BACKGROUND

The implementation of the Remuneration Policy in the 2022 financial year is to be tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders.

The Committee has monitored the implementation of the Remuneration Policy during the financial year and is of the view that the Group's compliance with the policy has been satisfactory. This Implementation Report discloses the detailed information and figures pertaining to the application of the Remuneration Policy in relation to the relevant executive and non-executive directors. The Committee is satisfied that variable pay outcomes for the 2022 financial year are aligned with the Group's financial performance for the 2022 financial year (as contextualised in the CEO's Report).

The graph alongside compares the Group's STI paid to its operating profit. Based on the challenging 2022 financial year, and the unprecedented price increases resulting in a contraction of the Group operating profit margin to 8%, a minimal level of STI was paid to performing segments of the business.

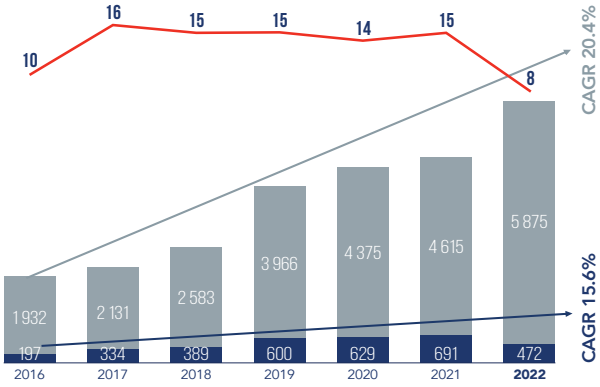
The Committee is satisfied that remuneration is linked to long-term performance and value creation.

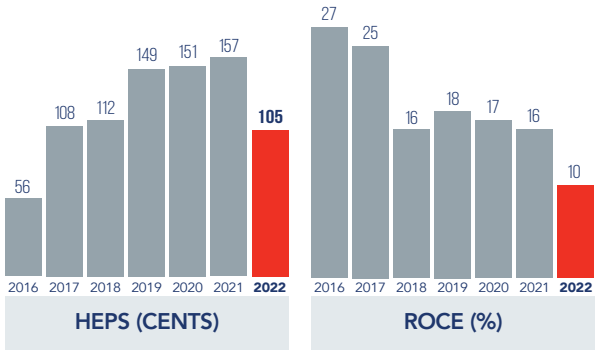
The Committee is also cognisant of the strides made by management in executing the Group's growth strategies, including from an organic growth perspective:

- The Marel factory implementation;
- The acquisition of the Atlantic Peace and Mzansi freezer trawlers;
- The completion of the third powder factory and butter plant at Ladismith;
- The installation of the RO plant at Saldanha; and
- The installation of wind turbines at Buffeljags.

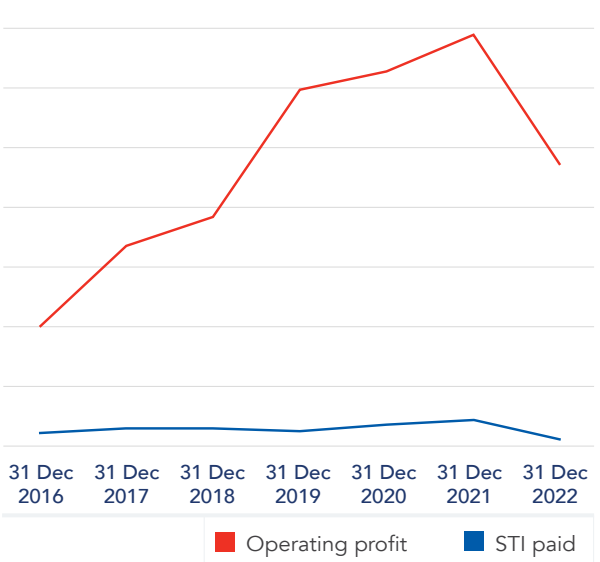
From an acquisitive growth perspective, the Group has executed on

- Viking Fishing in 2018;
- Viking Aquaculture in 2018;
- Ladismith in 2019;
- Sea Harvest Australia in 2019;
- Mooivallei in 2021;
- BM Foods Group in 2021; and
- MG Kailis in 2022.





STI paid vs operating profit



OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

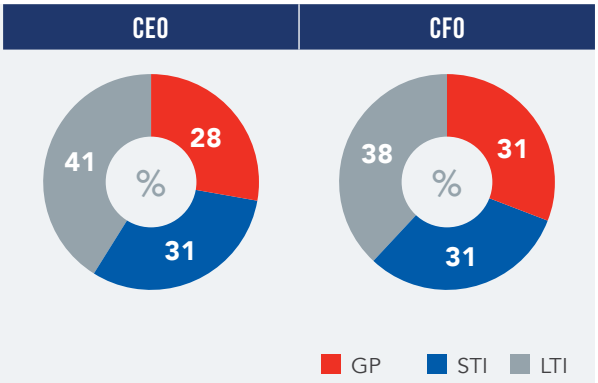
ACTUAL PAY MIX

The actual pay mix graph has been prepared on the same basis as the chart on **page 114** that refers to pay mix, which represents GP, STI and LTI, and shows the actual mix achieved for the year ended 31 December 2022.

The actual pay mix for the Group CEO and Group CFO for the 2022 financial year is set out to the right.

The STI relates to the 2021 financial year, paid in February 2022 when the executives became unconditionally entitled to the bonus.

For the 2022 financial year, paid in February 2023, M Brey received R0.9 million and F Ratheb received R1.6 million in STI, which related to functional targets achieved.



BENCHMARKING

In 2022, a comprehensive benchmarking of executive directors and senior executives' STI and LTI measures and hurdles was undertaken.

GUARANTEED PAY

In line with the principle of fair and responsible remuneration, the Group monitors the internal wage gap and disparities in remuneration in the Group. The average increase in executive director remuneration is determined after consideration of the average increase in remuneration for management and general staff.

SEA HARVEST CORPORATION	DECEMBER 2022 NUMBER OF EMPLOYEES	2022 ANNUAL INCREASE IN GUARANTEED PAY* %
Group CEO, executive team and senior management	135	**4.5**
Junior management	550	**4.5**
Salaried staff	371	**4.5**
Factory-waged staff	1 763	**5.5**
Fleet-waged staff	996	**6.8**

**Salary increases are for January 2022*



SHORT-TERM INCENTIVE

As set out in the Remuneration Policy, the STI for executive directors and senior management is based on a combination of financial targets and functional targets.

For the 2022 financial year, dual financial targets, being EBIT and HEPS, were used for executive directors, while EBIT was used for senior management.

Targets were also set at operating segment level, aligning the performance and rewards of the relevant management.

The functional targets for the executive directors for 2022 encompassed transformation, retention of fishing rights, efficiency initiatives, cash management, organic and acquisitive growth, and building organisational capacity.

In line with the Group's performance in the challenging 2022 financial year, 12% of the total possible 2022 STI was achieved by segments that performed during 2022.

LONG-TERM INCENTIVE

The FSP was put in place when the Group listed on 23 March 2017.

At listing, the Group issued retention shares and, on an annual basis, the Group issues performance and bonus shares to executive directors, executives and key senior management.

The respective tranches of the first (2017) issue of retention shares vested in March 2018, March 2019, March 2020, March 2021 and March 2022, respectively (retention shares vest equally over a three-/five-year period).

With the original tranche of retention shares coming to conclusion after a period of five years and in order to retain, reward and incentivise management over such a critical period of the Group's existence, a second tranche of retention shares was issued in December 2021. These shares vest equally in 2024, 2025 and 2026, subject only to continued employment, thereby retaining key management until 2026.

The third tranche of performance shares, qualifying for vesting during 2022, vested in full.

In addition, in line with the recommendation of King IV™, included is an indicative value of the unvested instruments as at 31 December 2022. For the bonus shares and retention shares, the indicative value is calculated as the number of instruments multiplied by the share price of R12.00 at year end. For the performance shares, a valuation was performed based on assumptions as at 31 December 2022 .



OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

DATE OF AWARD	TYPE OF INSTRUMENT	NUMBER OF INSTRUMENTS AWARDED	SHARE PRICE ON DATE OF GRANT R	VESTING DATE	NUMBER OF INSTRUMENTS VESTED	NUMBER OF INSTRUMENTS LAPSED	CLOSING NUMBER OF UNVESTED INSTRUMENTS	INDICATIVE VALUE OF UNVESTED INSTRUMENTS R
		A	B		C	D	E=A-C-D	F
FELIX RATHEB								
Monday, 9 March 2020	Performance shares	382 693	14.10	Wednesday, 8 March 2023	–	–	382 693	3 057 717
Thursday, 18 March 2021	Performance shares	342 241	15.01	Sunday, 17 March 2024	–	–	342 241	3 032 255
Wednesday, 23 March 2022	Performance shares	391 627	13.70	Saturday, 22 March 2025	–	–	391 627	3 195 676
Monday, 9 March 2020	Bonus shares	229 616	14.10	Wednesday, 8 March 2023	–	–	229 616	2 755 392
Thursday, 18 March 2021	Bonus shares	205 344	15.01	Sunday, 17 March 2024	–	–	205 344	2 464 128
Wednesday, 23 March 2022	Bonus shares	228 256	13.70	Saturday, 22 March 2025	–	–	228 256	2 739 072
Wednesday, 1 December 2021	Retention shares**	1 250 436	13.05	30 Nov 2024, 30 Nov 2025, 30 Nov 2026	–	–	1 250 436	15 005 232
MUHAMMAD BREY								
Monday, 9 March 2020	Performance shares	203 053	14.10	Wednesday, 8 March 2023	–	–	203 053	1 622 393
Thursday, 18 March 2021	Performance shares	181 590	15.01	Sunday, 17 March 2024	–	–	181 590	1 608 887
Wednesday, 23 March 2022	Performance shares	207 760	13.70	Saturday, 22 March 2025	–	–	207 760	1 695 322
Monday, 09 March 2020	Bonus shares	112 085	14.10	Wednesday, 8 March 2023	–	–	112 085	1 345 020
Thursday, 18 March 2021	Bonus shares	106 775	15.01	Sunday, 17 March 2024	–	–	106 775	1 281 300
Wednesday, 23 March 2022	Bonus shares	118 423	13.70	Saturday, 22 March 2025	–	–	118 423	1 421 076
Wednesday, 1 December 2021	Retention shares**	776 781	13.05	30 Nov 2024, 30 Nov 2025, 30 Nov 2026	–	–	776 781	9 321 372

*** Vests equally 29 November 2024, 29 November 2025 and 29 November 2026*

EXECUTIVE REMUNERATION

for the year ended 31 december 2022

Remuneration of executive directors and prescribed officers is set out in full in **note 39** of the AFS.

DIVERSITY TARGETS

The Committee set the following diversity targets during the 2017 financial year and reviewed these targets during the 2022 financial year.

Transformation – ACI targets

The Committee agreed that 70% of the Board composition should be made up of ACI designated groups within a period of three years, and achieved a score of 67% at the end of the 2022 financial year.

Gender – female targets

The Committee agreed that 30% of the Board composition should be female within a period of three years, with the Board exceeding this target and achieving a score of 33% at the end of the 2022 financial year.

APPROVAL

This report was approved by the Nomination and Remuneration Committees of Sea Harvest Group Limited.

ANDRÉ HANEKOM

18 April 2023



Chairperson of the Nomination and Remuneration Committees

