employees. It sets out the remuneration philosophy and policy and the reward framework in place for the financial year ended 31 December 2022 and the financial year ending 31 December 2023.

POLICY AND PHILOSOPHY

The Group's remuneration philosophy is that employees are remunerated appropriately for their contribution to the delivery of the Group's strategy. The Remuneration Policy framework is based on the principles of fair and responsible remuneration and is formulated to attract, retain, motivate and reward high-calibre employees. The Group aims to encourage high levels of performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. The way the Group remunerates employees reflects the dynamics of the market as well as the social, economic and environmental context in which the Group operates.

The Committee aims to reward superior performance and the achievement of the Group's strategy and ensures that there are consequences for underperformance. Managers play a vital role in ensuring that the performance management process provides the right information required to inform remuneration decisions made by the Committee.

Sea Harvest's operations include a number of employees who either form part of a bargaining unit or are independent contractors engaged on fixed-term contracts (within the bounds of South African labour legislation). The employment and remuneration arrangements of these employees are governed by separate agreements and are negotiated on an operational level (subject to oversight by the Committee); therefore, they are not covered by the Remuneration Policy framework.

FAIR AND RESPONSIBLE REMUNERATION

The principle of fair and responsible remuneration is at the core of the Group's remuneration philosophy.

The Group is dedicated to improving employment conditions for all employees of the Group, and may undertake and implement various initiatives from time to time to progressively realise the concept of fair and responsible remuneration.

Some of the principles driving this commitment include

- ensuring compliance with legislative requirements in terms of remuneration and benefits; and
- on an annual basis, conducting external benchmarking on remuneration packages across the various grades and job functions, which is a determining factor for setting remuneration across the Group.

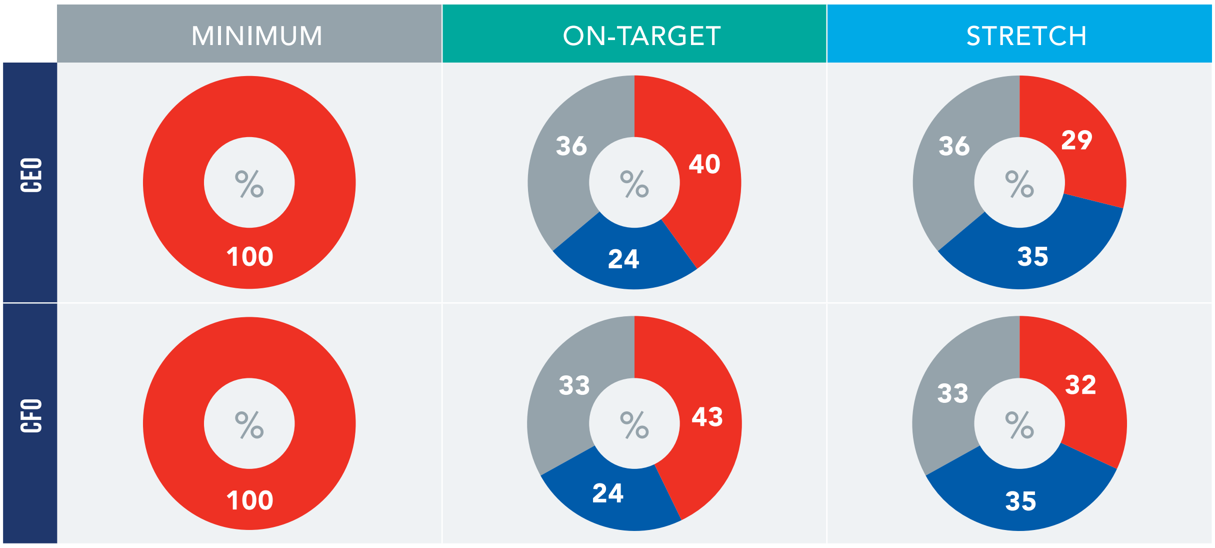
REMUNERATION MIX

Remuneration comprises guaranteed pay (GP) and variable pay. Variable pay comprises short-term incentives (STI) and long-term incentives (LTI). The remuneration mix reflects the relative proportions of each component in the package, which is linked to a job type and the nature of expected outcomes. The target remuneration mix varies at each grade. As a guideline, more senior employees should have a higher proportion of variable pay in their remuneration mix as they have the ability to influence the financial performance and strategic outcomes of the Group. The Committee has designed the remuneration mix for executive directors in a way that avoids overdependence on the variable pay components, which in turn discourages any excessive risk-taking behaviour. At lower levels, the remuneration mix is weighted in favour of GP.

In order to drive a high-performance culture and alignment with shareholders through shared value creation, the total reward mix for the CEO and executive directors is geared towards a higher percentage of variable pay at risk for the achievement of stretch targets. Implicit in the Remuneration Policy is that, over time, executives should build up a combination of restricted and unencumbered shares, ensuring significant alignment between the executives and shareholders.

The pie charts illustrate the potential remuneration mix for each executive director at minimum, on-target and stretch performance levels. The methodology used is in line with that recommended by King IV™.

AGGREGATE EXECUTIVE DIRECTOR PAY MIX



Note: Retention shares have not been included in the pay mix graphs, as they do not form part of the ongoing packages for executive directors.

Fixed STI LTI

ELEMENT	MINIMUM	ON-TARGET	STRETCH
GP	The 2022 salary and benefits are in line with those paid in the 2021 financial year		
STI	Nil	50% of stretch	110% – 120% of GP
LTI	Nil	The maximum number of performance shares and bonus shares granted in 2022 multiplied by the fair value on grant date	The maximum number of performance shares and bonus shares granted in 2022 multiplied by the share price on grant date

OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

COMPONENTS OF REMUNERATION

	GUARANTEED PAY		VARIABLE PAY	
	BASIC SALARY	**BENEFITS**	**STI**	**LTI**
PURPOSE AND LINK TO STRATEGY	Attracts and retains talent	Improve employees' financial planning and security on retirement	Encourages a high-performance culture to promote the achievement of specific objectives. Motivates executive directors and key senior managers to achieve short-term strategic, financial and non-financial objectives in the one-year business plan.	Attracts, retains, incentivises and rewards key management by linking performance to shareholder expectations. This promotes the achievement of long-term objectives with the desired outcome of an appreciating share price and the payment of a regular dividend, thereby providing key employees with the opportunity to share in the success of the Group.
ELIGIBILITY	All staff employed by Sea Harvest	All permanent staff; benefit is dependent on grade	Permanent staff from senior management upwards	Executive directors and executives
REMUNERATION METHODOLOGY	Reviewed annually against market benchmarks	**Market-related benefits** ➢ Pension/ provident fund ➢ Motor vehicle allowances ➢ Medical aid	Performance bonuses are dependent on financial performance (financial target) and achievement of agreed strategic and individual KPIs (functional target). Executives have a higher weighting on financial targets (80%) with 20% based on functional targets. Lower-level executives have a greater weighting on strategic and individual performance. The levels of remuneration that can be earned by the CEO and CFO are as follows: ➢ On-target: 55% – 60% of GP ➢ Stretch target: 110% – 120% of GP based on a sliding scale for in-between performance The STI is self-funding in that the threshold for the financial target of EBIT is calculated after taking into account the cost of the STI. In addition to targets set at Group level, targets are also set at operating segment level, aligning the performance and rewards of the relevant management.	**Retention shares** *The ad hoc* award of retention shares is a means of retaining certain executives and key senior management. The 2017 tranche of retention shares vest annually in equal portions over a three-year period (this period is five years for the CEO and CFO), subject only to continued employment. The December 2021 tranche of retention shares vest equally in 2024, 2025 and 2026, subject only to continued employment. **Performance shares and bonus shares** Allocations are on an annual basis subject to the Committee's discretion: ➢ CEO – performance shares 78% of GP and bonus shares 33% of the previous year's STI ➢ CFO – performance shares 61% of GP and bonus shares 33% of the previous year's STI ➢ Senior management – performance shares 22% to 61% of GP and bonus shares 33% to 67% of the previous year's STI **Employee Share Scheme** Broad-based equity scheme for the benefit of all employees who are permanently employed for an unbroken period of 24 months and do not participate in any other equity incentive scheme. The staff scheme was terminated in 2022.
PERFORMANCE CONDITIONS	Performance, i.e. meeting the requirements of the job	n/a	A single financial target (i.e. EBIT) is used for lower-level executives, while dual financial targets (i.e. EBIT and HEPS) are used for executive directors. Functional targets for the executive directors include: ➢ Delivery of organic growth projects; ➢ Turning around non-performing businesses; ➢ Improving operational efficiencies; ➢ Delivery of strategic acquisitions; ➢ Integration of new acquisitions; ➢ B-BBEE credentials and transformation; ➢ Retention of fishing rights ➢ Building organisational capability; and ➢ Successful stakeholder engagement.	Refer to the following table for performance conditions and characteristics of each share element.

LTI ALLOCATION METHODOLOGY

Long-term Incentive Eligibility Plan elements and performance conditions

1 RETENTION SHARES

EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

- Awarded at listing and on an *ad hoc* basis, the retention share element of the FSP acts as a means to retain certain executive directors and key senior management.
- The 2017 tranche of retention shares vest equally over a three-year period (this period is five years for the CEO and CFO), subject only to continued employment and is therefore relevant for a five-year period.
- The December 2021 tranche of retention shares was issued in order to retain, reward and incentivise management over a critical period of the Group's existence and vests equally in December 2024, 2025 and 2026, subject only to continued employment.

2 2.1 PERFORMANCE SHARES (CONDITIONAL)

EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

- The performance share element of the FSP rewards future Company and share performance.
- Performance shares are conditionally awarded to those individuals who can influence long-term strategic performance.
- Performance shares vest on the third anniversary of their award, the number vesting being tied to continued employment and the extent to which the Company has met preset performance criteria over the three-year period.

Currently, vesting is

- governed by continued employment;
- weighted 33% – the first performance criterion is the Group's average HEPS growth weighted for the main territories in which the Group operates:
  - If the average HEPS compound annual growth rate (CAGR) over the three-year period places it at the average CAGR in CPI plus GDP, or better, then the targeted number (30% of the maximum number) of performance shares awarded will vest.
  - If the average HEPS CAGR over the three-year period places it at the average CAGR in CPI plus GDP plus 3%, or better, then the maximum number (100% of the maximum number) of performance shares awarded will vest.
  - If the average HEPS CAGR over the three-year period places it at the average CAGR in CPI plus GDP, or below, then all performance shares awarded relating to that HEPS tranche will be forfeited.
  - HEPS performance between any of the above points results in pro-rated vesting. No retesting will be allowed, and any shares not vesting will lapse.
- weighted 33% – the second performance criterion is the Group's transformation credentials:
  - If the Group achieves a Level 3 B-BBEE rating on the current scorecard, then the targeted number (50% of the maximum number) of performance shares awarded will vest.
  - If the Group achieves a Level 2 B-BBEE rating on the current scorecard, or better, then the targeted number (100% of the maximum number) of performance shares awarded will vest.
  - The transformation condition will have a binary profile.
  - No retesting will be allowed, and any shares not vesting will lapse.
- weighted 33% – the third performance criterion measures the Group's average ROCE in relation to its WACC, weighted for the main territories in which the Group operates:
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period, or better, then the targeted number (30% of the maximum number) of performance shares awarded will vest.
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period plus 3%, or better, then the maximum number (100% of the maximum number) of performance shares awarded will vest.
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period, or below, then all performance shares awarded relating to that HEPS tranche will be forfeited.
  - Average ROCE performance between any of the above points results in pro-rated vesting. No retesting will be allowed, and any shares not vesting will lapse.

2.2 BONUS SHARES

EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

- The bonus share element of the FSP provides share-based rewards for individual performance.
- Bonus shares are granted on an annual basis, the number of which is calculated with reference to the prior year's STI, thus ensuring a strong link to individual performance on an annual basis.
- Bonus shares vest at the end of the three-year period, subject to continued employment.

3 STAFF SCHEME

ALL EMPLOYEES OF THE GROUP WHO DO NOT QUALIFY FOR THE LTI SCHEME AND ARE PERMANENTLY EMPLOYED FOR AN UNINTERRUPTED PERIOD OF 24 MONTHS

- Qualifying employees must be in "good standing" at all times.
- Employees who leave the employ of the Group due to retirement, death, permanent physical impairment or mental incapacity will receive 100% of the distribution when the Employee Share Scheme terminates.
- Employees who resign will lose all entitlements in the Employee Share Scheme.
- The Sea Harvest Employee Share Scheme terminated in March 2022.

OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

SHARE DILUTION LIMITS

In terms of the FSP, the maximum number of new shares to be issued under the FSP may not exceed 12 959 048 shares (4.34% of total shares in issue) and the maximum number of new shares to be issued under the FSP to any one individual may not exceed 3 887 714 shares (1.30% of total shares in issue).

EXECUTIVE DIRECTOR SERVICE CONTRACTS

Sea Harvest concludes permanent employment contracts with its executive directors (including the CEO), which can be terminated with notice periods of between one and three months. In the event of termination of employment, the Committee may elect to pay a departing executive director a cash lump sum in lieu of the notice period. The executive directors are not subject to any restraint of trade agreements. The retirement age for an executive director is 63 years.

In the event that an executive director's service contract is terminated due to operational reasons, the Group's obligation to make a severance payment will be governed by the provisions of the Labour Relations Act, No 66 of 1995.

In the event of an executive director ceasing employment as a "bad leaver", all STI and unvested LTI awards will be forfeited. In other circumstances, STI and LTI awards will be treated in accordance with the relevant plan rules.

Executive directors may not serve as non-executive directors in other companies without the express approval of the Board.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are paid on an annual retainer basis to account for the responsibilities borne by them throughout the year. They are not paid an attendance fee per meeting. The fee structure is evaluated as requested based on non-executive director fee surveys and the results of benchmarking exercises.

Fees are reviewed annually, and proposed adjustments are tabled by the CEO for review by the Committee, which considers the proposed adjustments, taking into account remuneration increases across the Group. In order to preserve their independence, non-executive directors do not qualify for share options nor do they participate in any variable pay incentive schemes. Where a non-executive director is appointed by a shareholder, the fee may be paid to the shareholder and not directly to the non-executive director.

The table below sets out the present and proposed non-executive director fees. The proposed fees will be tabled before shareholders for approval by special resolution at the AGM on Thursday, 18 May 2023.

The increase in non-executive director fees is in line with the increase in salaries for employees in 2023.

ROLE	1 JULY 2023 TO 30 JUNE 2024 (EXCLUDING VAT) R	1 JULY 2022 TO 30 JUNE 2023 (EXCLUDING VAT) R	CHANGE %
Board Chairperson	739 725	**694 577**	6.5%
Board Lead Independent Director	349 550	**328 216**	6.5%
Board member	279 640	**262 572**	6.5%
Audit and Risk Committee Chairperson	181 767	**170 673**	6.5%
Audit and Risk Committee member	96 700	**90 797**	6.5%
Nomination and Remuneration Committees Chairperson	139 820	**131 286**	6.5%
Nomination and Remuneration Committees member	69 910	**65 644**	6.5%
Social, Ethics and Sustainability Committee Chairperson	139 820	**131 286**	6.5%
Social, Ethics and Sustainability Committee member	69 910	**65 644**	6.5%
Investment and Hedging Committee Chairperson	139 820	**131 286**	6.5%