

2018
SEA HARVEST GROUP LIMITED INTEGRATED REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

OUR PURPOSE

Our purpose is to create value that fuels inclusive economic growth and benefits society through job creation, food security and social transformation.

OUR VISION

We envision a Sea Harvest Group that is a leading, black-owned, responsible and diversified global agri-business.

OUR MISSION

To responsibly harvest and add value to natural and other resources in a way that exceeds customer expectations, while providing sustainable employment and positively impacting the communities in which we operate and the stakeholders we serve.

WHAT HOLDS US TOGETHER

A set of five (5) core values, referred to as "anchors", continues to be embedded within the Sea Harvest business.

The anchors secure the Group's relationships with its stakeholders by providing clear guidelines for engagement and behaviour. It further helps to foster healthy employee relations, especially given Sea Harvest employees' diverse backgrounds, and protects the Group's reputation.

FIVE ANCHORS ONE COMPANY

WE LIVE BY OUR FIVE ANCHORS

OUR VALUES ARE ANCHORS OF STRENGTH AND SECURITY

OUR ANCHORS

1. WE ACT **RESPONSIBLY**
2. WE **DO WHAT WE SAY**
3. WE RESPECT **DIVERSITY**
4. WE ARE **PASSIONATE** ABOUT OUR BUSINESS
5. WE **SAVOUR THE SEA**

NAVIGATING THIS REPORT

THE SIX CAPITALS

- FINANCIAL CAPITAL
- MANUFACTURED CAPITAL
- NATURAL CAPITAL
- HUMAN CAPITAL
- INTELLECTUAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL
- p.00 PAGE REFERENCE

THE NON-NEGOTIABLES

- OPERATING EFFICIENTLY
- DRIVING TRANSFORMATION
- PROTECTING OUR BRANDS AND REPUTATION
- MANAGING RELATIONSHIPS
- OPTIMISING FINANCIAL CAPITAL
- ACTING RESPONSIBLY

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ABOUT OUR REPORT

During 2018, Sea Harvest continued a process of ensuring that the business becomes more adept at reporting in a manner expected in terms of good corporate governance. It is, therefore, pleased to present its second Annual Integrated Report (IR), covering the period from 1 January to 31 December 2018, which it hopes will enable stakeholders to make an informed assessment about the Group's ability to create value over the short-, medium-, and long-term.

SCOPE OF OUR REPORT

This report provides material information about the Group's operating companies and subsidiaries, including Sea Harvest Corporation Proprietary Limited (Sea Harvest Corporation), Cape Harvest Foods Group Proprietary Limited (Cape Harvest Foods Group), Viking Aquaculture and Mareterram Limited (Mareterram). However, detailed information about Mareterram's activities and performance for the 12 months ending 31 December 2018 is available in its 2018 Annual Report, which can be downloaded from its website: www.mareterram.com.au.

BASIS OF PREPARATION

This report has been prepared in accordance with the following reporting guidelines and frameworks:

- The recognition and measurement requirements of the International Financial Reporting Standards (IFRS);
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, issued by SAICA's Accounting Practices Committee and Financial Reporting Committee applicable to summarised financial information;
- Companies Act, No 71 of 2008 (Companies Act) of South Africa;
- King IV™ Report on Corporate Governance™ (King IV™);
- The International Integrated Reporting Council's (IIRC) Integrated Reporting Framework; and
- Johannesburg Stock Exchange (JSE) Listings Requirements.

SUPPLEMENTARY REPORTS

A suite of reports have been produced to satisfy our stakeholders' specific information requirements. The following reports are available for download on the Sea Harvest website: www.seaharvest.co.za.

- 2018 IR, including the Summarised Consolidated Financial Statements;
- Company and Group Annual Financial Statements (AFS) for the year ended 31 December 2018; and
- King IV™ Application Report.

FORWARD-LOOKING INFORMATION

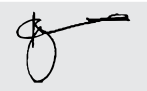
This report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at 31 December 2018. Actual results may differ materially from the Group's expectations, if known and unknown risks or uncertainties affect its business or if estimates or assumptions prove to be inaccurate. The Group cannot guarantee that any forward-looking statement will materialise. Readers are cautioned not to place undue reliance on any forward-looking statements. Sea Harvest does not commit, and disclaims any obligation, to update or revise any forward-looking statement, even if new information becomes available because of future events, or for any other reason, other than as required by the JSE Listings Requirements.

ASSURANCE OF INFORMATION

Sea Harvest has endeavoured to achieve a high standard of disclosure that promotes accurate, transparent, balanced and complete reporting. The Board, its committees and management were involved in finalising the disclosures made in this report and assume responsibility for the information contained herein. Deloitte & Touche has independently assured the consolidated financial statements and the summarised consolidated financial statements. Non-financial information was not independently assured.

BOARD APPROVAL

The Board acknowledges its responsibility for ensuring the accuracy of the Sea Harvest 2018 IR and, in its opinion, the report addresses all material issues relevant to Sea Harvest's business and presents an integrated view of the Group's performance in the year under review. The report was approved by the Board of Directors on 18 April 2019.

EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	INDEPENDENT NON-EXECUTIVE DIRECTORS
		
Felix Ratheb Chief Executive Officer	**Frederick Robertson** Non-Executive Chairman	**Marshall Rapiya** Lead Independent Non-Executive Director
		
John Paul De Freitas Chief Financial Officer	**Iqbal Khan** Non-Executive Director	**André Hanekom** Independent Non-Executive Director
		
Muhammad Brey Chief Investment Officer	**Tiloshani Moodley** Non-Executive Director	**Kari Ann Lagler** Independent Non-Executive Director
		
		Carol Kholeka Zama Independent Non-Executive Director

FEEDBACK

Sea Harvest values the feedback of its stakeholders and would appreciate any correspondence that would allow it to produce reports that improve in quality year-on-year. Any comments or requests for additional information can be emailed to our Chief Financial Officer, John Paul De Freitas, at: JohnPaulD@SeaHarvest.co.za.

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WHO WE ARE

WHAT WE DO

Sea Harvest is a leading, black-owned, internationally recognised, vertically integrated fishing, aquaculture and branded fast moving consumer goods (FMCG) business. Our activities span the complete value chain from harvesting to sales (sea to plate) to ensure that we produce products that meet the quality expectations of our customers. We harvest wild-caught seafood off the coasts of South Africa, Mozambique and Australia and processes the catch into a variety of chilled and frozen premium seafood products.

Through Viking Aquaculture, we farm a variety of fish and shellfish species. Our varied wild-caught and farmed products are then packed and marketed to a local and international customer base. The Group acquired Ladismith Cheese, a value added dairy processing company producing cheese, butter and powders for the local retail and foodservice markets, effective 2 January 2019.

SOUTH AFRICA'S MOST EMPOWERED FISHING AND FOOD COMPANY LISTED ON THE JSE*

SEA HARVEST FISHING

SPECIES: HAKE; HORSE MACKEREL; PRAWN; ANCHOVY; PILCHARD; TUNA

35 VESSELS

6 PROCESSING OPERATIONS

3 200 EMPLOYEES

2ND JULY 2018 ACQUIRED 100% OF VIKING FISHING, ADDING STRONG EARNINGS WITH DIVERSIFIED SPECIES

Sea Harvest
Savour the sea

SEA HARVEST AQUACULTURE

SPECIES: ABALONE, OYSTERS, MUSSELS, TROUT

11 AQUACULTURE OPERATIONS

330 EMPLOYEES

2ND JULY 2018 ACQUIRED 51% OF THE SHARES OF VIKING AQUACULTURE

Viking Aquaculture

CAPE HARVEST FOODS

10 FACTORY SHOPS

1 PROCESSING OPERATION

2 AGENCIES QUORN & FINDUS

400 EMPLOYEES

2ND JANUARY 2019 ACQUIRED 100% OF LADISMITH CHEESE

Quorn
Ladismith Cheese
Findus

SEA HARVEST INTERNATIONAL

SPECIES: PRAWNS; SCALLOP; CRAB, SPANISH MACKEREL

12 VESSELS

10 SHARK BAY PRAWN FISHERY LICENCES

2 SPANISH MACKEREL LICENCES

110 EMPLOYEES

12 APRIL 2019 ANNOUNCED SUCCESSFUL ACQUISITION OF SHARES NOT ALREADY HELD BY SEA HARVEST

Mareterram

*According to a special report on the Most Empowered Companies on the JSE published in the Business Report in South Africa by Independent Media, in partnership with Empowerdex and Intellidex on 1 November 2018.

WHAT MAKES US DIFFERENT

WE ARE AN ESTABLISHED, VERTICALLY INTEGRATED BUSINESS

Sea Harvest was established in 1964 and has grown into a successful and sustainable business. Our operations span the full value chain and include key value added support services, such as quality control, logistics and supply chain management, to enable economies of scale.



WE ARE THE MOST EMPOWERED FISHING AND FOOD COMPANY ON THE JSE*

* According to a "Most Empowered Companies on the JSE" special report published in the Business Report by Independent Media in partnership with Empowerdex and Intellidex on 1 November 2018.



WE ARE COMMITTED TO RESPONSIBLE ENVIRONMENTAL PRACTICES

Sea Harvest's Cape hake and Mareterram's prawn products have Marine Stewardship Council (MSC) certification – the gold standard in sustainable fishing. In addition, Sea Harvest Corporation is a co-founding and current member of the Responsible Fisheries Alliance (RFA), along with World Wildlife Fund South Africa (WWF-SA), BirdLife SA and other fishing industry players, which promotes an Ecosystem Approach to Fishing (EAF).

WE BENEFIT FROM AN INCREASING GLOBAL DEMAND FOR WILD-CAUGHT SEAFOOD

Continued strong global demand for wild-caught, sustainably certified seafood exceeds supply, amidst a growing consumer trend towards healthy, natural, high-protein products.



WE HAVE MARKET-LEADING BRANDS

Sea Harvest is a leading frozen fish brand in South Africa and a strategic supplier to Woolworths. Sea Harvest also represents the Findus brand in southern Africa, one of the largest frozen food brands in Europe, and Quorn, a leading vegetarian and vegan meat replacement brand from the United Kingdom.

Internationally, Cape hake is a recognised and valued species in its own right and is supplied to leading international brands and retailers in a well-diversified export market.



OUR GEOGRAPHICALLY DIVERSE CUSTOMER BASE PROVIDES A STRONG RAND HEDGE

Sea Harvest enjoys a strong reputation and solid long-term relationships with its geographically diverse international customer base, which together with Mareterram, generates 55% of the Group's revenue in foreign currencies. No single customer accounts for more than 10% of the Group's revenue.

WE OPERATE IN INDUSTRIES WITH HIGH BARRIERS TO ENTRY

The South African and Australian fishing industries are highly regulated. Long-term fishing rights are issued for 15 years in South Africa and in perpetuity in Australia, and underpin our medium- and long-term sustainability. Fishing and aquaculture remain highly capital-intensive businesses requiring expensive assets, working capital and economies of scale to be globally competitive.



WE HAVE A STRONG AND DRIVEN LEADERSHIP TEAM

The leadership team has shown strength, commitment, agility and skill in their pursuit to achieve the Group's strategic goals. Several members hold leadership positions on various local and international industry bodies.

WE HAVE AN EXPERIENCED EMPLOYEE BASE

In 2018, c. 140 Sea Harvest Corporation employees received awards for c. 2100 years of combined service at the Company's annual Long Service Awards.



OUR HISTORY

1964

Spanish-owned company, Pescanova, joins forces with Southern Sea Fishing Enterprises and Imperial Cold Storage (ICS) to form Sea Harvest.

1980s

Sea Harvest acquires Atlantic Trawling and grows to become South Africa's second largest Cape hake fishing company.

1990-1994

Pescanova sells off its South African interests and ICS increases its shareholding to 62% and lists Sea Harvest on the JSE.

1998

Tiger Brands acquires ICS's entire Sea Harvest shareholding and delists the Group from the JSE, while black-owned and managed Brimstone Investment Corporation Limited (Brimstone), a black-owned investment company, invests in Sea Harvest for the first time.

EARLY 2000s

By 2004, Brimstone steadily increased its shareholding in Sea Harvest to 21%.

2005

The South African Deep-Sea hake fishery becomes the first hake fishery in the world to be awarded an MSC certification for sustainable fishing practices.

2009

Tiger Brands' majority shareholding in Sea Harvest is acquired by Brimstone, Kagiso Investment Holdings and senior management, in the largest B-BBEE transaction in the fishing industry.

2014

Business turnaround commences with significant capital injection to renew the fleet and factories.

2016

Sea Harvest invests in Mareterram and later acquires a controlling 55.9% interest in Mareterram, giving the Group its first significant offshore footprint. Mareterram is a diversified agri-business based in Australia and listed on the Australian Securities Exchange (ASX).

2017

Sea Harvest lists on the JSE on 23 March 2017. The business has matured into needing equity funding to pursue value-adding acquisitions, retire expensive debt and grow the business.

2018

Sea Harvest leads a black economic empowerment consortium in acquiring 100% of the Viking Fishing Group of Companies (Viking Fishing) and a majority share of Viking Aquaculture. The Competition Commission approves Sea Harvest's acquisition of the Western Cape-based Ladismith Cheese Company, the Group's first venture outside the fishing industry.

(1 - 5) Saldanha Bay in the 1960's; (6) An aerial view of the Saldanha harbour including Sea Harvest's processing plant; (7) Sea Harvest's CEO, Felix Ratheb, and Board Chairman, Fred Robertson, at the Group's listing in 2017; (8) Mareterram's prawn vessels; (9) the Harvest Mzansi; (10) Sea Harvest's upgraded fresh fish processing factory in Saldanha Bay; (11) Buffeljags abalone farm; (12) oysters farmed by West Coast Oyster Growers in Saldanha; and (13) Feeding kelp to abalone at the Buffeljags abalone farm


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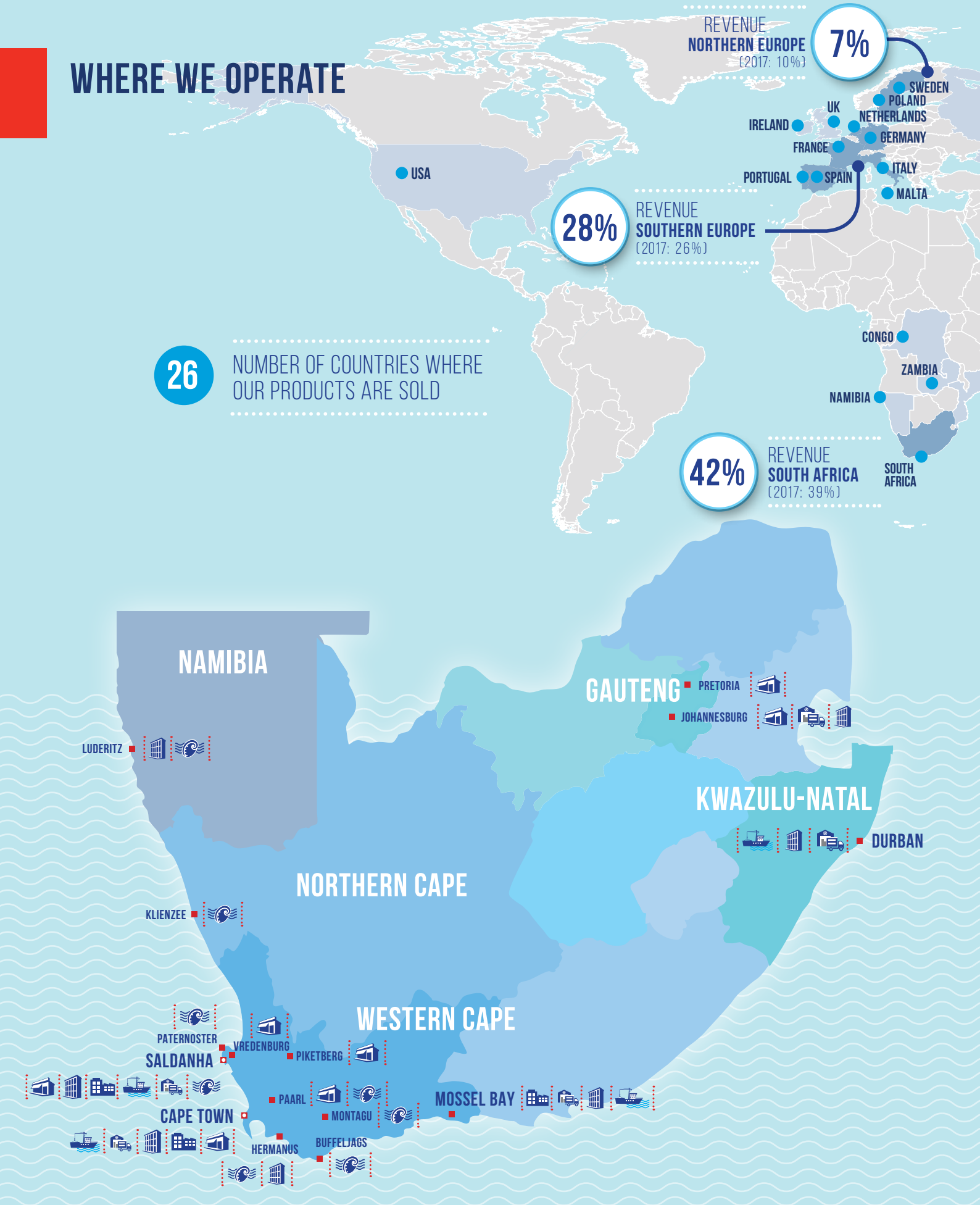

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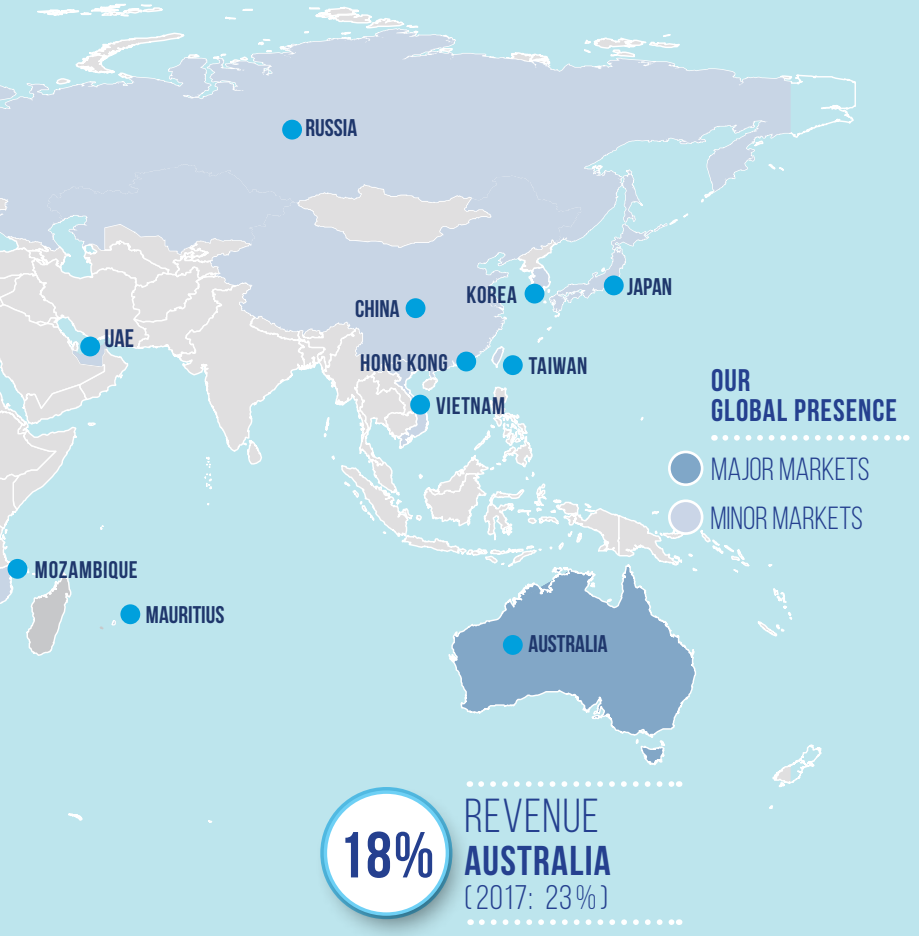

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WHERE WE OPERATE





OUR GLOBAL PRESENCE

MAJOR MARKETS

MINOR MARKETS

18% REVENUE **AUSTRALIA** (2017: 23%)

KEY

FISHING OPERATIONS

Saldanha Bay, Cape Town, Mossel Bay, Durban, Maputo (Mozambique), Carnarvon (Australia)

AQUACULTURE OPERATIONS

Luderitz, Kleinzee, Paternoster, Saldanha Bay, Hermanus, Paarl, Buffeljags and Montagu

COLD STORAGE & DISTRIBUTION

Saldanha Bay, Cape Town, Mossel Bay, Durban, Johannesburg, Carnarvon (Australia)

FISH PROCESSING FACTORIES

Saldanha Bay, Cape Town, Mossel Bay, Hermanus

OFFICES

South Africa – Saldanha Bay, Cape Town, Mossel Bay, Hermanus, Durban, Johannesburg

Australia – Perth, Carnarvon, Adelaide, Melbourne, Sydney, Brisbane

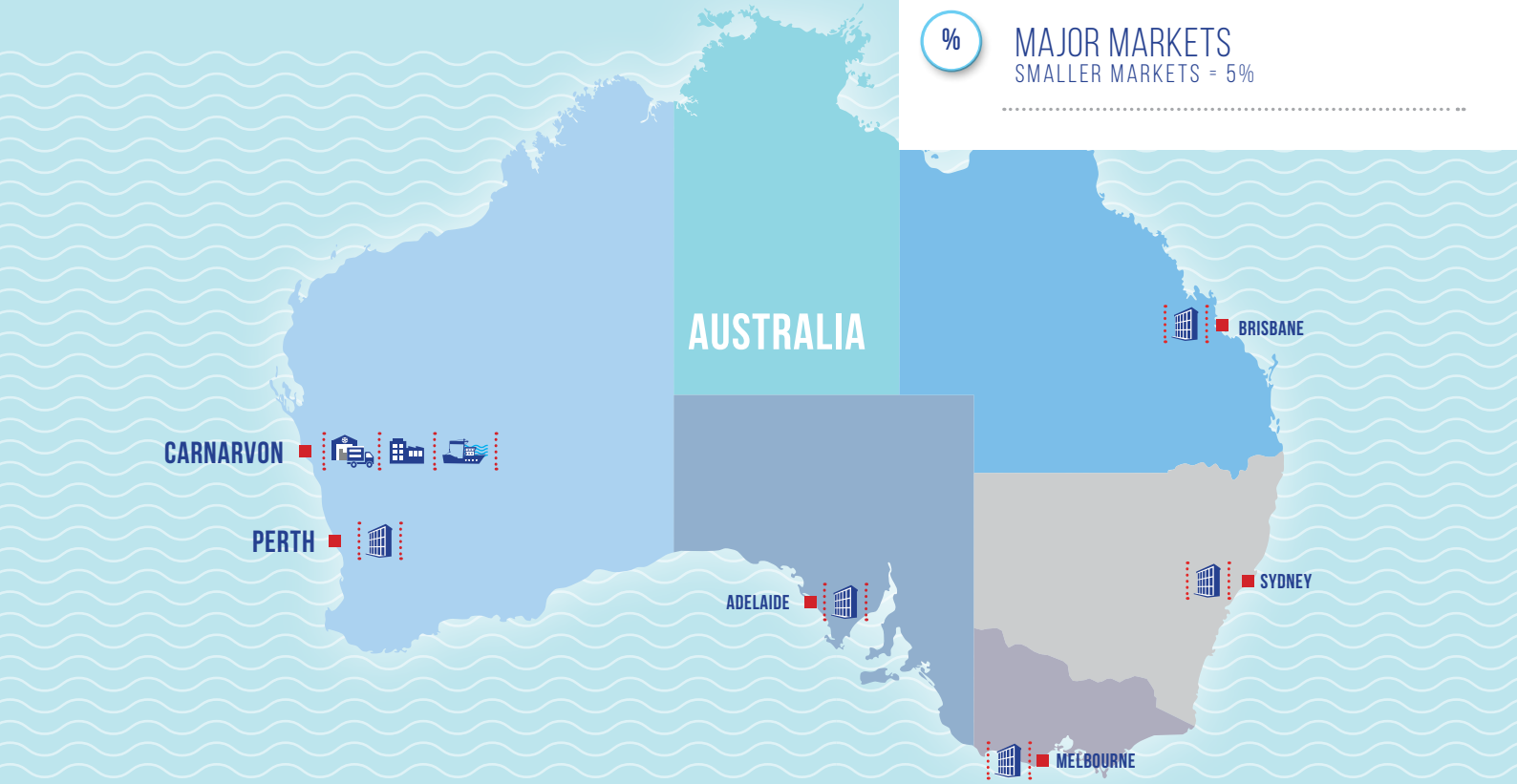
Namibia – Luderitz

FACTORY SHOPS

Saldanha Bay, Vredenburg, Piketberg, Sea Point, Bellville, Paarl, Brakpan, Winchester Hills, Silverton, Centurion

% MAJOR MARKETS

SMALLER MARKETS = 5%



OUR GOVERNANCE AND LEADERSHIP

GOVERNANCE AND LEADERSHIP

During the 2018 financial year the Group's Board of Directors (the "Board") evaluated the Company's strategic and operational performance and fulfilled its duties in accordance with the JSE Listings Requirements and the principles set out in the King IV™ Report on Corporate Governance™.

In support of the Group's value creation process, below is a detailed account of our governance structures as at 31 December 2018.

WHY CORPORATE GOVERNANCE MATTERS

The Sea Harvest Group is committed to good corporate governance, ethics and integrity. We value our relationships with all stakeholders and are determined not to undermine Sea Harvest's long-established reputation in any manner. For us, corporate governance is not simply about compliance. We leverage governance to improve performance by:

- Determining how governance requirements, particularly the King IV™ Code on Corporate Governance™, can be implemented to add organisational value;
- Enhancing accountability for actions at all levels; and
- Guiding decision-making, reinforcing material disclosures and refining risk processes.

OUR CHECKS AND BALANCES FOR GOOD CORPORATE GOVERNANCE

The Sea Harvest Board can confirm that the Company adhered to its Board Charter and that the Group has complied with the JSE Listings Requirements, the Companies Act and King IV™.

In line with King IV™, the Board believes that it has executed its responsibilities in an ethical manner and has reported the outcomes of its direction in accordance with the Code and the International <IR> Framework.

The Board's application of King IV™ can be viewed on our website: www.seaharvest.co.za.

OUR GOVERNANCE PHILOSOPHY

The Sea Harvest Group believes that good governance extends far beyond merely complying with legal prescripts, practices and principles. Sea Harvest believes that maintaining the highest levels of governance contributes to achieving our vision, mission and values and remaining grounded in our five anchors.

We believe that established and well-operating governance structures support the achievement of sound performance by the Group, and long-term value creation for our stakeholders. This is guided by the ethical culture determined by the Board and embedded throughout the Group's operations, while being aware of our responsibility to positively transform the communities, societies and environments in which we operate.

HOW CORPORATE GOVERNANCE IMPROVES OUR PEFORMANCE

Scrupulous corporate governance enables:

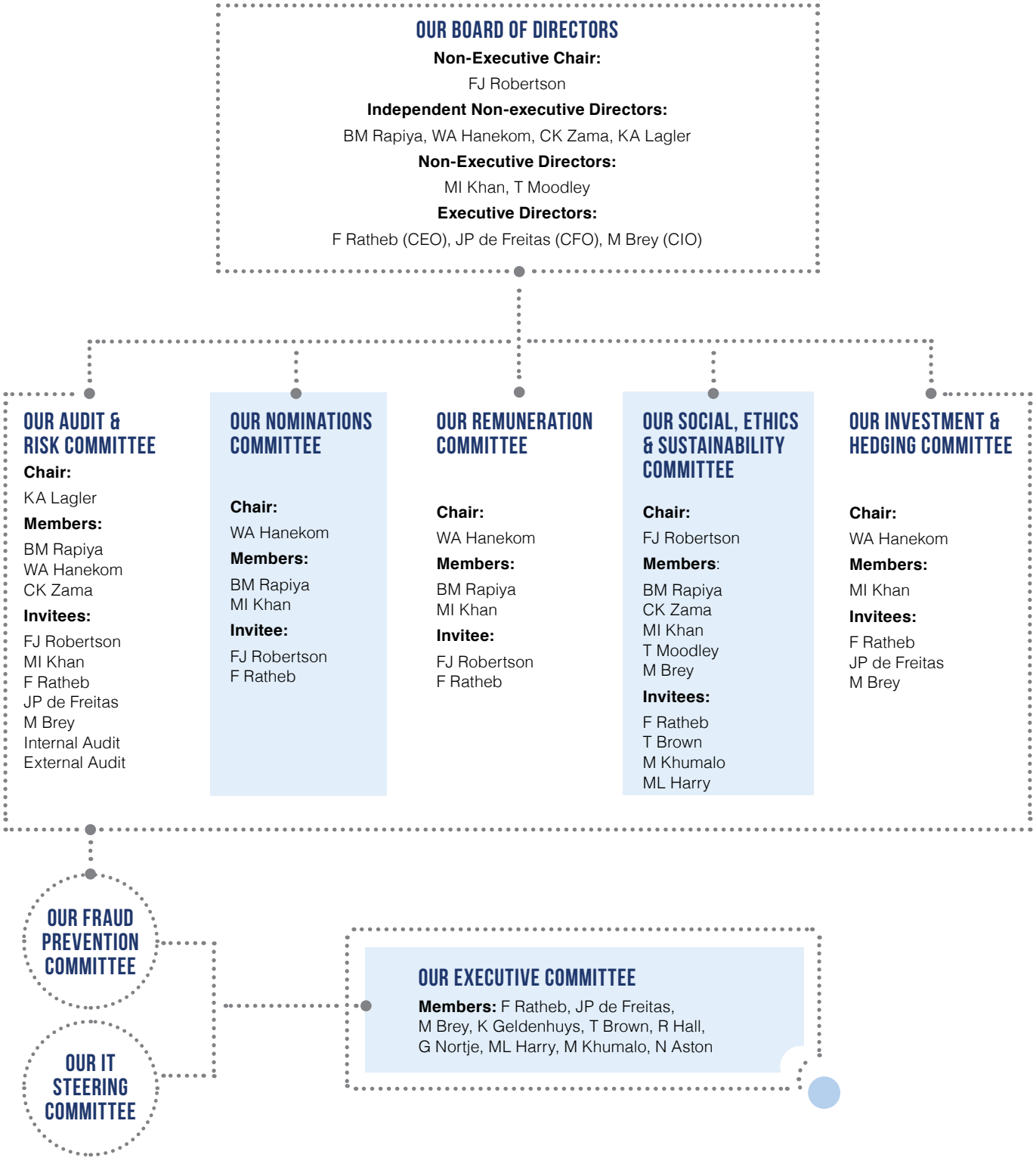
- Diverse opinions at Board level to improve decision-making;
- Comprehensive management reporting to the Board;
- Clear management accountability;
- Risk controls embedded in day-to-day processes and decision-making;
- Improved integrated reporting of all business aspects; and
- Appropriately prioritised engagement with various stakeholders.



Sea Harvest Group's Board of Directors

OUR GOVERNANCE STRUCTURE

The governance structure in operation within the Group for the 2018 financial year was as follows:



OUR GOVERNANCE AND LEADERSHIP CONTINUED

THE BOARD OF DIRECTORS

In fulfilling its leadership and oversight responsibilities, our Board of Directors is committed to creating value for our stakeholders within a framework of prudent and effective controls outlined in the Board Charter.

The responsibilities of the Board are defined in an approved Charter, which is reviewed by the Board on an annual basis and is aligned with the JSE Listings Requirements, the Companies Act and King IV™. The Charter clearly defines the individual and collective accountability of Board members, as well as its powers and responsibilities.

The Board Charter can be viewed on our website: www.seaharvest.co.za

BOARD COMPOSITION AND GOVERNANCE STRUCTURES

The effective discharge of the Board's duties is assured by having members with appropriate industry knowledge, appropriate qualifications and diverse experience.

The Non-executive Chair of the Board is Mr FJ Robertson. He is not independent as he is the Executive Chair of Brimstone, which is the Group's largest shareholder. To ensure good governance and as recommended by King IV™, Mr BM Rapiya is the appointed Lead Independent Director. The roles and responsibilities of the Board Chair and CEO are separated.

EXECUTIVE DIRECTORS



FELIX RATHEB (46)
Chief Executive Officer
Qualifications:
BSc (Hons) (ElecEng); MBA
Appointed to the Board: 2009



JOHN PAUL DE FREITAS (49)
Chief Financial Officer
Qualifications:
CA(SA)
Appointed to the Board: 2014



MUHAMMAD BREY (40)
Chief Investment Officer
Qualifications:
CA(SA)
Appointed to the Board: 2016

As communicated on the JSE Stock Exchange News Service (SENS), Mr LJ Penzhorn retired from the Board on 2 July 2018 after 42 years of service to the Company and the industry. The Board extends its tremendous thanks to Mr Penzhorn for his invaluable contributions over this period and wish him a happy retirement. On 2 July 2018, Ms KA Lagler, Ms CK Zama and Mrs T Moodley were appointed to the Board.

NON-EXECUTIVE DIRECTORS



FREDERICK J ROBERTSON (64)
Non-executive Chairman
Qualifications:
DPhil (h.c.)
Appointed to the Board: 2009



IQBAL KHAN (52)
Non-executive
Qualifications:
CA(SA)
Appointed to the Board: 2016



TILOSHANI MOODLEY (44)
Non-executive
Qualifications:
LLB
Appointed to the Board: 2018

In addition to the directors listed above, executive directors of key subsidiaries of the Group attend and provide submissions to the Board and/or sub-committee meetings, as required.

INDEPENDENT NON-EXECUTIVE DIRECTORS



MARSHALL RAPIYA (66)

Lead Independent Non-executive
Qualifications:
BAdmin
Appointed to the Board: 2016



ANDRÉ HANEKOM (60)

Independent Non-executive
Qualifications:
CA(SA)
Appointed to the Board: 2016



CAROL KHOLEKA ZAMA (41)

Independent Non-executive
Qualifications:
CA(SA)
Appointed to the Board: 2018



KARI ANN LAGLER (49)

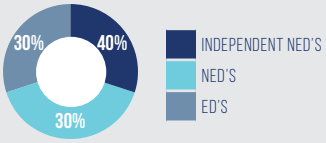
Independent Non-executive
Qualifications:
CA(SA)
Appointed to the Board: 2018

BOARD COMPOSITION

The Board is comfortable that it effectively discharged its governance roles and responsibilities and made strategic decisions objectively for the reporting period. The Board comprises the appropriate balance of knowledge, skill, experience, diversity and independence, with exposure to a wide enough range of perspectives to facilitate robust discussions of issues that arise.

COMPOSITION OF THE BOARD

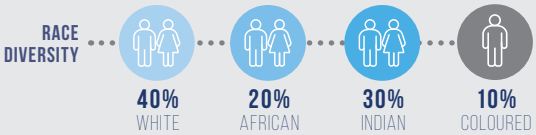
The Board has ten (10) directors, of whom seven (7) are non-executive directors, the majority of whom are independent non-executive directors.

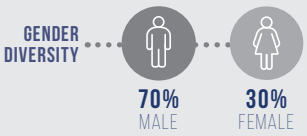


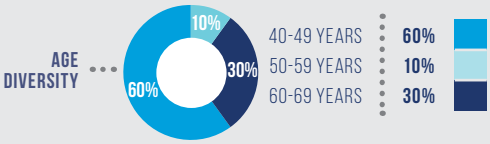
DIVERSITY OF INDEPENDENCE

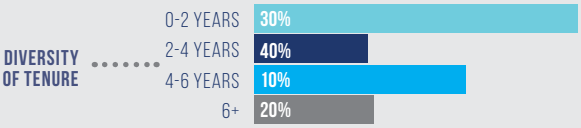
RACE AND GENDER DIVERSITY

The Board has established that, by 2020, 70% of its members should be historically disadvantaged individuals and 30% should be female. In July 2018, the Board approved the nomination of two female independent non-executive directors, Ms KA Lagler and Ms CK Zama, and one female non-executive director, Ms T Moodley, in line with the Company's diversity strategy. The Board is satisfied with progress made in respect of its self-imposed three-year diversity targets established in 2017.





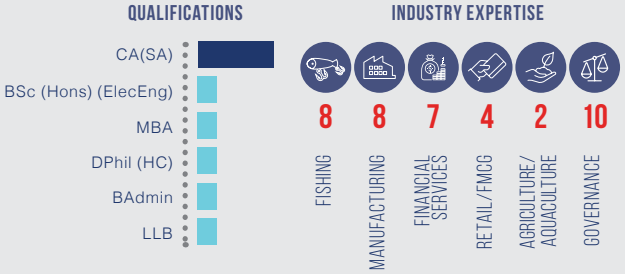




DIVERSITY OF EXPERIENCE, EXPERTISE AND QUALIFICATIONS

The Board has a variety of skills, expertise and experience in the fields of Fishing, Food Processing, Manufacturing, Financial Services, Retail/FMCG, Agriculture/ Aquaculture and Governance.

The directors appointed in 2018 further complement the Board's finance, compliance, audit and governance skills set and strengthen the effective leadership of the Board.



OUR GOVERNANCE AND LEADERSHIP CONTINUED

THE EXECUTIVE COMMITTEE

The Executive Committee is the principal operational committee within the Group. All directors, directors of key subsidiaries and executives attend and provide input to Committee meetings. This Committee is responsible for assisting the CEO in implementing the strategies and policies approved by the Board, whilst adhering to the highest standards of governance.

The Committee meet regularly, usually monthly, to consider the progress of the short-medium- and long-term strategies, as approved by the Board. Mitigations of barriers to the successful implementation of strategies are considered and deliberated under the Chairmanship of the CEO.



FELIX RATHEB (46)
Chief Executive Officer
Qualifications:
BSc (Hons) (ElecEng); MBA
Appointed to the Exec: 2006
Years at Sea Harvest: 15



JOHN PAUL DE FREITAS (49)
Chief Financial Officer
Qualifications:
CA(SA)
Appointed to the Exec: 2014
Years at Sea Harvest: 5



MUHAMMAD BREY (40)
Chief Investment Officer
Qualifications:
CA(SA)
Appointed to the Exec: 2016
Years at Sea Harvest: 6
(Includes four years as a managing executive at Brimstone)



MARY-LOU HARRY (59)
Human Resources Director
Qualifications:
BCom (Hons), ND: HR Management
Appointed to the Exec: 2008
Years at Sea Harvest: 11



MADODA KHUMALO (32)
Strategic Services Executive
Qualifications:
BSc, MSc (Oceanog)
Appointed to the Exec: 2015
Years at Sea Harvest: 5



GERRIT NORTJÉ (50)
Corporate Finance Executive
Qualifications:
CA(SA); ACMA
Appointed to the Exec: 2014
Years at Sea Harvest: 17



KONRAD GELDENHUYS (49)

Sales & Marketing Director
Qualifications:
MBA
Appointed to the Exec: 2013
Years at Sea Harvest: 10



NANA ASTON (34)

Group Company Secretary & Legal Advisor
Qualifications:
LLB, Compliance Management
Appointed to the Exec: 2017
Years at Sea Harvest: 2



TERENCE BROWN (43)

Operations Director
Qualifications:
ND: Engineering: Mechanical
Appointed to the Exec: 2014
Years at Sea Harvest: 8

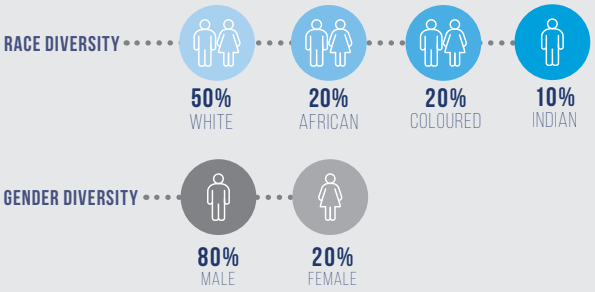


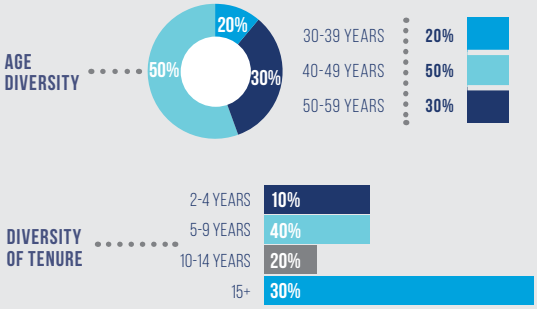
RUSSELL HALL (51)

Fleet Executive
Qualifications:
Maritime Qualification, ND: Cost Management Accounting
Appointed to the Exec: 2015
Years at Sea Harvest: 27

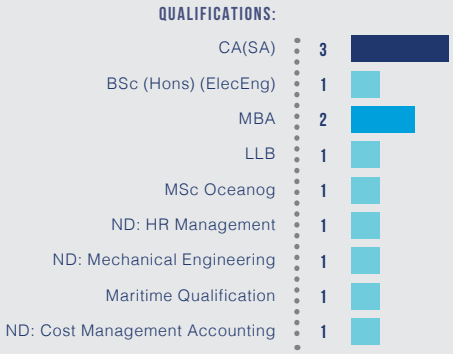
EXECUTIVE COMMITTEE COMPOSITION

RACE AND GENDER





DIVERSITY OF EXPERIENCE, EXPERTISE AND QUALIFICATIONS



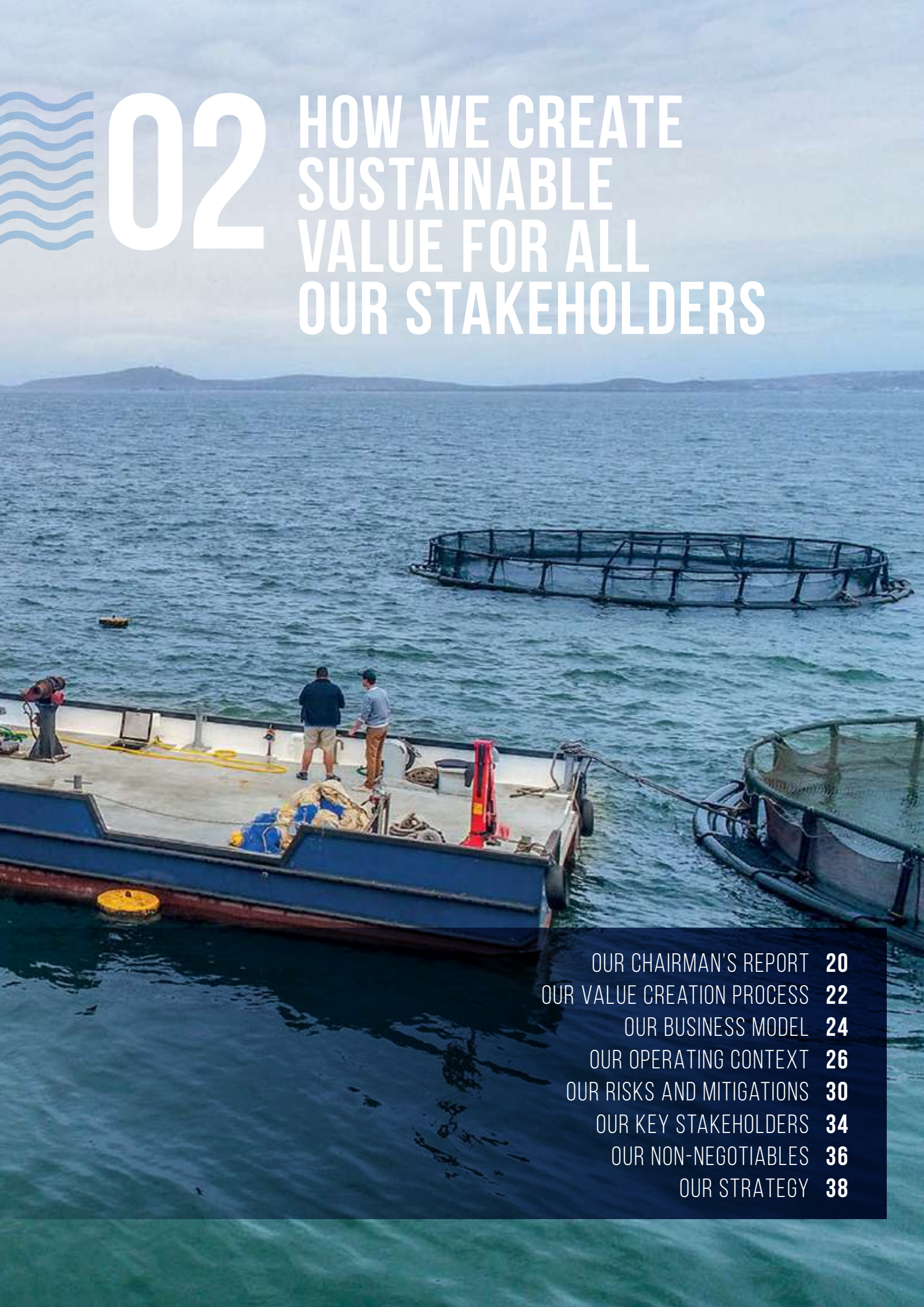
INDUSTRY EXPERTISE





Ocean trout cages in Saldanha Bay

02 HOW WE CREATE SUSTAINABLE VALUE FOR ALL OUR STAKEHOLDERS



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OUR CHAIRMAN'S REPORT



> "It was another monumental year for Sea Harvest. I acknowledge the superb effort of the leadership team in driving the Group's growth strategy and raking in a good performance."

FRED ROBERTSON CHAIRMAN

I am privileged to present the second Integrated Report of Sea Harvest Group Limited. The reporting period represented an exciting year for Sea Harvest, building onto a solid base and expanding our vision to be a champion South African fishing company with transnational ambition.

With global vision comes global challenges and the past year has presented another round of historic events which impact, albeit indirectly, all of us. On the International trade front, we have seen a trade war triggered between United States of America and China resulting in increased import tariffs. In the United Kingdom, there is still uncertainty about a deal to secure Britain's exit from the European Union. Across the Channel in France the yellow vests movement gained traction as violent protests erupted over fuel price hikes and the cost of living. In terms of climate change, last year was one of the hottest years on record, with heatwaves in Europe and wildfires in California. Humanitarian crises worsened in Venezuela, Syria, Central African Republic, Congo and South Sudan.

South Africa itself looked very different a year ago. Former president Jacob Zuma resigned and President Cyril Ramaphosa was sworn in as president, bringing in a new wave of hope and confidence for the country. President Ramaphosa launched a firm agenda of tackling corruption by establishing four commissions of inquiry relating to corruption and the capture of state resources in South Africa and we eagerly await the results of these commissions, especially that of the Zondo Commission. We are hopeful that a decisive course of action will be taken in respect of the perpetrators of corruption in both the private and public sectors.

Sadly, the South African economy delivered sluggish growth in 2018. According to Statistics South Africa, our country found itself in an economic recession in 2018, its second since the early 1990's. The 2018 recession spanned the first two quarters of the year, with the economy shrinking by 2.7% in the first quarter and contracting further by 0.5% in the second quarter. Despite the recession, positive growth of 2.6% in the third quarter and 1.4% in the fourth quarter helped push overall growth for the year to 0.8%, down from 1.4% in 2017.

The International Monetary Fund has lowered its projection for global growth to 3.5% in 2019 from a prior estimate of 3.7%. National Treasury is forecasting local growth of 1.5% for 2019, improving to 2.1% in 2021. Following a decade of economic weakness, there are early positive signs that the economy has begun to gain lost ground, however, continuous power outages will strangle growth and we look forward to the reconfiguration of Eskom.

With regard to the Sea Harvest Group, it was another monumental year for the business and, at the outset, I need to acknowledge the superb effort of Team Sea Harvest in driving the Group's growth strategy and raking in a good performance. An incredible amount of positive change took place in 2018 that will no doubt leapfrog the Group in achieving its vision of becoming a leading, responsible, diversified sustainable and global fishing and agri-business. Sea Harvest, having started as a small fishing company in a small Cape West coast town 54 years ago, is now a worthy transnational player in a competitive global industry with a market capitalisation of approximately R4 billion.

Although the 2018 results were slightly impacted by once-off acquisition costs and a slower than expected implementation of the Marel state-of-the-art technology in the largest of the two Saldanha Bay factories, the Group still recorded a satisfactory increase in revenue, while expanding its asset base to R4.9 billion at the end of 2018, up from R2.6 billion at the end of 2017.

The Sea Harvest team succeeded in pursuing a number of sizeable acquisitions in close succession – 100% of Viking Fishing, a majority share of Viking Aquaculture and 100% of Ladismith Cheese – while also remaining abreast of major change projects and overseeing the day-to-day operations of the business.
The Viking transaction allowed us to introduce two wholly black-owned companies into the South African fishing industry – the South African Fishing Empowerment Corporation (SAFEC) and Nalitha Investments Proprietary Limited (Nalitha). The ultimate beneficiaries of SAFEC are three community consortia and a charitable trust that represent communities on the West Coast, East Coast and KwaZulu-Natal.

Sea Harvest will also utilise its investment in Viking Aquaculture to create jobs in rural parts of the country, which is in line with Operation Phakisa, an initiative introduced by the South African government to address key priority areas, including job creation.

At the time of writing this report, Sea Harvest had just announced its intention to acquire the rest of its Australian subsidiary, Mareterram, with which it has a long history. The offer is not only good news for Sea Harvest but also for transformation in South Africa, as the benefits of this investment will flow directly to Sea Harvest's majority black shareholders and is aligned with our vision to create the first truly black owned global fishing and food company.

On the governance side, the Sea Harvest Group Board remains committed to good governance as defined by King IV™. We have consciously adopted an approach of ensuring that we do not put profits before ethics nor at the cost of satisfying the reasonable expectations of the Group's diverse stakeholders. Our drive is to build an organization that sets an example of ethical leadership and effective control, while achieving good performance and stakeholder legitimacy. During 2018, we welcomed new members to the Board and I am pleased to report that progress was made in creating a Board that reflects society, as well as our aspirations in terms of transformation and gender equity. The majority of the Board's members, and all sub-committees, are headed-up by non-executive directors, and three of our seven non-executive members are women.

As Chair of the Social, Ethics and Sustainability Committee, I am passionate about using the Group's position of influence to create opportunities and provide the support that will positively contribute towards the growth, empowerment and overall well-being of society, especially vulnerable groups like our children, the youth and local communities. I believe that we need to encourage all the youth in our country, especially those from previously disadvantaged backgrounds, to realise and achieve their full potential, despite the many challenges that they may face.

The Sea Harvest Foundation is the channel through which Sea Harvest allocates funds towards numerous community projects. The Foundation's specific focus areas are early childhood development; supporting the youth with bursaries, work readiness and career development opportunities; providing local schools with sporting equipment, which is aimed at stimulating learners' interest in sport and a healthy lifestyle, as well as trying to keep them away from a life of crime; partnering with the West Coast Business Development Centre to help aspiring entrepreneurs achieve their dreams; and promoting community health through our partnership with the Western Cape Social Development Department. The Foundation operates as a separate entity with its own processes and Board of Directors to ensure good governance.

Transformation and development within our workforce remain a key priority and our Human Resources Department was tasked with equipping a larger number of employees from previously disadvantaged communities with managerial skills, a process that I would like to see continue in the future. One of the many success stories within the Group is a young man who began working as a cleaner and is now studying aquaculture in China. Another is of a young man who was studying towards a Social Work degree, while working as a security guard. He was encouraged to join Sea Harvest in Saldanha where we assisted him to complete his degree. Through the Sea Harvest Employee Wellness Programme we also strive to provide staff with guidance to ensure their own and their immediate families' physical, financial, social and emotional wellbeing.

The sustainable management of our natural resources is another matter of priority for the Board. Acting responsibly is one of the non-negotiables for the Group and in doing so we are assured of retaining the Marine Stewardship Council certification for the seafood business which is an absolute commercial imperative to remain globally competitive. We also remain committed participants in the Responsible Fisheries Alliance. The completion of a desalination plant at Sea Harvest's Saldanha Bay operations was an unforseen, but necessary investment to secure the sustainability of the business amidst a water shortage that has threatened Western Cape communities since 2016. Going forward, the Board will seek to understand the expanded scope of matters relating to sustainability in respect of the businesses recently acquired.

In conclusion, 2019 promises to be an exciting year with clear deliverables that need to be achieved to extract the expected benefit from the recent acquisitions and efficiency projects implemented in 2018. It will also be a challenging year in which the businesses acquired will need to be properly integrated into the Group and a consistent culture of high performance, ethics, strong leadership and satisfactory stakeholder engagement is established throughout the Group.

I would like to congratulate the executive, management and the entire Sea Harvest and Viking workforce who continue to drive the Group on its growth trajectory. I thank the board for the good counsel, our shareholders and stakeholders including the Department of Agriculture, Forestry and Fisheries for their continued constructive engagement that enable us to deliver and exceed their expectations.

Fred Robertson
Chairman

11 April 2019

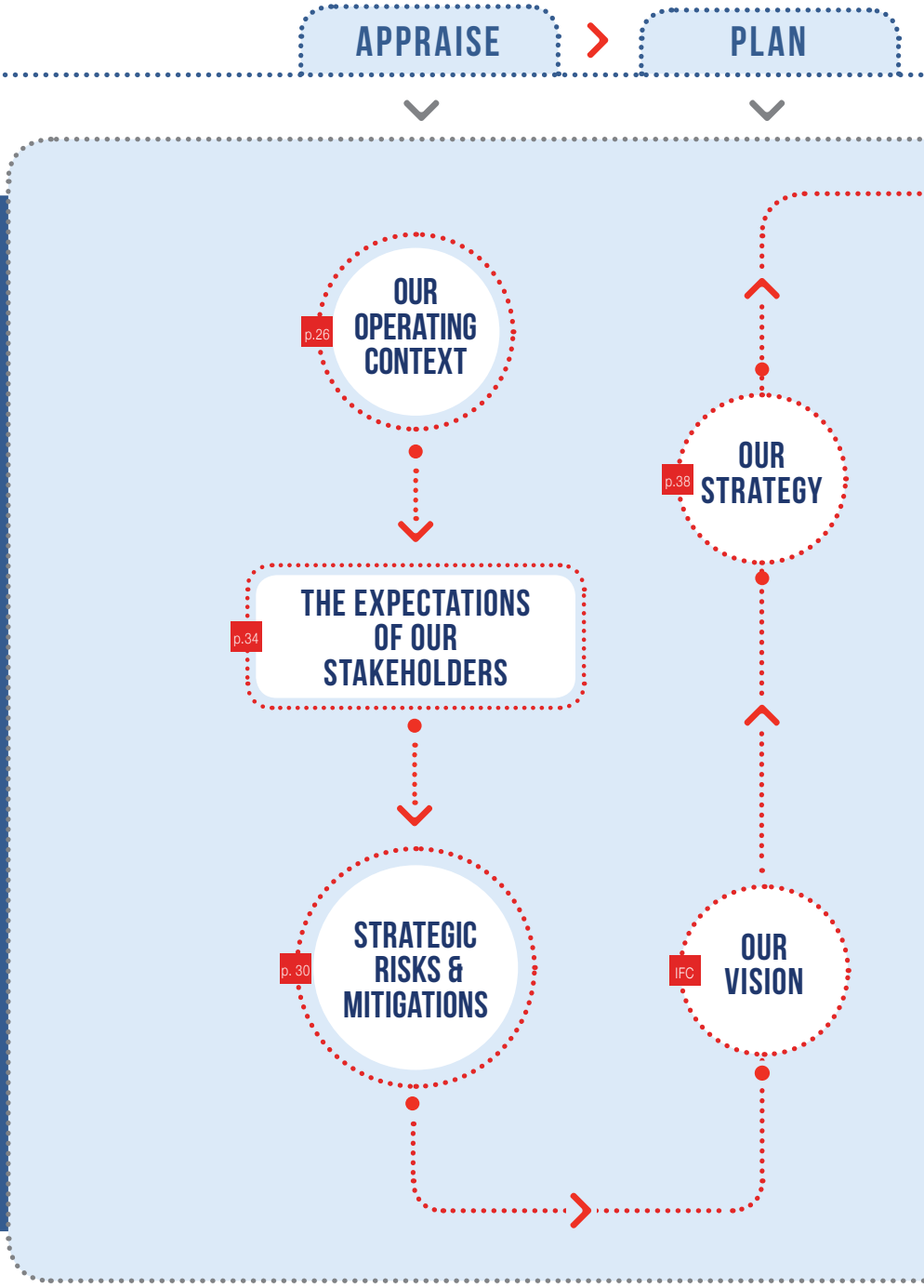


Sea Harvest Board Chairman, Fred Robertson (third from left), and Sea Harvest CEO, Felix Ratheb (centre), with staff at a Chairman's breakfast.

OUR VALUE CREATION PROCESS

Integral to Sea Harvest's ability to create value is its strong relationships with its key stakeholders. Investing in relationships has paved the way for the Group to understand and manage the expectations of its stakeholders and accept a set of non-negotiables in its value creation process.

Today, Sea Harvest is not only focused on generating profits but also on contributing to the empowerment of local communities and society at large – a culture that is an integral part of the Group's DNA.



OUR OPERATING CONTEXT

- South African regulatory policy uncertainty, due to Fishing Rights Allocation Process (FRAP) 2020
- Healthy wild-capture species (biomasses)
- Lower Shark Bay prawn catches
- Strong international demand for high-quality wild-caught and farmed species
- Challenging local economic environment with green shoots of recovery
- Volatile Rand
- Fuel price trending upwards

KEY STAKEHOLDERS

- Employees and Labour Unions
- Shareholders
- Funders
- Government and Regulators
- Fishing Industry Partners
- Customers and Consumers
- Suppliers and Service Providers
- Communities and non-governmental organisations (NGOs)

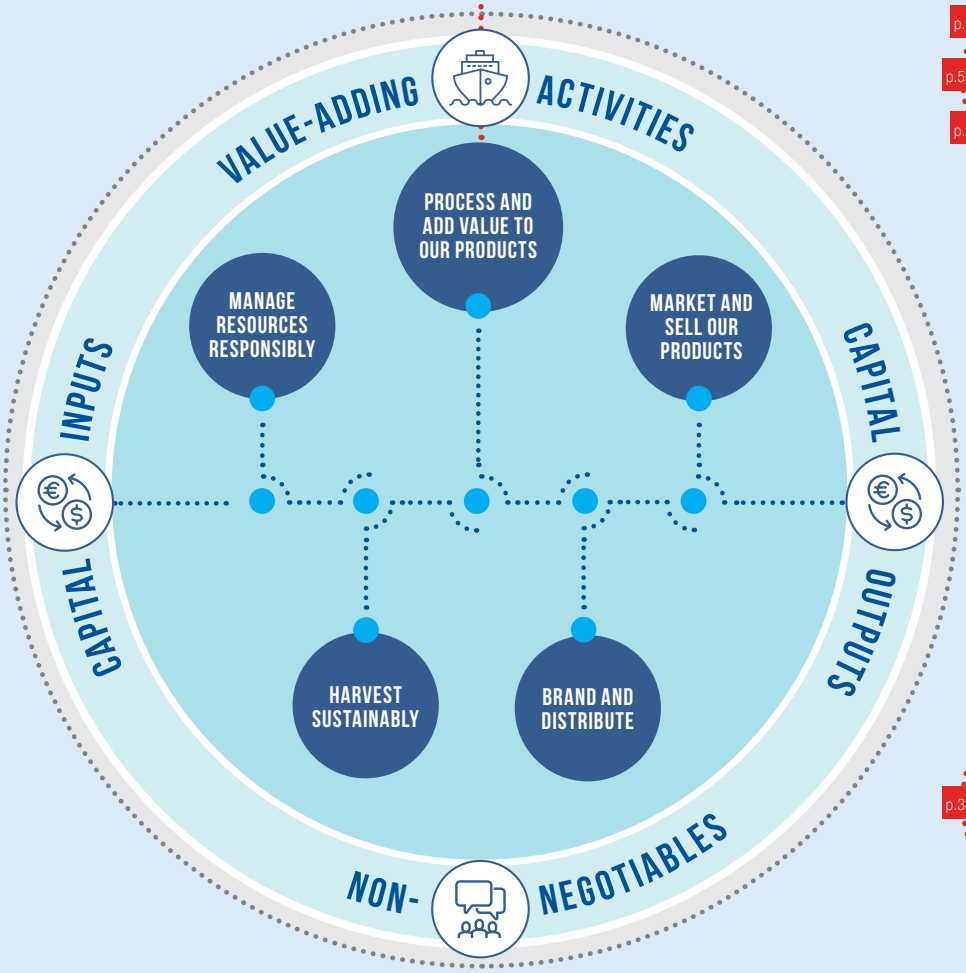
TOP 10 RISKS

- Loss of quota due to FRAP 2020
- Failure of food safety standards
- Availability of hake resource
- Macroeconomic factors
- Loss of major assets
- Negative impact on reputation
- Business interruption
- Dilution of black shareholding
- Acquisition integration challenges
- Scarcity of critical skills

EXECUTE

EVALUATE

GOVERNANCE



REPORT ON PERFORMANCE
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VALUE CREATED FOR STAKEHOLDERS
p.34

OUR NON-NEGOTIABLES

- Operating efficiently
- Driving transformation
- Protecting our brand and reputation
- Managing relationships
- Optimising financial capital
- Acting responsibly

MOTIVATOR

- Capital and labour-intensive industry; scarce natural resource
- Promote previously marginalised individuals' access to the economy
- Differentiate in a highly competitive global market
- Critical to value creation, especially operating in a regulated and competitive industry
- Satisfy expectations of key stakeholders, and remain profitable in a capital-intensive industry
- Build and maintain reputation as a good corporate citizen

OUR BUSINESS MODEL

Our business model shows how the Group relies on the Capitals outlined in King IV™ to operate our business. Through investment and its operating activities, the Group was able to transform the Capitals to generate an output that delivered significant value for our various stakeholders.

More detailed information about each Capital is provided on pages 46 to 56 of this report.

It is important to note that information recorded for 2017 excluded inputs from Viking Fishing division and Viking Aquaculture, which were only incorporated into the Group from July 2018.

OUR CAPITAL

FINANCIAL CAPITAL

The Group used equity, debt and internally generated cash to fund organic and acquisitive growth during 2018. p.52

MANUFACTURED CAPITAL

We define our manufactured capital as all the tangible assets needed for our operations. This includes processing facilities, vessels, offices, cold store and distribution facilities, and aquaculture production facilities. p46

NATURAL CAPITAL

The Group requires access to natural resources, including various fish species, water, energy and land to operate. p.47

HUMAN CAPITAL

The success of Sea Harvest's operations is dependent on the availability of skilled and semi-skilled people. p.48

INTELLECTUAL CAPITAL

We define our intellectual capital as our intangible assets, namely, our brands and reputation, as well as the extensive know-how and experience of our employees. p.49

SOCIAL AND RELATIONSHIP CAPITAL

Our social and relationship capital is the value derived from our stakeholder relationships and the goodwill generated from our socio-economic investments. p.50

VALUE-ADDING ACTIVITIES

SOUTH AFRICA:

Fishing up to 120 nautical miles from the shore at depths of up to 800 metres;

Farm various species of fish and shellfish;

Processing and adding value to product;

Packing, freezing and storing product;

Marketing and selling products;

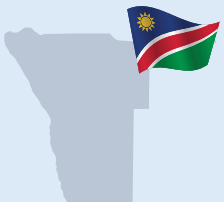
Marketing two international food brands;

Distributing product.



NAMIBIA

Growing and harvesting oysters for marketing in South Africa.



MOZAMBIQUE

Fishing, grading, packing and freezing prawns on board vessels.



AUSTRALIA:

Fishing in water depths of 10 to 40 metres, grading, freezing and packaging fish species at sea;

Storing, marketing and distributing seafood and other food products.



OUTPUTS

220 PREMIUM QUALITY PRODUCTS

for our customers who are retailers and foodservice providers locally and internationally in 26 countries around the globe







KEY OUTCOMES

- 21% Increase in revenue in 2018 vs. 2017
- 14% Increase in earnings before interest and tax (EBIT)
- 18% Increase in headline earnings in 2018 vs. 2017
- 29% Increase in dividends per share in 2018 vs. 2017

- Acquisition of 100% of Viking Fishing and 51% of Viking Aquaculture
- Acquisition and conversion of *Harvest Mzansi* to a hake factory freezer trawler
- Installation of state-of-the-art Icelandic-designed 'Marel' fish processing facility in Saldanha
- Acquisition of two Spanish mackerel packages in western Australia

- MSC certification retained for South African hake and Australian Shark Bay prawn products
- Cape hake biomass at maximum sustainable yield (MSY)
- 99% Score achieved in Marsh environmental audit

- R654 million paid in salaries and wages
- R120 million pay-out of Viking Employee Share Trust to Viking staff
- R35 million Employee Staff Trust formed for Viking employees
- R2 million pay-out in dividends to Sea Harvest Employee Share Trust

- Significant increase in intellectual capacity resulting from acquisition of Viking Fishing and Viking Aquaculture businesses
- R33 million spent on various skills development initiatives
- 1 600 staff attended learning and development sessions

- Achieved a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) contributor status with a score of 100.37
- Retained 80% black-ownership
- Recognised as "The Most Empowered Company on the JSE" in the fishing and food sectors
- Established a R100 million Fisheries Development Fund for Small, Medium and Micro-sized Enterprises (SMMEs) in partnership with Brimstone
- Sea Harvest invested c. R3 million in community projects

OUR OPERATING CONTEXT

Sea Harvest is a global fishing, aquaculture and food business with operations in South Africa, Namibia, Mozambique and Australia. We market and distribute premium, sustainably sourced seafood and other products to 26 countries around the world. The external environment in which we operate has a direct influence over our business model and impacts our ability to create value for our varied stakeholders. Understanding our operating context is important as it influences what we do to mitigate risks identified within the external environment and harness emerging opportunities.

During the year under review, we analysed the political, economic, social and environmental factors that influence our business in the jurisdictions in which we operate and identified the following seven trends that have already, or may in the future, materially impact on Sea Harvest's operations and our ability to create value for all our stakeholders in the short-, medium-, and long-term.

SOUTH AFRICAN REGULATORY POLICY UNCERTAINTY DUE TO FRAP 2020

- The Fishing Rights Application Process (FRAP) for the Hake Deep-Sea Trawl, Small Pelagics, KZN Prawn Trawl and Tuna Pole-Line sectors are scheduled to be completed during 2020, with new rights coming into force with effect from 1 January 2021.
- The FRAP policies governing how the relevant sectors will be allocated are yet to be published at the time of writing this report and, as a result, the industry is not clear about the evaluation criteria that will be used.
- There is a risk that there will be greater focus on increasing participation of new black entrants within the relevant sectors, potentially negatively impacting the allocation of rights to existing participants, as the total allocation is likely to remain the same.

IMPACT

- A potential reduction in Sea Harvest's quota allocation will result in lower catches and consequently lower sales and revenue.
- Quota allocations are directly proportional to the number of jobs created and, therefore, a reduction in quota will most likely translate into job losses within the rural communities in which we operate.
- Could result in factory closures and the need to re-engineer the business in order to protect margins and the signifcant job losses.

HOW WE HAVE RESPONDED

- Sea Harvest dedicated significant effort and resources to driving transformation within its business and the industry, as per government's objectives for the fishing sector.
- The Company has increased its black shareholding from 21% in 2005 to 80% in 2018. During the year under review, over 70% of senior management were from previously disadvantaged backgrounds. This commitment to transformation has resulted in a Level 1 rating on the B-BBEE scorecard.
- The deep-sea hake industry in which Sea Harvest is a key participant undertook a socio-economic study to illustrate the value currently created by the industry through job creation, investment, export revenue, SMME support and beneficiating in predominantly rural areas, all underpinned by an industry whose black-ownership was 30% in 2005 and over 65% in 2018. The results of the study were shared with various government institutions.

HEALTHY WILD-CAPTURE SPECIES (BIOMASSES)



Product harvested, processed and packaged at sea.

- DAFF, supported by scientists from the University of Cape Town and industry, actively manage South Africa's fish resource through limiting fishing effort and the allocation of a scientifically evaluated annual total allowable catch (TAC).
- Throughout the year, surveys and stock assessments for targeted species were conducted periodically to evaluate the health of the fish species and make adjustments to the TAC or fishing effort when necessary.
- In the hake sector, since its peak of 156,000 tons in 2013, the TAC decreased by 15% to 134 000 tons in 2018 in order to allow for the growth of the specie. This was also done in other sectors, such as small pelagics, in order to ensure that the specie fulfils its growth objectives.
- Stock assessments undertaken in 2018 indicated that, as a result of the reductions in TAC, the hake biomass reached MSY and because of this, the hake TAC for 2019 was increased by 10% and will be kept constant in 2020. In addition, the improved health of the hake biomass resulted in higher catch rates and improved size mix.
- Small pelagics (anchovies and sardines) are still under pressure and further TAC cuts are possible in the near future.

IMPACT

- A 10% increase in hake TAC will translate into a 10% increase in catches, sales and revenue from the specie;
- Small pelagics continue to be under pressure, while large pelagics (i.e. tuna) and the KZN Prawn Trawl continue to exhibit satisfactory catch rates; and
- Improved catch rates resulted in a reduction in the trawling cost per kilogram, benefiting margins.

HOW WE RESPONDED

- Through our leadership roles within the South African fishing industry, Sea Harvest actively promoted the sustainable management of the country's marine resources through responsible fishing practices.

LOWER SHARK BAY PRAWN CATCHES, BUT IMPROVED SIZE MIX



Prawn harvested by Mareterram in western Australia.

- The 2018 Shark Bay prawn catch volumes of 540 tons were approximately 300 tons (35%) lower than 2017;
- In 2018 the Shark Bay prawn season commenced one month later compared to 2017.

IMPACT

- The 2018 lower prawn catch volumes negatively impacted revenue, which was 9% lower compared to 2017;
- The delayed start to the prawn catching season resulted in a larger average size of prawn caught and consequently a higher average price achieved, compared to 2017.

HOW WE HAVE RESPONDED

- Mareterram management are actively engaging with the Department of Primary Industry and Regional Development (DPIRD), which oversees the management of the fishery, to develop a range of strategies to optimise prawn spawning, recruitment and protection to ensure a rebound of the prawn catch rate;
- Mareterram management engaged with the Western Australian Fisheries authorities to motivate for a later start to the prawn catching season in 2018; and
- The negative impact on earnings of the lower prawn catch was partly offset by reduced fixed overheads following a significant restructure across the business that focused on the adoption of leaner principles of operation.

CONTINUED STRONG DEMAND FOR HIGH-QUALITY SPECIES SUCH AS WILD-CAUGHT CAPE HAKE, SHARK BAY PRAWN AND FARMED ABALONE



Freshly caught Cape hake, scientifically known as merluccius paradoxus.

- Increasing populations, together with a growing global trend towards healthier sources of protein, is driving an increased demand for fish globally;
- The supply of wild-caught fish remains static;
- An increasing demand for seafood from China is absorbing global seafood supplies, positively impacting pricing in our traditional markets;
- Cape hake and Shark Bay prawn are sought-after wild-caught, MSC-certified species, with limited supply, which are in high demand globally, and in particular, in our key markets of Europe and Australia; and
- South African abalone is a highly regarded specie and in high demand, particularly in China and Hong Kong.

OUR OPERATING CONTEXT CONTINUED

IMPACT

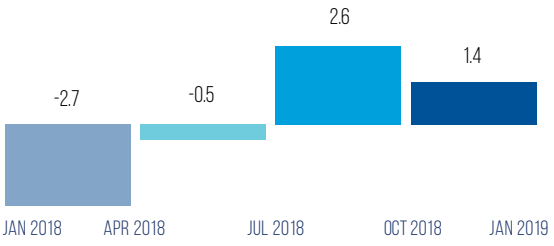
The positive demand dynamic with global demand for wild-caught species, such as Cape hake, Shark Bay prawns and South African farmed abalone exceeding supply, enables continued firm export pricing in the markets within which we operate.

HOW WE HAVE RESPONDED

- Sea Harvest acquired an additional factory freezer vessel, the *Harvest Mzansi*, whose frozen-at-sea product is targeted towards more lucrative export markets.
- Sea Harvest continues to leverage its global sourcing strategy to supplement the local market, using co-packed product and raw material, enabling valuable MSC-certified catches to be directed to more lucrative MSC export markets.
- The acquisition of 51% of Viking Aquaculture provides the Group with access to 500 tons of abalone with expansion to 1000 tons approved.

CHALLENGING LOCAL ENVIRONMENT WITH GREEN SHOOTS OF RECOVERY

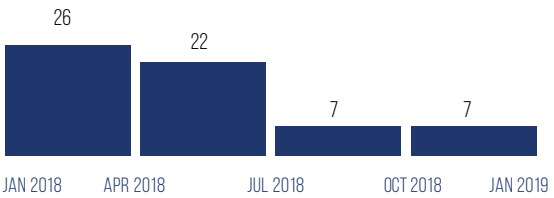
- In 2018, South Africa entered its second recession since the early 1990s, with the economy contracting by 2.7% in the first quarter and a further 0.5% in the second quarter of the year.
- The second half of the year saw some economic recovery with growth of 2.6% reported in the third quarter and 1.4% in the fourth quarter, resulting in an overall real annual growth rate of 0.8% for the full year. This was down on the 1.4% reported in 2017, but up form the 0.4% in 2016.



GREEN SHOOTS OF RECOVERY

Source: Tradingeconomics.com | Statistics South Africa

- The Consumer Confidence Index (CCI) fell sharply from a high of 26 experienced in the first quarter of 2018, following President Cyril Ramaphosa's successful presidential bid, to 7 in the final quarter of the year. This level was still well above the CCI levels of between -3 and -15 experienced during the final years of former President Zuma's regime (2015-2017).



THE CONSUMER CONFIDENCE INDEX

Source: Tradingeconomics.com | Bureau for Economic Research

IMPACT

- Consumer spending was under pressure during 2018, impacted by increasing fuel prices, an increase in the value added tax (VAT) rate, a slow-down in private sector credit extension and higher unemployment. The challenging South African economic environment saw retail sales under pressure during 2018.

HOW WE HAVE RESPONDED

- Maintaining sales volumes and market share within the challenging South African economic environment during 2018 required increased discounting and promotional activity, which resulted in a reduction in price within the local retail channel compared to 2017.

VOLATILE RAND



RAND-EURO EXCHANGE RATE

Source: www.xe.com

- The Rand remained volatile throughout 2018, strengthening to levels of R14.20 to the Euro in the early part of the year following the end of the Zuma regime and President Ramaphosa's successful bid for the presidency. Following the early gains, the Rand weakened dramatically through the second and third quarter, reaching a low of R17.80 to the Euro in September. The Rand regained some of its losses in the fourth quarter reaching R16.50 by the year-end.

IMPACT

- Exports make up 51% of Sea Harvest's South African revenue and, as such, the Rand exchange rate has a significant direct influence on Sea Harvest's reported revenue.
- During 2018, the movements in the Rand had an overall positive 5% impact on average export selling prices achieved.

EXPORTS MAKE UP 51%

OF SEA HARVEST'S SOUTH AFRICAN REVENUE

HOW WE HAVE RESPONDED

- In order to mitigate the impact of a strengthening Rand on the Group's results, Sea Harvest has an established hedging policy, which is reviewed annually and approved by the Investment and Hedging Committee and the Board.
- In accordance with the approved hedging policy, Sea Harvest hedges 50% of its export sales as a matter of course, and up to 75% with the specific approval of the Investment and Hedging Committee.
- Sea Harvest covered 62% and 70% of the 2018 Euro and Australian Dollar exposure respectively, using Forward Exchange Contracts and recorded a foreign exchange gain of R33 million for 2018.

FUEL PRICE TRENDING UPWARDS



BRENT CRUDE OIL

Source: www.macrotrends.net

- The price of Brent Crude spent most of the year on a strengthening trajectory, starting the year at $66 per barrel and reaching a high of $84 per barrel in October, benefiting from Organisation of the Petroleum Exporting Countries (OPEC) and non-OPEC production cut agreements, the US decision to withdraw from the Iranian nuclear deal and concerns regarding Venezuela's oil production. During the fourth quarter, the Brent Crude price weakened sharply ending the year at $51 per barrel. The average Brent Crude price was $71 per barrel in 2018, compared to $55 per barrel in 2017.
- The Rand opened the year at R12.38 against the US Dollar (USD), strengthening to R11.66 in early March on the back of positive sentiment following the political changes earlier in the year. The Rand then weakened to R15.32 against the USD in early September, before recovering to R14.36 at year-end.
- As a result of the above two drivers, the average Rand cost of fuel increased by 23% in 2018 compared to 2017.

IMPACT

- The Sea Harvest fleet consumed c. 30 million litres of fuel in 2018 and, as a result, the movement in the price of Brent Crude, the Rand and Australian Dollar exchange rates relative to the USD, had a significant impact on the cost of fuel, which comprises c. 12% of the Group's total Cost of Sales.
- The higher average fuel price resulted in a R33 million increase in the cost of fuel in 2018 compared to 2017.

HOW WE HAVE RESPONDED

- In order to mitigate the impact of rising fuel prices, in 2017 Sea Harvest hedged 50% of its diesel exposure for the 2018 year.
- During 2018, Sea Harvest recorded fuel hedge gains of R7 million during the year, partially offsetting the impact of the higher fuel price.



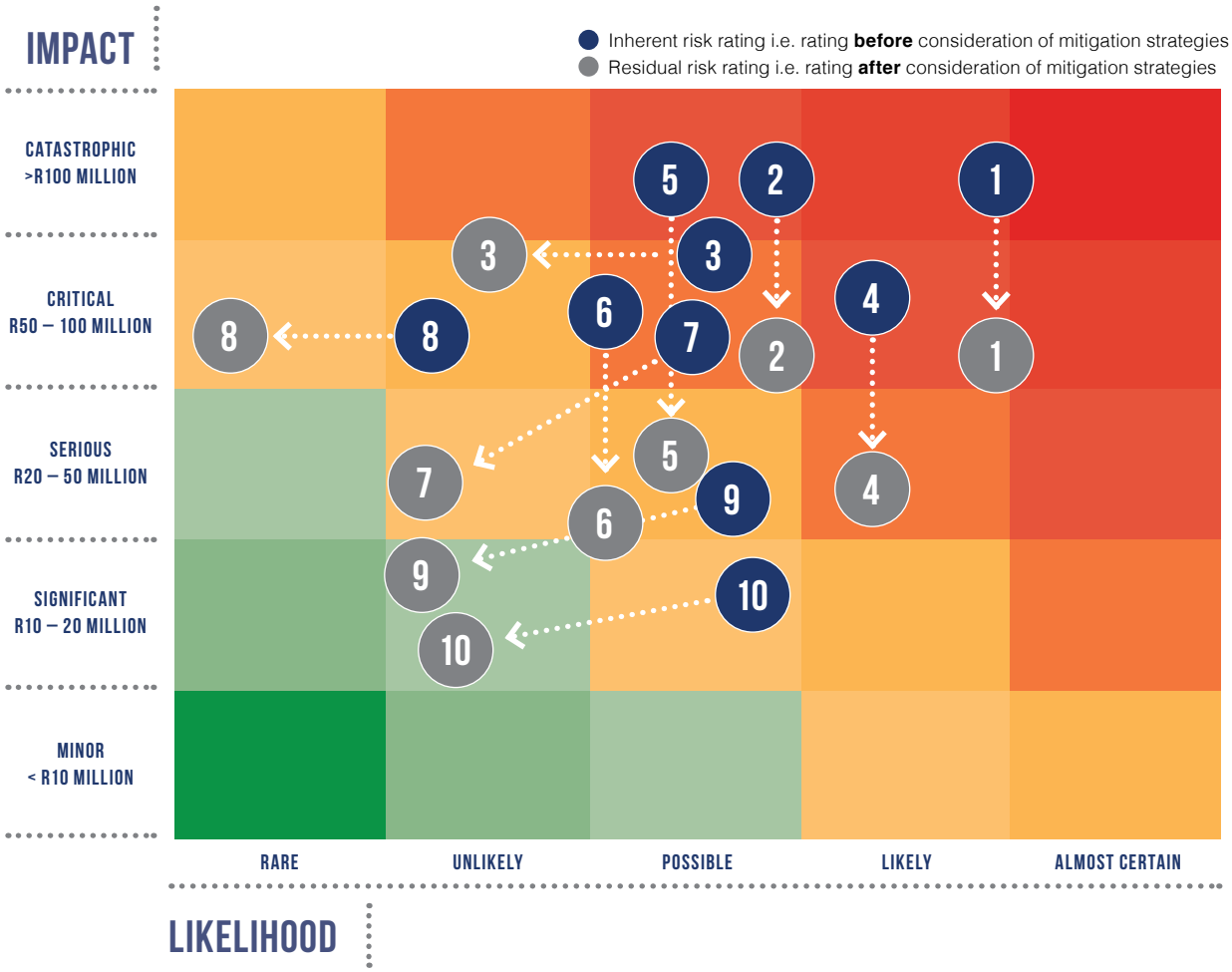
Product being offloaded from a vessel.

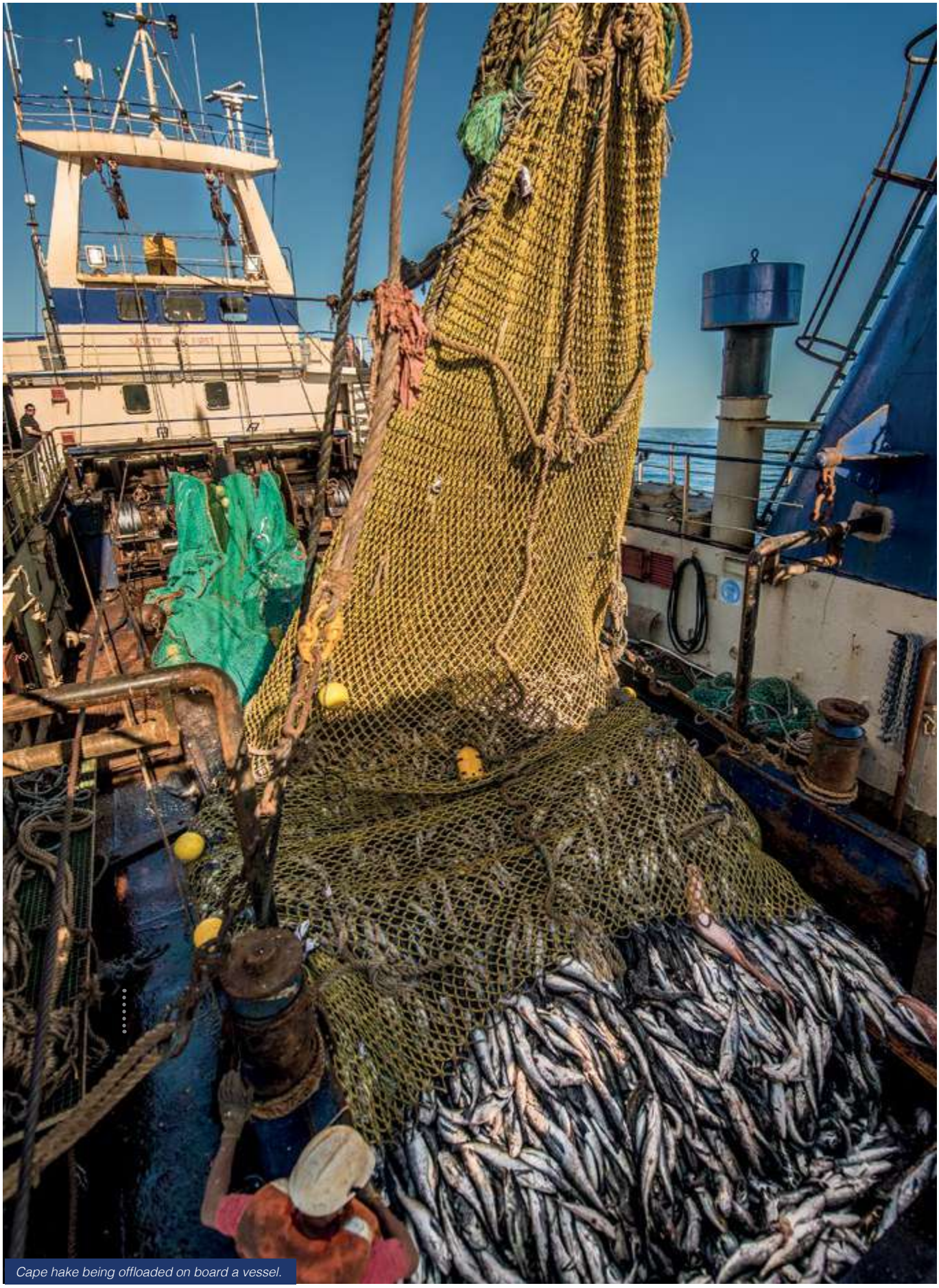
OUR RISKS AND MITIGATIONS

IDENTIFYING OUR MOST SIGNIFICANT RISKS

We consider each risk's potential impact on the achievement of the Group's sustainability, profitability and strategy, as well as the probability of each materialising. The risk rating position on the heat map below considers both the inherent and residual risk position after interrogating the effectiveness of mitigation strategies and actions. We have ranked these risks in order of significance, although we recognise that these positions may change during the year. Associated controls and mitigations may include a forward-looking view of the risks and mitigations, which may have an impact on the future performance of the Group. Sea Harvest's Audit and Risk Committee actively monitors key risks and associated mitigation plans to ensure they are appropriate.

RISK 1	LOSS OF QUOTA DUE TO FRAP 2020
RISK 2	FAILURE OF FOOD SAFETY STANDARDS
RISK 3	AVAILABILITY OF HAKE RESOURCE
RISK 4	MACROECONOMIC FACTORS
RISK 5	LOSS OF MAJOR ASSETS
RISK 6	NEGATIVE IMPACT ON REPUTATION
RISK 7	BUSINESS INTERRUPTION
RISK 8	DILUTION OF BLACK SHAREHOLDING
RISK 9	ACQUISITION INTEGRATION CHALLENGES
RISK 10	SCARCITY OF CRITICAL SKILLS





Cape hake being offloaded on board a vessel.

OUR RISKS AND MITIGATIONS CONTINUED

RISK	INHERENT RISK CONSIDERATIONS	CONTROL AND MITIGATION ACTIONS
RISK 1 **LOSS OF QUOTA DUE TO FRAP 2020**	• Uncertainty with regard to the regulator's policy of allocating fishing rights; and • New entrants into the fishing sector with resultant fragmentation could lead to a reduction of fishing rights allocated to the Group.	• Diversification of revenue streams; • Retention of Level 1 on B-BBEE scorecard and strong black-ownership credentials at c. 80%. • Creation of jobs in predominantly rural areas with skills development, procurement from suppliers and corporate social investment mainly directed at previously disadvantaged individuals and groups; • Engaged with government stakeholders through a rigorous stakeholder management process to illustrate the commercial and socio-economic value created in the commercial fishing sectors in which Sea Harvest is involved; and • Appointment of strategic team for FRAP 2020.
RISK 2 **FAILURE OF FOOD SAFETY STANDARDS**	• Failure in food safety standards resulting in product recall could negatively affect the Group's brand, reputation and earnings/share price.	• Strict compliance with the highest food safety standards, which are regularly audited by various local and international regulatory bodies; • Specialised in-house quality assurance teams in place; • Comprehensive public liability insurance; and • Constant social media monitoring and skilled in-house reputation management capability.
RISK 3 **AVAILABILITY OF HAKE RESOURCE**	• Poor health of biomass could negatively impact catch rates; and • Climate changes affecting availability and health of biomass.	• Active participation in industry standard setting organisations to champion sustainability agenda e.g. the South African Deep-Sea Trawling Industry Association (SADSTIA) chair; scientific sub-committee chair; representation on Board of MSC; and RFA partner; • Continued support of an ecosystem approach to fisheries management underpinned by robust scientific research; • Industry support to ensure continued stock assessments occur; • Support for government and industry to ensure effectiveness of research; • Global sourcing strategy to mitigate TAC reductions; • Diversification into aquaculture; and • Endeavours to champion accreditation by MSC.
RISK 4 **MACROECONOMIC FACTORS**	• **Currency:** changes to political landscape and international sentiment towards South Africa resulting in Rand strength; • **Fuel:** Increasing international fuel costs resulting in Cost of Sales increases; and • **Global economic factors:** Global Macroeconomic factors, such as interest rate hikes, Gross Domestic Product (GDP) growth rates in markets in which the Group trades, foreign governments' monetary policy, etc, impacting consumer confidence and demand for premium priced products, such as Cape hake.	• Application of sound foreign currency and fuel hedging practices in line with approved polices and South African Reserve Bank criteria; • Pricing/market mix action to mitigate impact of Rand volatility; • Cost reduction and efficiency plans to compensate for lost revenue to protect bottom-line earnings; and • Delivery of efficiency benefits from investments in fleet and factories.
RISK 5 **LOSS OF MAJOR ASSETS**	• Loss of major assets; and • Loss of biological assets due to disease or events such as red tide.	• Fit-for-purpose maintenance strategies and business continuity plans in place; • Fire defence, including fire teams and training with suitable fire-fighting equipment; • Comprehensive safety-at-sea programme; • Viking acquisition allows for multiple operational sites in the event of a continuity incident; • Multiple aquaculture sites to manage biological risk or disease; and • Comprehensive insurance in place.

RISK	INHERENT RISK CONSIDERATIONS	CONTROL AND MITIGATION ACTIONS
RISK 6 **NEGATIVE IMPACT ON REPUTATION**	• Negative social media campaign; and • Loss of MSC certification.	• Maintenance of MSC certification until 2020; • Crisis Communication Framework developed; and • Constant social media monitoring and skilled in-house reputation management capability.
RISK 7 **BUSINESS INTERRUPTION**	• Prolonged (>1 month) disruption of business operations due to lack of availability of key services e.g. water, electricity; • Industrial action resulting in extended periods of unproductivity (>1 month); and • Business disruption as a result of cyber attack.	• Desalination plant installed at Saldanha Bay facility; • Back-up generator for Saldanha Bay cold store in place; • Focused disaster recovery plans in place within individual business units; • HR climate survey conducted and focused communication strategy implemented; • Operational diversification through Viking acquisition providing alternative operational sites in the event of a continuity incident; • Information technology (IT) disaster recovery plan in place; • Comprehensive cyber security strategy; and • Business interruption insurance in place.
RISK 8 **DILUTION OF BLACK SHAREHOLDING**	• Loss of long-term fishing rights if the Group's black shareholding falls below level when rights were issued; or change in control when rights are transferred; and • Reduction of Brimstone's black shareholding.	• Careful management of share register and placement of equity with black shareholders; • Brimstone to follow rights in event of capital raise; and • Brimstone subscribed for additional shares via a vendor consideration placing in early 2019 resulting in an increase in its shareholding to 54.2%.
RISK 9 **ACQUISITION INTEGRATION CHALLENGES**	• Challenges with integration of acquisitions could impair or delay delivery of synergies, negatively impacting earnings; • Cost of introducing required corporate governance, controls and reporting capacity could increase costs of Viking acquisition, negatively impacting earnings; and • Time required to address shortfalls in overall control and compliance environment could expose the Group to contravening regulations until addressed.	• Establishment of integration workstreams with defined responsibilities and timeframes; • Recruitment of specialist project management resources for duration of integration projects; • Internal audit resources and planned scope extended to include acquisitions; and • Marsh Risk Control baseline audits to be undertaken to obtain full understanding of risk control areas requiring improvement.
RISK 10 **SCARCITY OF CRITICAL SKILLS**	• The ability of the Group to sustain operations without interruption could be affected by lack of available/ loss of critical skills e.g. skippers, chief engineers and specialist skills within the aquaculture operations of the Group.	• Succession planning in place for key positions; • Development of in-house training capability; • Leverage of depth of skills across Group subsidiaries; and • Retention strategies for key management including short-term incentives ("STI") and long-term incentives ("LTI").

OUR KEY STAKEHOLDERS

During 2018, Sea Harvest engaged in a process of reviewing and mapping all stakeholders directly or indirectly affected by its business. This process will continue in 2019 to ensure that there is a proper understanding of the stakeholders affected by the Group's activities. Every level of management, especially the Board, is cognisant of the need to manage and respond to the reasonable expectations of all stakeholder groups. This resulted in several empowerment and social transformation initiatives not primarily focused on driving profits, but rather sharing the wealth generated from the transformation of Capitals.

We engaged with stakeholders using various communication channels, including face-to-face, broadcast, electronic and print communication. The table below provides information about the various stakeholder groups identified as being impacted by the Group. More information about how we responded to stakeholder expectations is available on page 50.

WHO THEY ARE	THEIR EXPECTATIONS	HOW WE DELIVERED VALUE
EMPLOYEES AND LABOUR UNIONS The Group depends on skilled and experienced employees to operate a successful business Some employees join unions that engage and negotiate with the Company on behalf of their members	• Creation of the maximum number of sustainable jobs; • Fair labour practices and opportunities, market related remuneration and recognition for good performance; • Satisfactory working conditions and environments that are safe and clean; • A commitment to transformation in line with the DTI B-BBEE scorecard; and • Open and honest communication • Principled negotiation.	• Created sustainable jobs across the Group with a total of R654 million paid in salaries and wages; • Remunerated staff on a competitive basis; • Ensured that staff share in the wealth created by the Company through Employee Share Trusts; staff received R2 million in dividends in 2018; • Provided training and skills development opportunities incurring R33 million on various skills development initiatives; • Implemented required safety, health and environmental practices, as well as wellness programmes; • In Australia, the Mareterram Board and management are driving a culture of safety, regular staff training and the implementation of the latest safety equipment; and • As part of the Viking transaction, the Viking Staff Trust paid R120 million to 835 employee members and R38 million worth of Sea Harvest Group shares were allocated to the Viking Staff Trust for the benefit of its members.
SHAREHOLDERS Shareholders are providers of Financial Capital	• Achievement of strategic targets; • Payment of dividends; • Satisfactory return on investment (ROI); and • Transparent reporting on performance.	• A dividend of 40c per ordinary share was declared in respect for the 2018 financial year, an increase of 29% compared to 2017, equating to a total dividend of R118 million; • The Group adhered to continuous disclosure requirements to keep shareholders fully informed; and • Shareholders were invited to attend an Annual General Meeting (AGM) and results presentations, followed by one-on-one meetings with executives and key shareholders.
FUNDERS	• Utilisation of borrowings as agreed; • Timely and complete repayment of capital in accordance with agreed terms of loan facility; and • Operate within agreed covenants.	• During the period Sea Harvest repaid R642 million of bank borrowings, raised a further R1.2 billion in debt and paid R44 million in net interest; and • Met all covenant requirements during the period.
GOVERNMENT/ REGULATORS Government/ regulators provide the Group with the licences required to operate its business	• Drive transformation; • Creation of the maximum number of sustainable jobs; • Payment of taxes; • Adherence to all relevant regulatory requirements, as well as permit and licensing conditions; and • Commitment to managing natural resources in a sustainable manner.	• Achieved Level 1 on the B-BBEE scorecard and rated the most transformed company on the JSE in the fishing and food sectors with black shareholding of c. 80%; • The Group focused on creating and protecting jobs within local communities providing c. 4 000 jobs across the Group; • Paid R37 million in income tax and generated R1.4 billion in foreign currency revenue; • The Group adhered to responsible fishing practices and regulations by providing skippers and crew with the necessary training; • The Group's commitment to good corporate governance ensured that no fines or penalties were incurred during the year under review, and all licences and permits were retained; • In Australia, Mareterram adhered to Federal and State laws in relation to import and labelling of products for export, as well as the Department of Primary Industries and Regional Development regulations; • Mareterram retained a throughput permit for direct export/import of local product processed in Thai Union in Thailand; and • Through the Viking Fishing acquisition, Sea Harvest actively promoted the inclusion of two new 100% black-owned SMME entrants into the South African fishing sector, in line with DAFF's strategic objectives.



Sea Harvest staff with Marel management in Iceland



Sea Harvest's Operations Director and SADSTIA chair, Terence Brown (second from right) and Sea Harvest's Group Strategic Services Director and SADSTIA Science Committee chair, Madoda Khumalo (second from left), with industry stakeholders. Photo supplied by SADSTIA.

WHO THEY ARE	THEIR EXPECTATIONS	HOW WE DELIVERED VALUE
FISHING INDUSTRY PARTNERS The Group relies on partnerships to achieve the desired objectives of its initiatives aimed at driving transformation and sustainability	• Commitment to contractual obligations and achievement of key objectives to protect the industry; • Open and honest communication; • Adherence to good governance practices; and • Ongoing commitment to transformation.	• The Group continued to be an active member of SADSTIA, the RFA, Global Whitefish Forum, the Australian Quarantine and Inspection Service, the Western Australian Fishing Industry Council, and other industry bodies; • The Viking transaction was successfully implemented and paved the way for two new 100% black owned companies to gain entry into the fishing industry in South Africa; • Sea Harvest and Brimstone established the South African Fisheries Development Fund to support small-scale fishers; • Mareterram upheld its side of a share-fishing arrangement with the boat skippers who operate its 12 fishing vessels in Carnarvon; and • The Group implemented practices to retain the MSC certification of its hake products in South Africa and prawn products in Australia.
CUSTOMERS & CONSUMERS Customers purchase products for resale Consumers purchase products for consumption	• Customers want to purchase products at globally competitive prices; and • Both customers and consumers want premium, safe, quality and traceable products that are a good source of protein harvested from sustainable resources.	• Sea Harvest c. 220 products are available in more than 2 200 retail outlets throughout South Africa and are exported to 26 countries; • Sea Harvest's production processes include quality checks from the time the natural resource is landed on board vessels until it is packaged, stored and distributed; • Sea Harvest's Quality Assurance team consists of qualified and highly skilled people; • Practices are implemented to promote proper hygiene and cleaning within production facilities; • If need be, samples of products are sent to external providers for analysis; and • Cape hake, Shark Bay prawns and South Australian prawns are sourced from MSC accredited fisheries, which means products are fully traceable from shelf to source.
SUPPLIERS AND SERVICE PROVIDERS They provide the goods and services needed to ultimately produce the Group's products	• Development of mutually beneficial relationships; and • Adherence to ethical business practices.	• The Company's procurement policies resulted in c. R721 million being spent during the 2018 financial year with 189 majority black-owned suppliers; • Supplier development contribution to the value of R28 million during the year; • Enterprise development contribution to the value of R8 million during the year; and • R78 million spent on qualifying small enterprises during the year.
COMMUNITIES AND NGOS They support and endorse the Group's activities	• Support for projects and initiatives that will empower and improve the welfare of society, including local communities and vulnerable groups.	• Through the Sea Harvest Foundation, the Group invested c. R3 million in projects aimed at benefiting the local communities in which the Group operates; • In Australia, Mareterram sponsored a Long Table Lunch and Annual Races in Carnarvon, as well as the annual Heart of Western Australia Gala Dinner; and • Through the RFA and industry associations worked with WWF-SA and BirdLife SA to support projects which promote an eco-systems approach to fisheries.

OUR NON-NEGOTIABLES

OUR NON-NEGOTIABLES ARE MATTERS ON WHICH WE DO NOT

NON-NEGOTIABLE	WHY IT MATTERS	RISKS ASSOCIATED IF WE COMPROMISE
OPERATING EFFICIENTLY	• Sea Harvest operates in a global market where economies of scale and margin determine competitiveness. We compete against large corporations from developed and developing economies. Operating efficiently is key to delivering sustainable operating margins and protecting the long-term future of the business.	• Severe negative impact on profitability and long-term sustainability of the business, which would affect all the Group's capitals.
DRIVING TRANSFORMATION	• Although contributing to social transformation is key to securing a licence to operate in the South African fishing industry, the Group understands and accepts that it is also a critical necessity to address the wrongs of the past.	• Loss of fishing rights and damage to reputation, which would negatively affect all the Group's capitals.
PROTECTING OUR BRANDS	• Allows the Group to compete and secure a profitable share of the domestic and international markets.	• Loss of market share, which would affect all the Group's capitals.
MANAGING RELATIONSHIPS	• Our relationships with our key stakeholders are critical to our ability to succeed in a highly competitive and regulated industry. Our long-standing relationships with our customers support the stability of the business, respect in the market and brand equity.	• Damage to any of our relationships could negatively affect our reputation, which could in turn result in a loss of quota and market share, possible labour unrest, a product boycott or delays and even withdrawals in the issuing of required permits.
OPTIMISING FINANCIAL CAPITAL	• Financial capital is a scarce resource and must be utilised in a manner that optimises value creation for all our stakeholders. By optimising financial capital, we would be able to reinvest in the business to improve efficiencies, enhance margins, grow acquisitively, and pay appropriate levels of dividends while delivering shareholder returns.	• Poor management of financial capital will negatively affect margins and the business' ability to remain competitive and profitable over the long-term, as well as protect jobs.
ACTING RESPONSIBLY	• Acting responsibly in fishing and in our relationships with communities is fundamental to the Sea Harvest ethos.	• Failure to fish responsibly and comply with fishing permit conditions and governance requirements could result in a loss of stakeholder legitimacy, penalties and the loss of fishing licences and MSC certification for our hake and prawn products. This could lead to business interruption, and a negative impact on our relationship with government, on which we rely for our fishing rights. Reckless and illegal fishing would also destroy marine stocks and other natural resources and negatively impact the communities and other stakeholders that depend on our value- and wealth creation activities.

COMPROMISE AND KEEP TOP-OF-MIND AT EVERY TURN.

OPPORTUNITIES PRESENTED	HOW WE RESPONDED	HOW WE PLAN TO MOVE FORWARD
• The Group focuses on extracting the maximum value from available natural resources.	• Carried out efficiency projects, including new freezer trawler and the installation of a state-of-the-art factory in Saldanha.	• Focus on achieving design capacity of new Marel facility in Saldanha Bay, delivering efficiency benefits by the second half of 2019; and • Integration between the Sea Harvest and Viking operations, to build a future operating model including the best of both companies.
• Protection of existing quota with the possibility of increasing quota; and • Creating value for African, Coloured and Indian (ACI) individuals by, *inter alia*, providing sustainable jobs and helping to become active participants in the mainstream economy, empowering through skills development, and supporting local community projects, youth development and new black-owned businesses.	• Empowerment projects and initiatives were introduced and supported by Sea Harvest Corporation and the Sea Harvest Foundation (NPC), which resulted in the Company being rated as a Level 1 B-BBEE contributor. In 2018, the Company also became an equal partner in the South African Fisheries Development Fund; and • Through the Viking acquisition, established two 100% black-owned new entrants into the fishing industry.	• The Group will continue supporting and introducing initiatives aimed at promoting transformation within and outside the Group, and will ensure the effective implementation of the South African Fisheries Development Fund; • Retain Level 1 on the B-BBEE scorecard; and • Attempt to further increase its black shareholding and broaden participation.
• Increased brand value and reputation enhancement.	• Achieved product innovation and re engineering through investment in vessels and factories.	• Increase value creation by broadening the customer base and ongoing investment in the Group's brands and products.
• Sea Harvest is one of the most transformed businesses in the fishing industry and this puts us in a very strong position to renew our fishing rights in 2020 and make acquisitions within the fishing industry, as well as other sectors. This would help the Group continue on its growth path and maintain the mutually beneficial relationships that allow us to add value to our diverse stakeholder base.	• Maintained proactive communication and high-level engagement with key stakeholders, as well as commitment to the B-BBEE scorecard; and • Sea Harvest continued to play an active leadership role in industry bodies, including the RFA, MSC and SADSTIA.	• While the Group made good progress in terms of implementing a more formalised and centralised approach to stakeholder management, this process was not completed and will be continued in 2019. The Group will also continue to hold high-level engagements with its stakeholders to understand and manage their expectations, as well as seek opportunities for dialogue on difficult or high risk issues, such as FRAP 2020.
• Stakeholders will remain confident about the Group's ability to deliver value and possibly increase their investment in the business; benefits from investments in fleet, factory improvements and acquisitions could exceed expectations; and favourable hedge positions would enhance export revenue and operating profit.	• The Group utilised equity and debt to execute its strategy aimed at achieving organic and acquisitive growth and delivered an increase in revenue, operating profit and dividends paid per share. Favourable foreign currency and fuel hedges were also put in place in 2018.	• The Group will focus on delivering the benefits of the efficiency projects and acquisitions secured in 2018, ensuring the effective integration of its new businesses into the Group and creating the value expected from our various stakeholders.
• By supporting sustainable fishing initiatives, Sea Harvest protects the future of our business and that of the many diverse stakeholders that depend on the success of our business. Through proper management of the biomass, resource availability and size mix will improve and, as it does, catch rates will increase, reducing the cost to catch and improving margins.	• The Board and executive are always considerate of the reasonable expectations of the Group's stakeholders and required governance principles when making decisions and overseeing the day-to-day operations of the business.	• The Group will focus on cementing an ethical culture throughout its businesses and will remain committed to transformation, making ongoing contributions to socio-economic development within local communities, job creation and adherence to all the requirements of its operating licences and permits.

OUR STRATEGY

During the year under review, the Group's strategy remained unchanged with an unwavering focus on securing organic and acquisitive growth in accordance with five growth pillars identified during the strategy development phase in 2013. The strategy was anchored on Sea Harvest's foundation of strong brands, access to more than 20 markets, exceptional transformation and sustainability credentials, solid financial performance, strong balance sheet and a strong management team.

THE STRATEGIC PILLARS: FIVE PILLARS OF GROWTH

Sea Harvest's strategy has been established around five pillars, split between organic growth and acquisitive growth.



ORGANIC GROWTH

1 VOLUME GROWTH

HOW IT DRIVES VALUE CREATION

- **Fish stocks (biomass recovery)** – By supporting regulators and the use of scientific guidelines in fisheries management, Sea Harvest is able to contribute to the sustainability of the biomass
- **Co-packing** – Sea Harvest leverages its strategic relationships with global partners to pack the Sea Harvest brand for South African customers (particularly in primary hake)
- **Imported raw material conversion** – Sea Harvest also leverages its strategic relationships with international whitefish suppliers to produce additional value added products utilising Sea Harvest's available manufacturing capacity

2018 TARGET

- Cape hake biomass should reach MSY
- Increase percentage of local sales that are derived from imported/traded species

RELATED RISKS

- Health of biomass negatively impacting catch rates p.32
- Climate change affecting availability and health of biomass p.32

PERFORMANCE AGAINST STRATEGIC TARGETS

- The Group continues to support an ecosystems approach to fisheries management, which is underpinned by a robust scientific assessment process. Since 2007, the aim for Cape hake has been to rebuild the resource to MSY. In 2014/15, through sound management between the DAFF and the industry, the hake resource reached its MSY (i.e. the largest yield (or catch) that can be taken from a species' stock over an indefinite period) level. However, in late 2015 and 2016, stock assessments showed that the resource had dipped slightly below its target and needed to be rebuilt again. The need to rebuild the stock led to reductions in the TAC from 2016 to 2018. Subsequently, due to the rebuilding strategy undertaken, the resource has responded positively. The most recent 2018 stock assessments show that the Cape hake resource is now estimated to be above its biomass target of MSY. This has resulted in a 10% increase of the hake TAC being announced with effect 1 January 2019;
- Sea Harvest continues to leverage its strategic relationships with global partners to pack the Sea Harvest brand for South African consumers. During 2018, there was a 60% increase in the branded Sea Harvest products that were produced by external suppliers for the domestic market;
- Sea Harvest's value added factory in Saldanha Bay benefited from internationally sourced raw material to produce crumbed and coated products for the domestic retail and foodservice markets. Sales of value added retail products produced from imported wild-caught whitefish increased by 14% year-on-year;
- Traded product that was sourced locally and internationally for sales through the domestic foodservice channel and Sea Harvest branded factory shops increased by 6% year-on-year.

ORGANIC GROWTH

2 MARGIN ENHANCEMENT

HOW IT DRIVES VALUE CREATION

- **Fleet efficiencies** – Maximise fillet factory vessel production at sea and, through the acquisition of an additional vessel with these capabilities, pursue higher margin export products;
- **Processing efficiencies** – Increased efficiencies allied with "new" factory design and layout to improve margins ensuring processing is "best in class";
- **Market opportunities** – Current low penetration in the South African frozen fish market; new export markets; expansion of Sea Harvest's factory fish shops; and ongoing foodservice demand.

2018 TARGET

- Implement second phase of factory optimisation in Saldanha in order to increase labour and yield efficiencies coupled with an increase quality in all areas of production
- Integrate the *Harvest Mzansi* freezer factory trawler into the fleet in order to produce higher margin frozen-at-sea products

RELATED RISKS

- Acquisition integration challenges p.33
- Scarcity of critical skills p.33

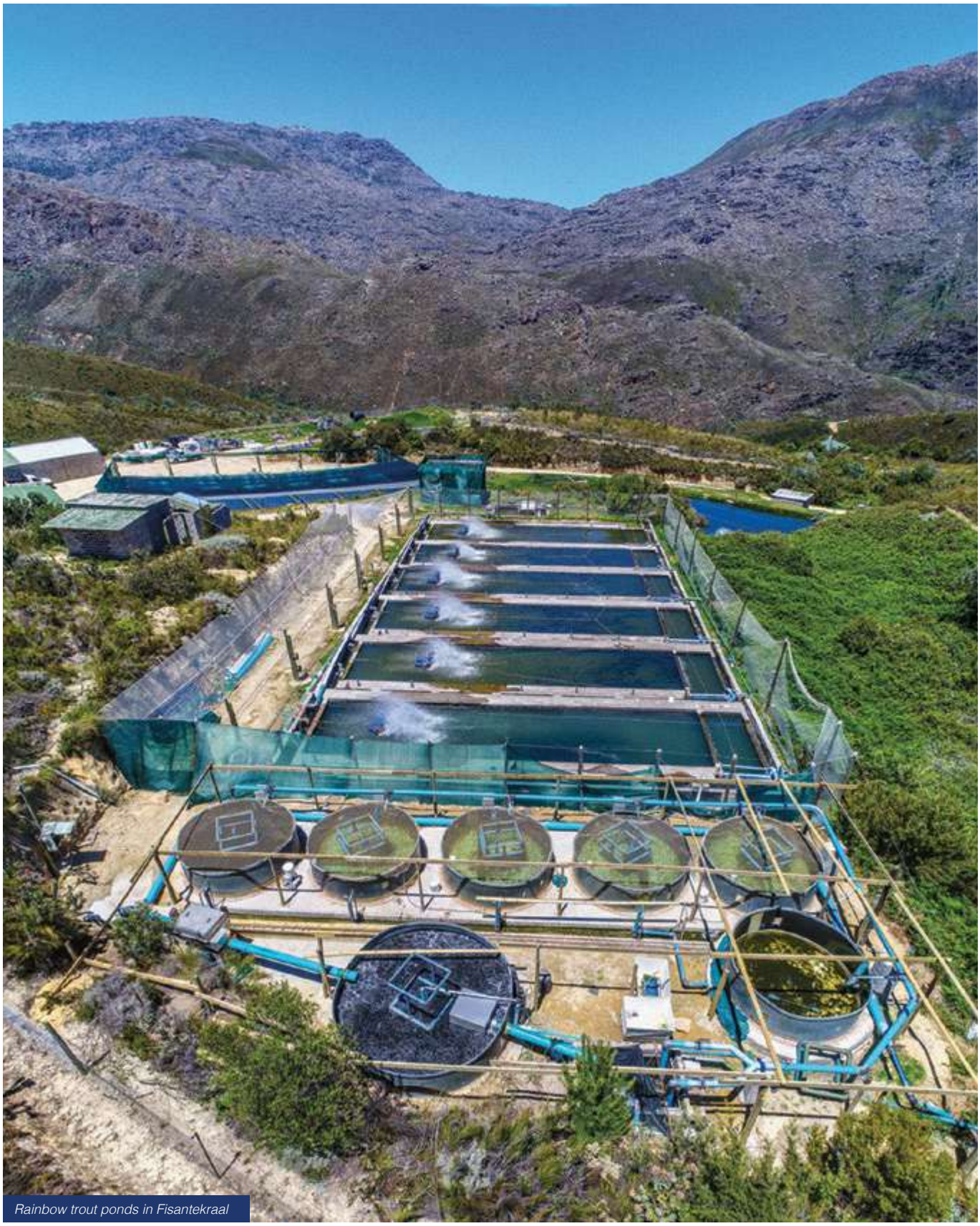
PERFORMANCE AGAINST STRATEGIC TARGETS

- 2018 has been a year of investment with significant EBIT enhancing capital expenditure in order to build a sustainable business moving into the future;
- Used funds from listing to purchase an additional freezer trawler in order to balance the fleet between fresh and freezer vessels. Acquired the *Harvest Mzansi* from Iceland and converted her into a hake freezer trawler, which started fishing in April 2018. Project completed on time and within budget. Integrated seamlessly into the current fleet operations (R250 million);
- Used funds from listing to upgrade the fresh fish processing facility in Saldanha Bay (R105 million) and transformed our fresh fish operations into a world-class facility with a full flow-line Marel solution from Iceland. Investment in the value added facility with new state-of-the-art cutting and forming equipment;
- Both projects ensure that we would build a sustainable business, so as to better serve the markets in which the business is currently operating;
- The benefits of the acquisition of the *Harvest Mzansi* were achieved immediately;
- The implementation of the Marel upgrade was more challenging than expected and the benefits are only expected to flow from the second half of 2019.



Sea Harvest's new Marel technology in our fresh fish processing factory

OUR STRATEGY CONTINUED



Rainbow trout ponds in Fisantekraal

ACQUISITIVE GROWTH

3 SOUTH AFRICAN SEAFOOD

HOW IT DRIVES VALUE CREATION

- **Strong B-BBEE credentials** – allows for acquisition opportunities – possible exits of untransformed companies ahead of the 2020 FRAP;
- **Species diversification** – other wild-caught seafood species;
- **High-value aquaculture** – previous experience allied with a global marketing network offers opportunities in an attractive growth sector.

2018 TARGET

- Acquire a fishing company of scale, while diversifying the Group's species
- Acquire aquaculture business close to steady-state

RELATED RISKS

- Acquisition integration challenges p.33
- Loss of a major asset p.32

PERFORMANCE AGAINST STRATEGIC TARGETS

- Leveraging on the Group's strong black-ownership credentials, the goal was to acquire a fishing business of scale within South Africa and one which was complementary to the Group. This was achieved through the acquisition of the Viking Fishing Group (2 July 2018), providing the Group with additional scale in hake and diversification into other wild-caught species;
- Entry into aquaculture was achieved with the acquisition of a majority share in Viking Aquaculture (2 July 2018), which is a diversified aquaculture business, including two abalone farms – Buffeljags, close to Gansbaai, has a capacity to produce 350 tons of abalone per year and Diamond Coast Aquaculture (DCA) in Kleinzee in the Northern Cape, which has a capacity to produce 150 tons of abalone with more than adequate space to expand production. In addition, there is an oyster farm, a mussel farm and a sea trout farm in Saldanha Bay and an oyster farm in Luderitz, Namibia, that provides a diversified aquaculture basket, which has the potential for significant further growth. Through the acquisition the Group has become one of the largest aquaculture players in South Africa and one of the very few transformed aquaculture operations in the sector.

ACQUISITIVE GROWTH

4 INTERNATIONAL (MARETERRAM)

HOW IT DRIVES VALUE CREATION

- **Platform for international growth and expansion** – Australia is an attractive investment destination for seafood, due to security of tenure and the sustainable management of its ocean resources. Mareterram will look to expand into other premium seafood fisheries, including prawns, where we have control of the resource.
- **Volume expansion** – expand volume further within Shark Bay through biomass management and bolt-on acquisitions.

2018 TARGET

- Grow Mareterram

RELATED RISKS

- Acquisition integration challenges p.33

PERFORMANCE AGAINST STRATEGIC TARGETS

- In January 2018, Mareterram acquired two Spanish mackerel packages, including the licences and vessels. During the subsequent months, the focus of activities for Mareterram was on integrating the Spanish mackerel business into the Group.

OUR STRATEGY CONTINUED

ACQUISITIVE GROWTH

5

FOOD

HOW IT DRIVES VALUE CREATION

- The Group will look to expand into related food sectors in South Africa where we can leverage our manufacturing, processing and operational expertise; our business networks; strong B-BBEE credentials; brand management and markets; and experienced management team in sectors where we can add value.

2018 TARGET

- Acquire an agri-business or asset in a complementary food sector with growth fundamentals

RELATED RISKS

- Acquisition integration challenges p.33
- Move outside our core business, being seafood

PERFORMANCE AGAINST STRATEGIC TARGETS

- The Group's wholly-owned subsidiary, Cape Harvest Food Group, concluded a share purchase agreement of R573 million to acquire the entire issued share capital of Ladismith Cheese Company Proprietary Limited (Ladismith Cheese), based in the Western Cape. The acquisition was approved by the Competition Commission in December 2018. The transaction became effective on 2 January 2019
- Ladismith Cheese exhibits strong fundamentals. It is a branded FMCG food manufacturer of significant scale in the food and agricultural sector. It has a long track record, strong national brand and proven managmeent team. As a Group, we believe that we can leverage our core competencies and strengths to achieve future growth in Ladismith Cheese.

THE WAY FORWARD ... IN 2019, THE FOCUS WILL BE ON CONSOLIDATION AND INTEGRATION

THE GROUP WILL **SEEK TO REALISE THE BENEFITS** OF THE MAREL PROJECT AND ENSURE THAT VIKING FISHING IS FULLY INTEGRATED INTO THE GROUP





ADDITIONAL CAPEX PROJECTS WILL BE IMPLEMENTED AT **VIKING AQUACULTURE** WITH A VIEW TO FULLY REALISE THE GROWTH POTENTIAL OF THE BUSINESS. THIS WILL INCLUDE **EXPANDING ABALONE PRODUCTION CAPACITY** AND **EXPLORING OPPORTUNITIES** TO FARM SALMON TROUT IN SEA CAGES



NEW GROWTH OPPORTUNITIES THAT ARE OCEAN RESOURCE BASED AND VERTICALLY INTEGRATED WILL BE PURSUED IN AUSTRALIA



WE WILL LEVERAGE OUR CORE COMPETENCIES TO ACHIEVE THE GROWTH POTENTIAL OF LADISMITH CHEESE





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OUR CEO'S REPORT



FELIX RATHEB CHIEF EXECUTIVE OFFICER

It has been another challenging but rewarding year at Sea Harvest as we continue to make inroads into our strategic ambitions, while ensuring we secure our business well into the future. It's important to consider recent developments within the business with a key milestone being our successful listing on the JSE in 2017 to raise capital to grow the Company.

SECURING A MAJOR WIN

The ambitions of the business, which were articulated at listing, resulted in 2018 being a defining year for the Group. The Group underwent monumental changes crowned by the transformative acquisition of Viking Fishing, enabling further economies of scale in Cape hake along with access to other species, such as prawns, small pelagics and tuna. In addition to diversifying the Group's product basket, the acquisition gives us an operational presence in Cape Town, Mossel Bay and Durban. Viking Fishing was a very well-run family business with an experienced and strong entrepreneurial management team and great employees. What was of most importance to me was that we were able to protect Viking Fishing from the potentially devastating effect of significantly reduced fishing quotas and thereby secure the jobs of all its employees. Furthermore, all of their staff who qualified as beneficiaries of the Company's employee share trust received a combined cash pay-out of c. R120 million as a part of the transaction. The acquisition allowed us to fulfil one of our strategic ambitions of leveraging our black empowerment credentials to acquire a fishing company of scale in the South African fishing space, while diversifying the Group's species offering. Even though the regulatory approvals for such a transaction were stringent, we are thankful that we were able to complete the transaction and, going forward, we need to integrate the business into the Sea Harvest family. Critical to our integration process is ensuring that we continue to maintain Viking's entrepreneurial value and high-performance culture long into the future and for this reason the integration of the business is being undertaken slowly and methodically in order to ensure that the value of the acquisition isn't diluted.

A RE-ENTRY INTO AQUACULTURE

As a part of the afore-mentioned transaction, we also acquired 51% of the share capital of Viking Aquaculture. It may be a surprise to many readers of this report but this acquisition isn't our first foray into aquaculture. Previously, in the early 2000s, Sea Harvest participated in the aquaculture space, particularly in abalone. We have, therefore, made a re-entry into abalone farming, along with oysters, trout and mussels. It's important to note that we've acquired Viking Aquaculture in its "grow-out" phase, meaning that it is on the brink of achieving its growth and earnings potential, due to the fact that the farmed species have reached steady-state and can be harvested and sold. Over the past few years, the business has incurred a significant amount of Capex in order to gear itself for this "grow-out" phase. Therefore, the value creation is imminent, and I believe in 2019/2020 we will start seeing an improvement in the profitability of Viking Aquaculture. Even though the earnings potential is near realisation there is still a need to grow further, especially in abalone.

At the time of producing this report, our two abalone farms are at different ends of the spectrum where our one farm, Buffeljags near Gansbaai, is currently at capacity but there is an opportunity to expand our other farm, DCA in Kleinzee in the Northern Cape. The proposed expansion of DCA allows us to increase its potential profitability but also importantly creates more jobs in a rural town that is economically depressed. In addition, this expansion allows us to align with Operation Phakisa in order to release the potential of the Oceans Economy, as espoused by the Office of the Presidency of the Republic of South Africa.

MANAGING EXISTING OPERATIONS

Even though the executive team has spent a great deal of time ensuring that the Viking Fishing and Aquaculture transactions were completed successfully, significant effort and time have gone into ensuring that the Group's pre-existing fishing operations improved in order to extract the efficiencies that were still achievable in the business. The two large-scale internal projects mentioned in 2017 for implementation in 2018 were: 1) increasing frozen-at sea production through the acquisition of a factory-freezer trawler in order to increase export earnings; and 2) increasing efficiencies in our land-based production facilities in Saldanha Bay through the implementation of a world-class fish processing solution from Iceland. I am pleased to report that these two projects were successfully implemented and we now have one of the most sophisticated fresh fish production facilities in the southern hemisphere. However, the implementation of such a large-scale project will have difficulties, particularly resulting from change management and this will continue being a challenge that has to be addressed in 2019. For this reason, I expect a longer ramp-up period with regard to achieving the desired throughput in the operations, which will delay us achieving our efficiency targets from the project.

DIVERSIFYING OUTSIDE SEAFOOD

With that being said, in 2018 we continued with our other aspirations of acquiring a business in complementary sectors of the South African food and agricultural industry. This was realised through the acquisition of Ladismith Cheese, a profitable branded FMCG food manufacturer that exhibits strong fundamentals.

The business has a long track record, strong national brand and a proven management team. As a Group, we believe that we can leverage our core competencies and strengths to achieve success with Ladismith Cheese, predominantly through organic growth projects. Furthermore, we believe that the dairy sector will experience continued growing demand for cheese and butter in response to consumer dietary changes towards natural fat products.

GROWING OUR AUSTRALIAN BUSINESS

In Australia, we continue to focus on Mareterram, which is a successful, vertically integrated fishing business and an important strategic footprint in that part of the world for us. It is an important route-to-market for our sea-frozen Cape hake from South Africa and, even though the fishing side of the business experienced difficulties in 2018, we still see great potential for growth in a marine resource that is high-value and sustainably managed. However, moving forward, we require a concrete plan for Mareterram. The business in its current form needs to add scale in order to recover its overhead base. We are looking at increasing our shareholding in the business based on our belief in the Australian ocean resource, which exhibits security of tenure on fishing rights and is sustainably managed, thereby allowing us to invest long-term in the industry.

COMMITTED TO TRANSFORMATION

Of strategic importance for Sea Harvest over the next two years is the FRAP in South Africa. As a Group, we need to position ourselves well to ensure that we protect the business into the future. We believe that we have answered government's call to transform the fishing industry. Where in 2005 we were 21% black-owned, we are now above 80% black-owned with a transformed leadership and senior management team. In addition, we continue to, primarily, operate in rural areas, such as Saldanha, creating much needed employment but also assisting small and medium enterprises through our procurement activities, thus facilitating the growth of many other black-majority owned businesses.

Critical to ensuring that our Company continues on our journey of becoming a diversified black-owned agri-business, we need to ensure that we retain our fishing rights so that we can continue to create value for all of our stakeholders well into the future.

IN CONCLUSION

Overall, I can truly say that the Group's leadership team, together with all of our employees, have worked really hard to secure the acquisitions and implement the *Harvest Mzansi* and Marel projects outlined above and to begin integrating the acquired businesses into the bigger Sea Harvest stable. I thank them for their efforts and commitment, as well as all other stakeholders that have supported our business.

Felix Ratheb

Chief Executive Officer

12 April 2019



MANAGING OUR CAPITALS

MANUFACTURED CAPITAL

The Group's manufactured capital includes fresh fish vessels, factory freezer vessels, prawn trawlers, land-based fresh fish processing plants, cold stores, distribution facilities, factory shops, engineering workshops, aquaculture farms and office space. Our asset base in South Africa and Australia expanded significantly during the year under review as a result of acquisitions. Through the Viking transaction, Sea Harvest acquired an additional 35 vessels, processing plants, engineering workshops, cold stores and distribution centres and 11 aquaculture production facilities.

During 2018, we completed the installation of a desalination plant in Saldanha Bay in response to water shortages in the Western Cape region and to manage the risk of any future water shortages.

In Australia, the vessel rebuild programme continued with the aim of rebuilding all prawn vessels by the end of 2020. The business also acquired two Spanish mackerel packages, which included an established fleet and a support vessel.

In addition, financial capital was invested in maintaining, converting and repairing vessels; and upgrading land-based processing facilities. One of the factory freezer vessels, the *Harvest Atlantic Hope*, was replaced by the *Harvest Mzansi*, a Sterkoder vessel and sister ship to the *Atlantic Peace*. Upon her arrival in South Africa, the *Harvest Mzansi* was converted to a factory freezer vessel on time and within budget, which allowed her to be integrated into the fleet by April 2018. A state-of-the-art Icelandic-designed Marel fish processing facility was installed in quarter three 2018 within the Saldanha Bay fresh fish factory.

INPUTS	2018	2017
Number of vessels	47	24
Number of fish processing facilities on land	6	2
Number of cold storage facilities	8	2
Aquaculture production facilities	11	0
Engineering workshops	5	2
Desalination plant	1	0
Spend on conversion of *Harvest Mzansi* (R'm)	46	204
Spend on technology upgrade in fresh fish processing factory (R'm)	81	24
Spend on Asset Care (R'm)	214	185

OUTCOMES	2018	2017
Total number of days at sea	6,477	4,769
Cold storage capacity (tons)	9,250	3,260
Number of product lines	220	160



The Harvest Mzansi anchored alongside the quay in Saldanha Bay.

NATURAL CAPITAL

At the Sea Harvest Group we acknowledge that we have the responsibility to ensure that our impacts on the natural environment are limited, while at the same time developing and implementing innovative mechanisms to reduce our current impact. The Sea Harvest Group catches and farms the following species: Cape hake, horse mackerel, small pelagics (anchovy and pilchard), large pelagic (tuna), prawn, Spanish mackerel, abalone, oysters, mussels and salmon trout.

We are proud to support an ecosystems approach to fisheries in our wild-capture operations, while ensuring that all of our aquaculture farms adhere and maintain the highest environmental standards possible.

Our South African Cape hake products, as well as our Australian Shark Bay prawns can proudly carry the blue MSC logo – the gold standard in global sustainable fishing – assuring consumers of environmentally responsible fisheries management. In 2018 we continued to support science-based management of all of the marine resources we utilised to ensure that future generations can continue to benefit from the ocean. Sea Harvest maintained its interactions with government, NGOs and other interested parties to improve the resource management of the South African fishing industry. Sea Harvest also participates in several regional conservation initiatives, including the RFA, in co-operation with the WWF-SA, BirdLife South Africa, as well as other South African commercial fishing companies. By collaborating with various fishing sector partners, the Alliance has contributed towards mitigating seabird mortalities in the hake trawl fishery; trained over 1200 fishers, observers and compliance officers; funded research on African penguins; and contributed to the improved management of vulnerable bycatch species in the inshore trawl fishery. In 2018, the RFA renewed its partnership for a fourth two-year term and adopted a more strategic approach to its project selection in order to drive change on a larger scale.

Even though our environmental management is under-pinned by our sustainable fishing practices, we remain committed to continuously reviewing and enhancing our sustainable business practices on land, as well. Over the past year, we've worked tirelessly to reduce our resource usage such as water and electricity through careful and methodical management which is starting to yield tangible results at some of our operating sites. We are proud that we have continued to make strides in our waste management. The waste we generate, including hazardous chemical containers, is controlled and disposed of in an environmentally acceptable manner. The bulk of our waste is recycled in order to minimise waste to landfill.

During 2018, we undertook a more detailed analysis to better understand our emissions and their causes, while ensuring that the new entities and the Group as a whole are ready for the impending Carbon Tax but, more importantly, doing our part in the reduction of greenhouse gas emissions from our operations.

The challenge that remains over the next year is to ensure that all of the new sites we have acquired through the growth of the organisation in 2018, reach and maintain the standards of the organisation when it comes to environmental impacts and responsibility, while at the same time we aim to create a framework for the implementation of systems, processes, and technologies to ensure the prioritisation, measurement, and proactive management of environmental matters material to the organisation and our stakeholders.

INPUTS	2018	2017
TAC held: Hake (%)	31.2	25.2
TAC held: Horse mackerel (%)	5.9	5.9
TAC held: Small pelagics (%)	0.29	N/A
Permits held: Large pelagic	1	N/A
Permits held: Prawn	2	N/A
Licences held for Shark Bay prawns	10	10
Licences held for Spanish mackerel	2	0
Number of aquaculture farms	9	N/A

OUTCOMES	2018	2017
Catch – Cape hake (tons)*	c. 37,750	c.37,000
Catch – Horse mackerel (tons)*	c. 1,450	c. 2,500
Catch – Small pelagics (tons)*	c. 1,600	N/A
Catch – Shark Bay prawns (tons)*	540	830
Catch – KZN prawns (tons)*	90	n/a
Catch – Large pelagic (tons)*	103	n/a
Farmed – Abalone (tons)	c. 78	n/a
Farmed – Oysters (units)	c. 1.9 million	n/a
Farmed – Mussels (tons)	c. 186	n/a
Farmed – Trout (tons)	c. 56	n/a
Water usage (kilolitres)*	c. 460,000	c. 355,000
Fuel usage (million litres)*	23.4	17
Electricity usage (million kilowatt hours)	31.2	27.3

* *All 2018 data includes six months' information pertaining to the Viking Fishing Division and Viking Aquaculture from 2 July 2018*



Sea Harvest's desalination plant in Saldanha Bay was launched in March 2018

HUMAN CAPITAL

During 2018, the Company remained focused on a holistic approach to managing its Human Capital with a specific focus on demonstrating the necessary care for its employees, as well as continuous communication and engagement, which included face-to-face sessions with both sea-going and land-based staff. As the Group has grown over the past few years, what has been instrumental is the transformation of Sea Harvest's workforce, supported by its training and skills development for ACI designated employees.

MAINTAINING A HEALTHY INDUSTRIAL CLIMATE

As a result of a commitment to offering market-related compensation and a comprehensive range of financial benefits, including, *inter alia*, medical aid membership, retirement benefits, risk benefits and workers' compensation, a fair remuneration policy, comprehensive skills development and employment equity plans, participation in employee share trusts, and a rigorous employee wellness programme, Sea Harvest was able to maintain a stable Industrial Relations climate.

The implementation of the Marel technology upgrade within the Saldanha Bay fresh fish processing facility required the careful management of employees' expectations and concerns with a strong focus on change management. The Learning and Development department, in partnership with a suitable financial institution, played an active role in this process by offering a range of workshops to provide financial advice and education to staff.

A two-year wage agreement was reached for unionised land-based staff in Saldanha; there were no wage negotiations for the sea-going employees during 2018, as a result of a two-year agreement reached at a centralised level in 2017.

HEALTH AND SAFETY

Sea Harvest's approach to employee health and safety is that "prevention is better than cure" and, to this end, standard operating procedures (SOPs) are instituted for various high-risk processes. Employees are also educated about the need to accept responsibility for their own health and safety and that of their colleagues by adhering to the relevant SOPs. However, there is a need to do more in this area given the ongoing challenge of employee negligence or poor judgement leading to incidents that have resulted in serious injury.

At Sea Harvest's Saldanha Bay facility, an employee wellness programme (EWP) is implemented by a group of peer health educators who are selected from departments across the operation. Some of the EWP initiatives rolled-out in 2018 included mobilising employees to participate in the annual CANSA relay-for-life, which is aimed at raising funds for CANSA and awareness about cancer prevention; supporting employees and their families, in partnership with provincial Department of Social Development, in dealing with issues relating to substance abuse; and promoting awareness about autism on World Autism Day and the AIDS pandemic on World AIDS Day.

Staff at the Carnarvon operation undergo continuous Occupational Health and Safety training.

The next reporting period will see a continued focus on developing our people and ensuring a positive Industrial Relations climate within Sea Harvest.

INPUTS	2018	2017
Number of permanent employees	4 040	2 355
Learnerships	257	160
Cadetships	11	10
Apprenticeships	51	43
Graduate placements and internships	19	19
Cost of EWP (R'000)	179	200

OUTCOMES	2018	2017
Total amount of salaries and wages earned (R'm)	653	547
ACI employees (%)	94	95
ACI in top management (%)	67	50
ACI in senior management (%)	76	70



Sea Harvest Learning and Development Workplace Trainer, Zandile Sogidashe, facilitating a learnership class.

INTELLECTUAL CAPITAL

A knowledgeable and experienced workforce is needed to maintain and grow the Sea Harvest business, which saw dynamic changes taking place throughout the Group in 2018. This necessitated an increased focus on investing in leadership and skills development, as well as training programmes, to ensure the requisite investment in the Intellectual Capital that the Group can access. The Board approved the implementation of a mentorship programme, which began towards the end of 2018, which involved members of the Executive mentoring the next generation of leaders within the organisation, and a coaching programme to nurture the talent of high-performing employees. The aim is to entrench a high-performance culture with a foundation of mentoring and coaching.

A cross-functional project implemented in the Saldanha Bay fresh fish operations was geared towards ensuring that employees were able to cope with the extent of the changes introduced by the new Marel equipment, as well as know-how to operate the new technology once it was installed. Funds were dedicated to send a group of staff from the Operations and Human Resources divisions to Iceland to visit the Marel factory and gain operating knowledge about the equipment in order to be in a position of leading the change.

Other skills development and training programmes included the enrolment of 20 employees from various departments on a 12-month Management Development Programme (Level 6) at the University of the Western Cape, while nine employees with an undergraduate qualification were enrolled on a Management Development Programme at Stellenbosch University's Business School.

IN APRIL 2018, SEA HARVEST HAD YET ANOTHER HISTORIC TRANSFORMATION ACHIEVEMENT WHEN THREE BLACK ENGINEERS TOOK CHARGE OF THE ENGINEERING FUNCTION ON BOARD ONE OF THE COMPANY'S FLAGSHIP VESSELS, THE *HARVEST LINDIWE*.

The South African Maritime Safety Authority's (SAMSA) amendments to fishing regulations necessitated a focus on revalidation training for seagoing personnel to ensure that Sea Harvest's fleet is compliant with new Safe Manning certification requirements. A total of 17 new SAMSA certificates of competence were added to the fleet in South Africa. A first group of Maritime Operations learners completed a learnership with above average performance results and three apprentices completed their four-year journey and qualified as artisans, one of whom was the first person at Sea Harvest to attain a trade certificate as a forklift mechanic.

The millwright trade was re-introduced with four artisans (electricians and fitters) selected to complete the Assessment and Recognition of Prior Learning programme with the aim of securing their qualification as a Millwright. Several trade test applications were submitted to Transport, Education and Training Authority's (TETA) during the last quarter of 2018.

Sea Harvest is also cognisant of the need to attract the best talent from a small pool of possible candidates interested in a career in the Maritime sector. As such, the Company participated in an Open Day hosted by the Cape Peninsula University of Technology's Maritime Faculty and, in collaboration with the SADSTIA, awarded bursaries to deserving Maritime students. Sea Harvest's Recruitment Policy is also geared towards attracting top talent.

On an industry level, Sea Harvest participated at the National Fishing Forum and was actively involved with the SAMSA Syllabus and Industry Advisory Committee, as well as in the TETA Qualifications Development Projects.

Mareterram provided career advancements for several employees including the Chief Operating Officer who was promoted to CEO; the General Manager of the Fisheries Division was promoted internally; and the Finance Manager was promoted to Senior Management Accountant; and there was a key appointment of a General Manager in the Foods Division during the year.

With regard to its brands, the Group continued to invest in increasing brand value, and acquired new brands as a result of the Viking transaction, while Mareterram developed a new brand – Running Wild Fishing Co. – to differentiate Australian sourced seafood from other products sold under the Mareterram name. The brand is vibrant and reflects the Shark Bay area.

INPUTS	2018	2017
Spend on skills development and training (R'm)	33	29.5
OUTCOMES	**2018**	**2017**
Number of employees who attended training	1 600	3 567
Number of new qualifications	4	5
Cadets who achieved the required programme outcomes (%)	88.9	90.9
Learners who achieved the required programme outcomes (%)	100	100
Apprentices who achieved the required programme outcomes (%)	95.7	94
Interns and graduates who achieved the required programme outcomes (%)	100	100
Long Service Award recipients	136	120



Left to right: Sea Harvest permanent employees, Roché Vertyn and Tamline Camalie, who joined the Company as interns in 2017.

MANAGING OUR CAPITALS CONTINUED

SOCIAL AND RELATIONSHIP CAPITAL

Sea Harvest regards its Social Capital as the value derived from its stakeholder relationships and commitment to actively supporting social transformation and empowerment initiatives within local communities in which it operates. The Group believes that the quality of its relationships depends on its willingness to engage openly and honestly, as well as its ability to understand and respond to stakeholders' expectations. The value created from its social capital in turn fuels the growth of the other capitals. The highly regulated environment in which Sea Harvest operates means that the business is dependent on meeting the reasonable expectations of key stakeholders, including that of the fisheries branches of the South African and Australian governments, local communities, employees and customers in 26 countries, to name but a few (refer to pages 34 and 35 for the full list of stakeholders).

Sea Harvest carefully manages the adherence to legislative and regulatory requirements and supports government's transformation objectives in South Africa by consciously making decisions that drive transformation in line with the five pillars of the government's B-BBEE scorecard, namely, black ownership, management control and employment equity, skills development, enterprise and supplier development, and socio-economic development. Sea Harvest has been putting its money where its mouth is to help ensure that government succeeds in its plan to empower small businesses entering the fishing industry. Some of the initiatives implemented in 2018 included the following:

- We established a R100 million fund called, the South African Fisheries Development Fund (the Fund), with Brimstone that will include the creation of a subsidised accidental death and disability policy for small, medium and micro-sized enterprises. The primary objective of the Fund is to transform the fishing industry from the ground up by assisting smaller quota holders and new entrants to acquire vessels, catch their quotas, process catches, and access markets;
- Sea Harvest led a consortium of BEE partners in the purchase of the majority white-owned Viking Fishing Group, which contributed to the establishment and furtherance of sizable operational black industrialists and new black entrants into the fishing industry;
- The above-mentioned transaction also allowed Viking Fishing Group staff, who held shares in the company through the Viking Employee Share Trust and most of whom were from previously disadvantaged backgrounds, to receive a R120 million pay-out;
- The Group paid dividends of c. R2 million to the Sea Harvest Employee Share Trust;
- More than 100 majority black-owned businesses benefitted from Sea Harvest's procurement policies that favour black suppliers; and
- The Group supported various community projects and organisations through its recently registered not-for-profit company (NPC), the Sea Harvest Foundation NPC. During the year under review, funding was allocated for, *inter alia*, additional office and operational space for the Western Cape (WC) Department of Social Development in Saldanha Bay; a two-week free dental clinic operated by a former Sea Harvest bursary student now practicing dentistry in Sweden; 100 medical operations performed outside of normal operating hours for patients on a waiting list at WC hospitals, including the Red Cross War Memorial Children's Hospital, in honour of the late former President Nelson Mandela; bursaries for more than 20 tertiary students and sports equipment for schools on the Cape west coast; other youth development initiatives, such as the West Coast Youth Orchestra, sporting clubs, the Diazville Primary School's cycling club, Surfing South Africa; as well as fish donations to various community-based organisations.

SEA HARVEST BUILDS STAKEHOLDER RELATIONSHIPS BASED ON **INTEGRITY, FAIRNESS, MUTUAL RESPECT** AND **OPERATING ACCORDING TO HIGH QUALITY STANDARDS.**

INPUTS	2018	2017
Amount invested in local community projects (R'm)	c.3	c. 4
Number of bursaries awarded	27	31
Number of majority black-owned suppliers	189	138

OUTCOMES	2018	2017
B-BBEE contributor level	1	2
Black ownership	c.80%	c.80%
Spend with majority black-owned suppliers (R'm)	721	429
Amount spent on bursaries (R)	313 000	298 000
Amount paid out by Viking Employee Share Trust (R'm)	120	36
Dividends paid to employees (R'm)	2	0



Caitlin October from Noordhoek, a young surfer supported by Surfing South Africa, which is sponsored by the Sea Harvest Foundation (NPC). Caitlin was one of six young Southh African surfers who received a Sea Harvest Surfing Excellence award in 2018.



Oyster rafts in Luderitz, Namibia

OUR CFO'S REPORT

FINANCIAL CAPITAL



GROUP REVENUE ▲ 21%
TO R2.58BN (2017: R2.131BN)

OPERATING PROFIT ▲ 16%
TO R389M (2017: R334M)

HEADLINE EARNINGS ▲ 18%
TO R278M (2017: 235M)

DIVIDEND PER SHARE ▲ 29%
TO 40 CENTS PER SHARE (2017: 31 CENTS)

JOHN PAUL DE FREITAS CHIEF FINANCIAL OFFICER

OVERVIEW

In 2018, the Group has made significant progress in delivering its growth ambitions with the year being dominated by the successful acquisition of the Viking Fishing business and 51% of the shares of Viking Aquaculture. This is a transformational transaction for the Group and is earnings accretive from the outset, delivering value through the complementary nature of its fishing businesses and diversification into other wild-caught species and aquaculture.

The Group delivered a pleasing set of results for the year, with revenue increasing by 21% to R2.58 billion, operating profit increasing 16% to R389 million, headline earnings increasing 18% to R278 million and dividends per share increasing 29% to 40 cents per share. The improved performance was predominantly from the South African fishing operation which benefited from the inclusion of Viking Fishing earnings for six months post acquisition, which more than offset the impact of the 5% cut in hake TAC, lower revenues from Mareterram, due to lower prawn catches and one-off transaction and restructuring costs.

FINANCIAL PERFORMANCE

R'000	F2018 VS F2017	F2018	F2017
Revenue	21%	**2 583 341**	2 131 054
Gross profit	**27%**	**908 244**	716 790
Gross profit margin		***35%***	*34%*
Other Operating income	(3%)	**72 240**	74 707
Operating expenses	29%	**(591 865)**	(457 684)
Operating profit	**16%**	**388 619**	333 813
Operating profit margin		***15%***	*16%*
Profit before finance costs and tax	14%	**438 009**	382 793
Net finance cost	103%	**(44 005)**	(21 642)
Taxation	7%	**(100 871)**	(94 206)
Profit after tax	**10%**	**293 133**	266 945
Non-controlling interest		**11 924**	7 601
Profit attributable to Sea Harvest shareholders		**281 209**	259 344

Group revenue increased 21%, benefiting from the aquisition of Viking Fishing and Aquaculture.

GP margins expanded to 35%, due to inclusion of Viking Fishing and Viking Aquaculture, further efficiencies, higher export volumes, price increases and a weaker Rand.

Operating expenses increased by 29%, mainly due to the acquisition of Viking Fishing and Aquaculture and R30 million once-off deal costs. Like-for-like operating expenses increased by 5%.

Net finance costs increased by 103% due to the increase in borrowings to fund the Viking acquisition.

The Group's effective tax rate was 25.6%, benefiting from non-taxable fair value gains.



Mussel lines at the West Coast Oyster Growers farm in Saldanha Bay

Group revenue for the year increased by 21% from R2.13 billion in 2017 to R2.58 billion in 2018.



> "We are delighted to deliver real value through the complementary nature of our diverse fishing businesses."

Revenue from Sea Harvest's South African fishing operation increased by R442 million, with increased sales volumes, which include the additional volumes from Viking Fishing for the six months post acquisition, being the biggest driver, contributing R390 million to the increase in revenue. The Rand weakened by an average of 4% compared to 2017 against the currencies with which we trade, and this had a positive R27 million effect on revenue. Price and mix contributed R25 million to the increase in revenue. Excluding acquisitions, South African revenue was on par with 2017, with the impact of the 5% reduction in TAC partially offset by global sourcing, a weaker Rand and firm pricing, with the latter benefiting from continued global demand for high value, sustainably certified, wild-caught seafood. Viking Aquaculture contributed R55 million of revenue for the six months post acquisition. Revenue from Mareterram was 9% lower than the prior year, due to a 35% reduction in prawn catch during the season.

Gross profit for the period increased by 27% to R908 million (2017: R717 million) and the gross profit margin expanded to 35.2% (2017: 33.6%). The expansion in the gross profit margin has been driven by the inclusion of Viking Fishing and Viking Aquaculture, together with further efficiency gains, an increase in higher margin export volumes, price increases and a weaker Rand.

Other operating income, which includes foreign exchange hedge gains, decreased to R72 million (2017: R75 million).

Operating expenses for the period increased by 29% to R592 million (2017: R458 million), mainly due to the inclusion of Viking Fishing and Viking Aquaculture operating expenses post acquisition and one-off transaction costs relating to the Viking and Ladismith Cheese acquisitions. On a like-for-like basis, excluding the Viking operating expenses and one-off transaction costs, operating expenses increased by 5%, benefiting from cost control measures across the Group.

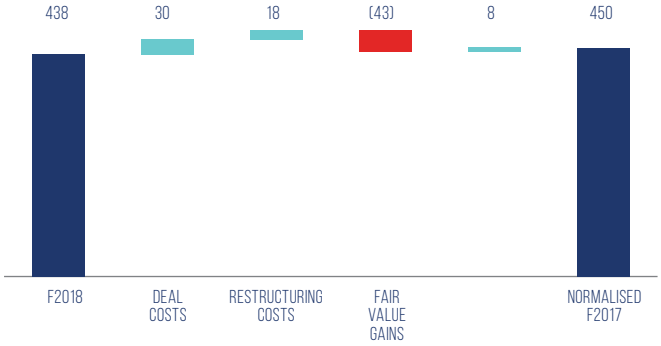
OUR CFO'S REPORT CONTINUED

The Group delivered **Operating Profit** of R389 million for the period, 16% higher than last year (2017: R334 million), benefiting from the inclusion of six months of Viking Fishing and Aquaculture earnings and efficiency gains relating to the introduction of the *Harvest Mzansi* to the fleet, offset by lower revenue from Mareterram and one-off transaction costs relating to the Viking and Ladismith Cheese transactions. The operating margin was held steady at 15% (2017: 15.7%).

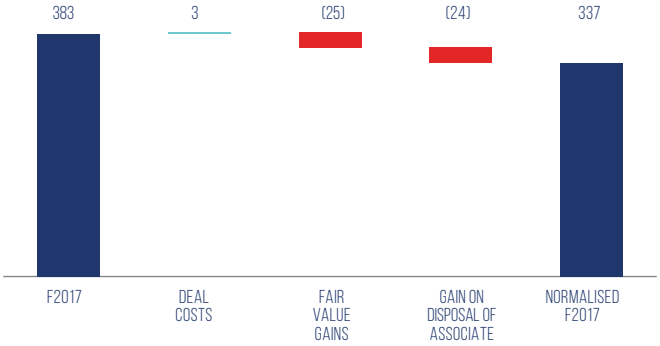
Fair value gains of R49 million (2017: R25 million) included a R43 million gain relating to the revaluation of a contingent consideration liability relating to Viking Aquaculture, due to the non-achievement of the 2018 Viking Aquaculture earn-out target.

Operating profit before net finance costs and taxation ("EBIT") of R438 million was 14% higher than the prior year (2017: R383 million), mainly due to the higher Operating Profit. The fair value gains of R49 million in 2018 broadly matched the R48 million gains recorded in 2017 relating to the disposal of interest in associate and the initial measurement of an option. There are a number of one-off items in both 2018 and 2017 that need to be adjusted for in order to better appreciate the underlying performance of the Group. After adjusting for one-off transaction and restructuring cost and gains, the Group delivered a normalised EBIT of R450 million in 2018, compared to R337 million in 2017, an increase of 34% year-on-year.

NORMALISED F18 EBIT (R'M)



NORMALISED F17 EBIT (R'M)



Profit after tax increased by 10% to R293 million (2017: R267 million), benefiting from the 14% increase in operating profit before net finance costs and taxation, offset by higher net finance costs as a result of increased borrowings to fund the Viking transaction.

HEADLINE EARNINGS PER SHARE (HEPS) AND DIVIDENDS PER SHARE (DPS)

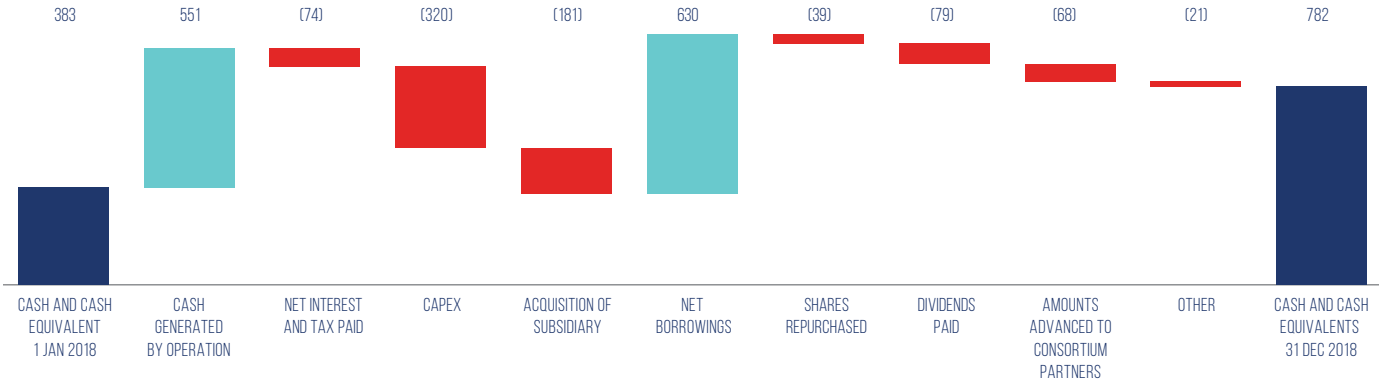
Reconciliation of Headline earnings (R'm)	2018	2017
Profit for the period attributable to shareholders of the parent	**281 209**	259 344
Adjustment for capital items post tax	**(3 310)**	(24 027)
Headline earnings	**277 899**	235 317
WANOS ('000)	**249 202**	217 860
HEPS (cents)	**112**	108
Dividend declared	**117 718**	78 505
Number of shares in issue ('000)	**272 865**	251 363
Dividends per share (cents)	**40**	31

Headline earnings for the Group increased by 18% to R278 million (2017: R235 million). The Weighted Number of Shares (WANOS) in issue increased by 14% to 249 million shares. The increase in the WANOS was partly as a result of the Group's restructure and subsequent listing on the JSE in March 2017, where the shares issued at listing were only included in the determination of WANOS for a portion of 2017, compared to the full period in 2018. In addition, 19.2 million shares were issued as part of the purchase consideration for Viking Fishing and were included in the determination of WANOS from 2 July 2018.

As a result, HEPS for the year increased by 4% to 112 cents per share from 108 cents in 2017, with the HEPS growth year-on-year negatively impacted by the higher WANOS.

A full and final dividend of 40 cents per share has been declared for the year ended 31 December 2018, representing a 29% increase on the dividend of 31 cents per share declared for the 2017 financial year.

CASH FLOW MANAGEMENT



The Group generated cash from operations of R551 million (2017: R341 million) during the year, benefiting from the additional cash generated by the Viking Fishing operation and a positive year-on-year movement in working capital. Net finance costs paid increased to R38 million (2017: R8 million) as a result of the higher debt levels to fund the Viking acquisition, and the Group paid R37 million in income tax for the year (2017: R80 million).

The Group utilised R501 million in investing activities during the year (2017: R368 million), including:

- R320 million on the acquisition of property, plant and equipment (2017: R370 million), including R81 million on the Marel factory processing facility in Saldanha Bay, R46 million on the conversion of the *Harvest Mzansi* into a hake factory freezer trawler, R59 million on vessel refits, and R17 million on a desalination plant in Saldanha Bay;
- R121 million on the acquisition the assets of Viking Fishing, net of R129 million of cash acquired; and
- R60 million on the acquisition of 51% of the shares of Viking Aquaculture, net of R5 million of cash acquired.

During the year, the Group raised R423 million from financing activities, raising net borrowings of R630 million to part fund the Viking Fishing, Viking Aquaculture and Ladismith Cheese acquisitions, paying dividends of R79 million, advancing loans of R68 million to consortium partners and repurchasing shares of R39 million.

The Group opened the year with cash of R383 million, increased cash by R399 million during the year, and ended the year with R782 million of cash on hand. With borrowings R1.7 billion, the Group's net debt position for the year ended 31 December 2018 was R911 million.

FINANCIAL POSITION

The balance sheet of the Group has changed substantially following the acquisition of Viking Fishing and Viking Aquaculture.

Assets (R'm)	2018	2017	
Property, plant and equipment	**1 604 800**	808 192	VFD acquisition +R652 million, *Harvest Mzansi* conversion +R46 million Marel +R81 million
Biological assets	**107 646**	–	Viking Aquaculture
Intangible assets	**616 163**	489 805	Viking Fishing rights +R67 million and Spanish mackerel licence +R36 million
Goodwill	**621 549**	84 220	Viking Fishing +R463 million, Viking Aquaculture +R70 million
Other non-current assets	**201 496**	124 780	Loans to consortium partners +R70 million
Current assets	**1 696 630**	1 061 522	Inventory +R92 million, receivables +R175 million, cash of +R399 million
	4 848 284	2 568 519	

OUR CFO'S REPORT CONTINUED

FINANCIAL POSITION (CONTINUED)

Property, plant and equipment has increased by R797 million to R1.6 billion, with R425 million relating to the fair value of the Viking Aquaculture and R227 million relating to the fair value of Viking Fishing property, plant and equipment at take-on. In addition, R46 million related to the conversion of the *Harvest Mzansi* to a hake factory freezer vessel and R81 million related to the Marel factory installation in Saldanha Bay. During the year, the Group disposed of the *Harvest Atlantic Hope* with a net carrying value of R56 million.

Biological assets of R108 million related to Viking Aquaculture with R85 million representing the fair value of biological assets at take-on.

Intangible assets increased by R126 million to R616 million, with R67 million of the increase relating to the fair value of Viking Fishing's fishing licences at take-on and R36 million relating to acquisition of Spanish mackerel licences in Australia.

Goodwill increased by R537 million to R622 million, with R463 million relating to the acquisition of Viking Fishing and R70 million relating to the acquisition of Viking Aquaculture.

Other non-current assets increased by R77 million to R201 million, mainly due to the R70 million loan advanced to consortium partners.

Current assets increased by R635 million to R1.7 billion, mainly as a result of Viking Fishing and Viking Aquaculture inventory and trade and other receivables at take-on, as well as a R399 million increase in cash and cash equivalents.

Equity and Liabilities (R'm)	2018	2017	
Stated capital	**1 538 761**	1 294 875	Shares issued +R280 million, shares repurchased -R39 million
Reserves	**275 904**	102 791	Retained earnings +R281 million, dividends paid -R78 million
NCI (including treasury shares)	**254 662**	168 313	44% minority shareholding in Mareterram, 49% in Viking Aquaculture
Non-current liabilities	**2 128 831**	637 691	LT borrowings +R1.2 billion, Deferred tax +R169 million, Contingent consideration +R122 million, Loans from related parties +R308 million
Current liabilities	**650 126**	364 849	Payables +R141 million, ST borrowings +R144 million
	4 848 284	2 568 519	

Stated capital increased by R243 million to R1.54 billion, due to the 19.2 million shares issued at R13 per share to the sellers of Viking Fishing.

Reserves increased by R173 million to R276 million, benefiting from the R203 million increase in retained earnings after paying R78 million in dividends during the year.

Non-controlling interest (NCI) increased by R86 million, with the biggest driver of this being the 49% minority share in Viking Aquaculture Net Asset Value at take-on.

Non-current liabilities increased by R1.5 billion to R2.13 billion, driven by a R894 million increase in the long-term portion of borrowings to fund the Viking transaction; R308 million relating to the consolidation of a shareholder loan in Viking Aquaculture; R122 million relating to the contingent consideration liability relating to Viking Fishing and Viking Aquaculture; and a R169 million increase in deferred tax liability, mainly relating to the deferred tax on the fair value of Viking Fishing and Viking Aquaculture assets at take-on.

Current liabilities increased by R285 million to R650 million, mainly due to the Viking Fishing and Aquaculture trade and other payables at take-on, the timing of expenditure as well as higher short-term portion of borrowings due to the higher debt levels.

Net asset value per share increased by 21% to 706 cents per share from 582 cents in 2017, driven by the inclusion of the net assets of Viking Fishing and Viking Aquaculture.

Return of capital employed (EBIT/Capital Employed) decreased from 24% in 2017 to 21% in 2018, impacted by the inclusion of the entire net assets of Viking Fishing and Viking Aquaculture at 31 December 2018, but only six months of earnings for the period post acquisition.

SEGMENTAL PERFORMANCE

SOUTH AFRICAN FISHING



INTRODUCTION

Sea Harvest's South African Fishing segment now includes the operations of Viking Fishing with effect from 2 July 2018. The acquisition has added scale in the Hake sector and has added specie and revenue diversification with the introduction of anchovy, pilchards, tuna and prawns to the basket of products caught and sold by Sea Harvest.

Of our 35 vessels, 12 deep-sea hake vessels operate from the Saldanha Bay harbour, including eight fresh fish vessels that feed the land-based fresh fish processing factory and four factory freezer vessels that produce product mainly for export markets. Fifteen vessels operate out of the Cape Town harbour and catch deep-sea hake, horse mackerel and large pelagics. Four vessels operate out of Mossel Bay catching in-shore hake, east coast sole, pilchards and anchovies, and four vessels operate from the Durban harbour catching prawns.

The Group operates four fish processing factories. Our flagship fresh fish processing factory is located in Saldanha Bay. In the third quarter of 2018, a new state-of-the-art, Icelandic-designed, Marel technology was installed within the factory at a total cost of R105 million. The factory is predominantly focused on processing hake, including skin-on and skinless fillets, loins, steaks and portions for both the international and local markets. Saldanha Bay is also home to the Group's Added Value factory that produces a wide range of coated, battered, crumbed and sauced hake products for both the local and international markets.

In Cape Town, the Group operates the Selecta Sea Products factory, which focuses on grading and processing hake and other by-catch species into a wide range of products, including fillets and individually wrapped portions. The factory in Mossel Bay processes pilchards and anchovies. In addition, the Group offloads the hake caught long the Cape south coast in its Mossel Bay factory.

OPERATING PERFORMANCE

The introduction of the *Harvest Mzansi* into the fleet in April 2018 was seamless, with the project being delivered on time and within budget. The additional factory freezer vessel contributed positively to earnings from day one, benefiting from the export orientation of the products produced onboard.

The installation of the Marel fish processing facility in the Saldanha Bay factory in the third quarter of 2018 has been challenging, with the ramp-up to the design capacity taking longer than expected. The benefits of the installation will only begin to materialise in the second half of 2019.

The integration of the Viking Fishing business has gone well, with the teams working together across many functions from fishing and processing, to sales and marketing, as well as back-office functions.

FINANCIAL PERFORMANCE

REVENUE ▲ **27%**
TO R2.09 BILLION (2017: R1.64BN)

GROSS PROFIT ▲ **31%**
TO R772 MILLION (2017: R592M)

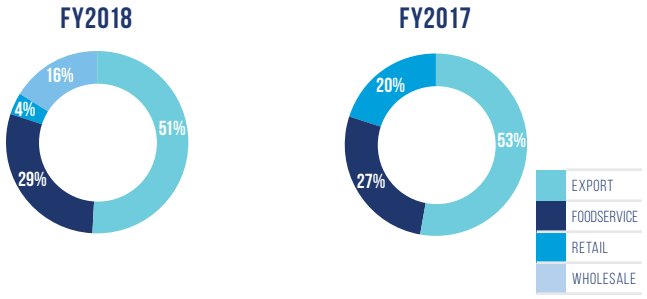
OPERATING PROFIT ▲ **17%**
TO R368 MILLION PER SHARE (2017: R312 MILLION)

Revenue from the South African Fishing segment, after eliminating inter-company sales, increased by 27% to R2.09 billion (2017: R1.64 billion), benefiting from the inclusion of Viking Fishing for six months post acquisition, which more than offset the impact of the 5% reduction in hake TAC. Gross profit increased 31% to R772 million (2017: R592 million), with gross profit margin expanding to 37% (2017: 36%), benefiting from the inclusion of Viking Fishing and further efficiencies with the *Harvest Mzansi* joining the fleet, an increase in higher margin export volumes, price increases and a weaker Rand.

SEGMENTAL PERFORMANCE CONTINUED



Operating profit increased 17% to R368 million (2017: R312 million), benefiting from the additional Viking Fishing revenues, and operating profit margin reduced marginally to 18% (2017: 19%) impacted by once-off transaction and restructuring costs incurred during the year.



The acquisition of Viking Fishing has changed the South African fishing segment sales channel mix. As a result of the lower export mix from Viking Fishing, the Sea Harvest Fishing combined export sales revenue mix reduced marginally to 51% (2017: 53%). Europe remains Sea Harvest's most important export market, representing 80% of total export sales revenue in 2018, with particularly strong growth experienced in the Iberian Peninsula where Viking Fishing is also well represented. Viking Fishing is well represented in the foodservice channel and, as a result, the foodservice revenue mix increased to 29% (2017: 27%). Viking Fishing introduced a wholesale channel to the Group, which Sea Harvest had previously not participated in, making up 4% of sales revenue for the year. Local retail sales mix reduced to 16% (2017: 20%), with Viking Fishing not participating in this channel.

LOOKING AHEAD

Within Sea Harvest's South African fishing operation, we expect to see continued global demand for high value, wild-caught, MSC certified seafood, which is expected to drive continued growth and firm pricing. Local retail volumes are expected to come under further pressure as a result of the challenging economic environment, but continued price inflation in the category is expected to mitigate the impact on revenue. The local foodservice market remains robust, with continued firm pricing expected. The local wholesale market provides a new channel for the distribution of fresh fish into the informal trade where pricing is expected to remain stable.

On the supply side, the full year effect of the acquisition of Viking Fishing will drive additional export volume growth, in particular into the Iberian Peninsula where Viking Fishing is well represented, and growth in the foodservice and wholesale channels within the local market. In addition, a 10% and 14% increase in the TAC of hake and horse mackerel respectively is expected to drive increased sales volumes and revenue during 2019.

During 2019 the key focus of the South African fishing segment will be on:

- Realising the benefits of the investments made in the Marel fish processing facility in the Saldanha Bay fresh fish processing factory. This has been a challenging project with the ramp-up of the facility to its design capacity taking longer than anticipated and benefits are expected to materialise in the second half of 2019;
- Integrating the Viking Fishing operations into the Group and creating a combined fishing business that takes the best of both Sea Harvest and Viking to optimise the performance of the South African fishing segment into the future; and
- Preparing for the FRAP 2020 process to protect the future of the Group, continuing to focus on transformation, while working with industry to ensure the allocation process is fair and transparent.

VIKING AQUACULTURE



Buffeljags abalone farm

INTRODUCTION

The acquisition of 51% of the shares of Viking Aquaculture, effective 2 July 2018, has further diversified Sea Harvest's revenue base, introducing a new revenue stream to the Group. The Group's aquaculture operations comprise abalone, oysters, mussels and trout employing 330 people across nine locations. The Viking aquaculture operations are at an early stage of development and represent strong growth opportunities for the future.

ABALONE

The Group operates two abalone facilities: Buffeljags Abalone Farm outside Hermanus in the Western Cape and DCA in Kleinzee in the Northern Cape. The ability to farm abalone over multiple, geographically dispersed locations, reduces the bio-security risk exposure to the Group. The Group's current combined design capacity is 500 tons and in the six months to December 2018, 78 tons of abalone was harvested. The farms had a combined 300 tons of abalone on hand at 31 December 2018.

Abalone is sold predominantly in the far east in live, dried and canned formats, with abalone accounting for 62% of Viking Aquaculture's revenue for the six months to December 2018.

BUFFELJAGS ABALONE

The Buffeljags abalone farm situated outside Hermanus is the Group's flagship aquaculture operation with a design capacity of 350 tons. Due to its location, the farm is less susceptible to red tide. It is expected to ramp-up to full production of 350 tons by the end of 2021. The farm is fully established with all the various areas, from hatchery through to weaning and grow-out, performing to expectation. The necessary capital expenditure has been incurred to achieve the design capacity and the pipeline of product is in place.

The business has a symbiotic relationship with the local community-based company who harvest and supply the farms kelp feed requirements. During 2017, a delay in renewing the communities' kelp harvesting rights resulted in a lack of kelp feed for the farm requiring a focus on alternative feed solutions to prevent mortalities and reduction in harvest volumes. Through Viking Aquaculture's 30% investment in Specialised Aquatic Feeds, a synthetic feed was developed, which together with Viking Aquaculture's grown ulva (an edible green algae) has provided an alternative feed solution.

The Group is in the process of installing five megawatts of wind turbine production capacity on site in order to mitigate the effects of the electricity crisis gripping the country. The turbines are on-site and are awaiting final approvals.



SEGMENTAL PERFORMANCE CONTINUED



Diamond Coast Aquaculture abalone farm

DIAMOND COAST AQUACULTURE

Located in Kleinzee in the Northern Cape, DCA has achieved its design capacity of 150 tons and production has settled down onto a sustainable growth path. The company has activated its kelp-harvesting right and is producing sufficient feed for the current farm size and the farm's expected expansion. Additionally, its abalone ranching right has been activated with select animals being introduced to the wild.

With an abundance of resources, the Group has approved the expansion of the DCA farm from 150 tons to 800 tons over the next ten-year period, increasing the total abalone production capacity of the Group to 1,150 tons. The Group has included a five megawatt wind farm as part of this project.

OYSTERS AND MUSSELS

West Coast Aquaculture, West Coast Oyster Growers and Luderitz Mariculture.

Located in Saldanha Bay, West Coast Aquaculture and West Coast Oyster Growers cultivate oysters and mussels largely for the South African market. Luderitz Mariculture holds extensive water leases in the Luderitz lagoon housing 400 rafts for the cultivation of oysters, destined largely for the South African market.

The Group harvested 186 tons of mussels and 1.9 million oysters in the six months to December 2018. The farms suffered a 40% stock loss in 2017 due to major storm damages. Both these farms have recovered from storm losses and are on track to deliver their designed supply of oyster and mussels in the 2019 financial year. The farms had a combined 937 tons of mussels and 8 million oysters on hand at 31 December 2018.

Strategically, the Group's own oyster hatchery is located at Luderitz, supplying oyster spat to the various Viking Aquaculture operations.





TROUT

With hatcheries located in Fizantekraal, Molapong houses the trout operations of Viking Aquaculture supplying quality fresh water trout, sea-grown trout and coho salmon for grow out in Saldanha Bay. Due to the high levels of mortalities and slower growth rates, the focus during 2018 has been on developing salt water strains of trout for grow out within Saldanha Bay.

The Group harvested 56 tons of trout in the six months to December 2018 with 113 tons of trout on hand at 31 December 2018. With a potential of increased production, Molapong could be an exciting growth opportunity for the Group.

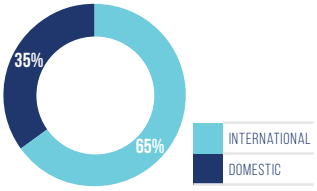


Molapong Aquaculture ocean trout cage in Saldanha Bay

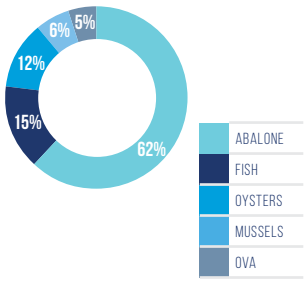
FINANCIAL PERFORMANCE

During the second half of 2018 Viking Aquaculture turned to profit for the first time, delivering operating profit of R3 million for the six months ended 31 December 2018, compared to an operating loss of R4 million in the first six months of 2018. The business contributed revenue of R55 million to the Group for the six months ended 31 December 2018, with full year revenue for 2018 of R113 million, representing a year-on-year increase of 27%, benefiting from growth in abalone production. Abalone sales made up 62% of sales revenue for the full year. Gross profit of R29m was delivered for the six months at a gross profit margin of 51%. Operating profit was R3 million and EBIT was R15 million, after booking a gain of R9 million on the revaluation of biological assets.

REVENUE



REVENUE BY CATEGORY



OUTLOOK

The Viking Aquaculture operations are in the early stages of development, with capital expenditure already incurred to enable the current facilities to reach their design capacities, representing good growth opportunities as the abalone, mussel, oyster and trout operations mature and reach their respective steady states.

INTERNATIONAL OPERATIONS – MARETERRAM



Shark Bay prawn vessel in Carnarvon, Western Australia

The Group's international operations comprise its Australian listed subsidiary, Mareterram Limited ("Mareterram") (ASX share code: MTM). At 31 December 2018, Sea Harvest held 56.3% of Mareterram, and in early February 2019, Sea Harvest announced an offer to buy the balance of the shares in Mareterram that it did not already own.

Mareterram is a vertically integrated agribusiness headquartered in Fremantle, Western Australia, providing premium quality and sustainable produce to Australian and international consumers. The business comprises of two operating divisions, Mareterram Fisheries and Mareterram Trading.

With a long and proud history of operating within the Shark Bay Prawn Managed Fishery for over 50 years, Mareterram Fisheries (formerly Nor-West Seafoods) is the single largest owner-operator in the fishery, holding 10 of the 18 prawn licences in Shark Bay. Western King prawns and Brown Tiger prawns are the major target species, with the Company also catching scallops, blue swimmer crabs, squid and cuttlefish. Mareterram Fisheries' fleet of eleven prawn trawlers is set-up to process, package, and snap freeze all their catch at sea, ensuring a high quality, consistent and sustainable seafood product. In early 2018, the Company, through the acquisition of two Western Australia mackerel licences, added another premium specie to its basket.

Mareterram Trading is the sales and marketing arm of the business and manages the sales of the fisheries product from Shark Bay together with other premium, sustainably caught seafood that it sources from its worldwide network of key suppliers. The business also acts as exclusive agent for other premium food brands, including Sea Harvest, whose products complement Mareterram's seafood offering. Mareterram Trading has a sales presence in Perth, Brisbane, Sydney, Adelaide and Melbourne.

OPERATING PERFORMANCE

Mareterram had a challenging 12 months to 31 December 2018 as a result of the main business undertaking in the Shark Bay prawn fishery experiencing one of the lowest industry-wide total prawn catch volume on record since the late 1960s. Prawn catch volumes of 540 tons were approximately 300 metric ton (35%) lower in 2018 than 2017. The average size of prawns caught in the 2018 season was larger than 2017, benefiting from the delayed start to the 2018 prawn season, resulting in an average realised prawn price that was 12.4% higher than 2017.

Scallop catch volumes were approximately 10% lower in 2018 to those of 2017, though the remaining scallop quota was deliberately held over to be caught in February 2019 when product is larger and attracts a higher price. The average scallop size landed in the 2018 fishing season was in line with scallop sizes realised across the 2017 season.

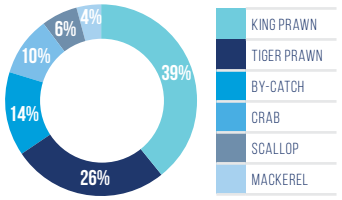
Mackerel catches were below first season expectations with only approximately 41% of the total quota caught. This was primarily due to an attempt to consolidate two licence and quota packages on to one vessel. Partly offsetting the lower catch, harvest expenses were below the initial business case and the average realised price for mackerel was above expectations. As such, the mackerel business still provided a positive contribution to earnings before interest, tax, depreciation and amortisation (EBITDA).

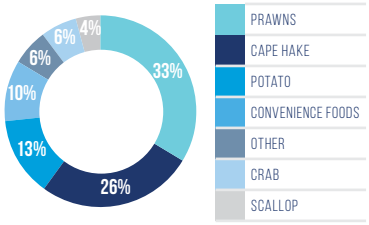
A significant restructure of the Company's personnel and adjustments to other fixed overheads was executed in late 2017 and early 2018. Multiple positions across the Company were rationalised after an in-depth review of the organisational structure, which focused on the adoption of leaner principles of operation resulting in the Company reducing overheads by 20% year-on-year.

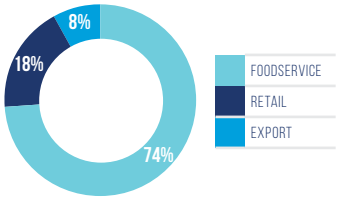


SEGMENTAL PERFORMANCE CONTINUED

FINANCIAL PERFORMANCE







Revenue for the year reduced by 9% to R443 million (2017: R487 million), impacted by a 35% reduction in the landings of prawns during the season, in line with the total reduction in catches within the Shark Bay Managed Fishery during the year. The impact of the lower prawn volumes on revenue was partly offset by higher prices which benefited from an improved size mix following the delayed start to the 2018 prawn fishing season. A significant restructure of the business took place in late 2017 and early 2018 which resulted in a 20% reducion in the Company's overheads in 2018.

Despite the challenging prawn fishing conditions, the cost reduction measures enabled the business to deliver EBITDA of R30 million for the year, broadly in line with that of the prior year (2017: R31 million). Depreciation and amortisation increased year-on-year as the capitalised costs associated with the vessel rebuild programme, as well as the acquisition of a mackerel vessel, are being depreciated. Interest expenditure increased year-on-year due to an increase in long-term borrowings relating to the acquisition of two mackerel packages in January 2018. The business reported profit after tax for the year of R2.3 million (2017: R15 million).

The Company's balance sheet remains healthy, showing net assets of R293 million as at 31 December 2018.

LOOKING AHEAD

During the 2018 season, the Shark Bay prawn fishery experienced historically low catch volumes compared to previous seasons. The DPIRD, which oversees the management of the fishery, is working closely with industry to manage the fishery and to ensure a rebound in prawn catch rates.

A range of strategies to optimise prawn spawning, recruitment and protection is being considered.

The Fishing Division's continuation of its vessel improvement programme, designed to increase vessel reliability and efficiency, produced good results again in 2018. Lost nights of fishing were down 42% and returns to port were down 36% during the 2018 season. Good progress has been made with Mareterram's vessel rebuild programme, with the fleet on track to be completed by the 2021 season. The Company expects further incremental improvement in vessel reliability in the 2019 season.

Mareterram will continue to refine and implement its four key strategic pillars in 2019, being:

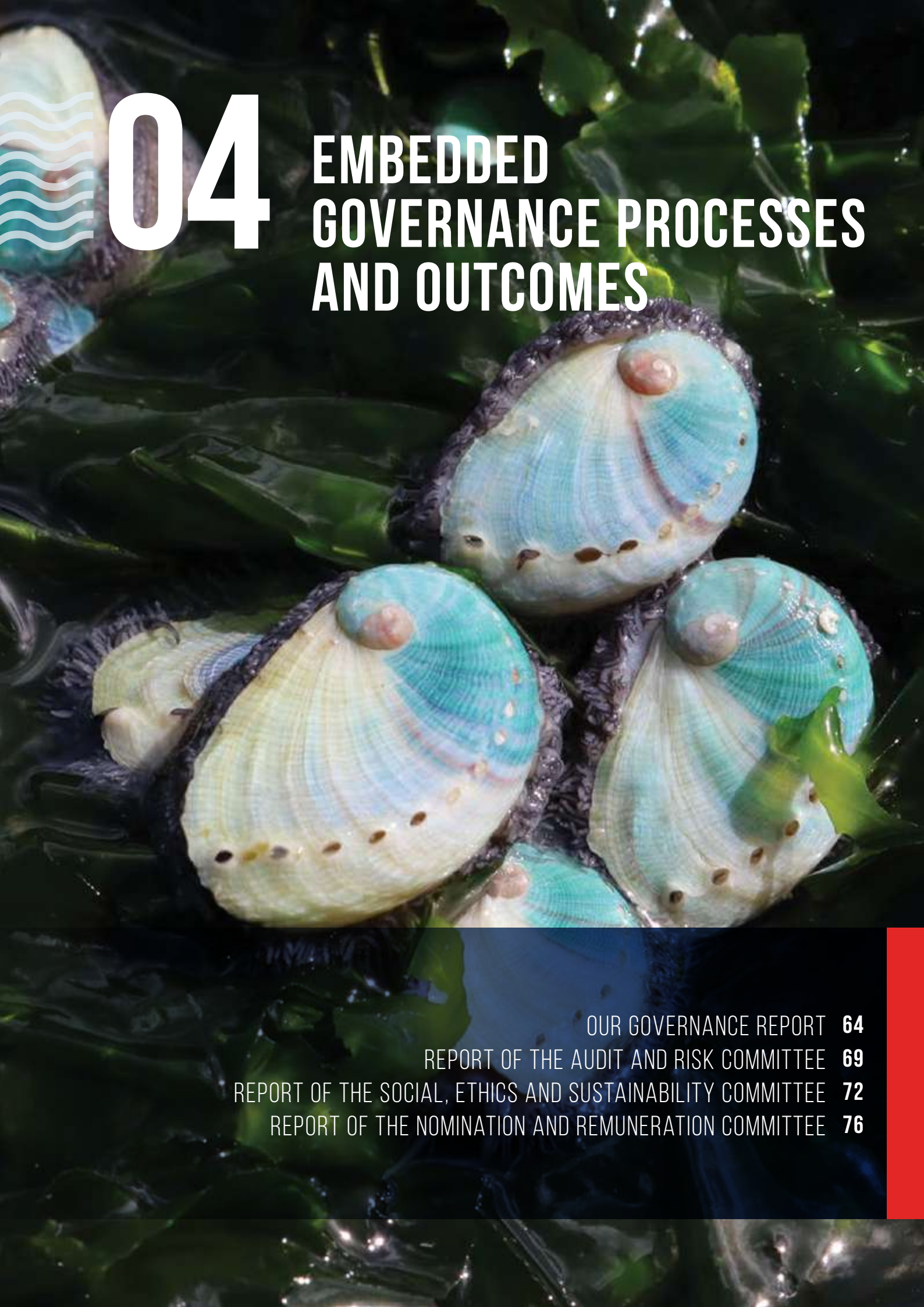
- to maximise the volume and value of its catch;
- to maximise the utilisation of its assets:
- to grow its Food Division; and
- to build further scale and diversification through acquisitions.

Emphasis will be placed on the fourth pillar in particular, with resource security and subsequent supply chain control the major focus.

OFFER BY SEA HARVEST

Mareterram and Sea Harvest announced to the market in February 2019 that they had entered into an agreement for Sea Harvest to acquire all shares in Mareterram not currently owned by Sea Harvest by way of an off-market takeover offer. The offer opened on 5 March 2019 and, on 12 April 2019, the Group announced that it had acquired an additional 41% of the shares in Mareterram, taking the Group's shareholding to 97.3%. Mareterram was delisted on 14 April 2019 and it is expected that the remaining 2.8% will be acquired by early May 2019.





04 EMBEDDED GOVERNANCE PROCESSES AND OUTCOMES

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OUR GOVERNANCE REPORT

THE OUTCOMES OF THE BOARD AND COMMITTEES

BOARD ATTENDANCE AND ACTIVITIES FOR 2018

The Board, through its oversight responsibilities, remains committed to ensuring the achievement of the Group's vision, mission and strategy.

The Board set the tone of the Company's values, including principles of ethical practices. In fulfilling its obligation as embodied in the 4th principle of King IV™ the Board held five (5) Board meetings during the 2018 financial year, including one (1) Special Board meeting.

The table below records the attendance of directors at Board meetings for the year:

NAME OF DIRECTOR	27 FEB 2018	7 MAY 2018	27 AUG 2018	15 NOV 2018	26 NOV 2018 SPECIAL
Mr FJ Robertson	✓	✓	✓	✓	✓
Mr F Ratheb	✓	✓	✓	✓	✓
Mr JP de Freitas	✓	✓	✓	✓	✓
Mr M Brey	✓	✓	✓	✓	✓
Mr BM Rapiya	✓	✓	✓	✓	Apology
Mr LJ Penzhorn	✓	✓	Retired	Retired	Retired
Mr WA Hanekom	✓	✓	✓	✓	✓
Ms CK Zama	Before appointment	Before appointment	✓	✓	✓
Ms KA Lagler	Before appointment	Before appointment	✓	✓	✓
Mr MI Khan	✓	✓	✓	✓	✓
Ms T Moodley	✓	✓	✓	✓	✓

In creating value for its stakeholders, the Board carried out the following key responsibilities in relation to the 2018 financial year:

- Approved the Group strategy and evaluated the progress made by the executive team to ensure the achievement of the strategy;
- Deliberated material issues relevant to implementation of the Group strategy;
- Reviewed and considered strategic risks and related opportunities;
- Approved the Group budget for the year under review;
- Approved material acquisitions, disposals, investments, capital expenditure and hedging policy;
- Considered feedback from sub-committees on matters including but not limited to financial decisions affecting the achievement of the strategy, the governance of risk management, stakeholder engagement and responsible remuneration;
- Reviewed solvency, liquidity and going concern status and agreed dividend payments;
- Approved the Annual Integrated Report, annual financial statements, Interim Financial Statements and Result Announcements;
- Considered and ensured the implementation of the recommendations of King IV™; and
- Approved the Remuneration Policy and short-term and long-term incentive schemes.

Where necessary, these matters were further deliberated at Board and sub-committee meetings, as appropriate.

BOARD EFFECTIVENESS

In line with the King IV™ Code, an assessment of the performance of the Board and sub-committees was conducted by the Company Secretary. The outcomes of the assessments were evaluated at the respective sub-committees and reported to the Board as appropriate.

The Company Secretary and CFO were responsible for determining and implementing any actions emanating from this evaluation in order to improve the effectiveness of the Board.

BOARD ESTABLISHED COMMITTEES

In discharging its responsibilities, the Board has constituted various sub-committees to achieve the highest standards of governance. The Board recognises that governance extends beyond regulatory and legal compliance, and directors actively embed good governance in all facets of managing the Group.

The committees established by the Board provide focused support towards the achievement of living and embedding the governance philosophy through their respective oversight and direction. Feedback to the Board and other stakeholders as may be required is done through the appointed Committee Chairperson.

Directors and executives are specifically appointed to sub-committees based on their qualifications, knowledge and experience. This allows for the proper discharge of the Board's responsibilities and for the implementation of the approved strategy to be robustly evaluated and opined upon. Newly appointed directors are properly inducted into the Group through operational inspections and observations which allows them to link their existing

knowledge and experience to the operations of the Group in a manner which goes beyond mere boardroom evaluations.

All the committees participated in an annual review or self-assessment in 2018.

Executives are available to non-executive directors to provide further insights, where necessary, into the value creation process within the Group. A brief summary of the value creation activities of the Board committees during the 2018 financial year is included below.

The complete terms of reference of each Board sub-committee can be viewed on our website: www.seaharvest.co.za.

AUDIT AND RISK COMMITTEE

In addition to its statutory duties prescribed in the Companies Act, King IV™ and the JSE Listings Requirement the Audit and Risk Committee (the Committee) is required to provide independent oversight of the system of internal controls and risk management, and the effectiveness of the internal financial controls to assist the Board in monitoring the integrity of the Group's annual financial statements and other performance-related external reports. The Committee further oversees the effectiveness and independence of the Group's external and internal assurance functions and services that contribute to the Group's financial and integrated reporting.

The Charter of the Audit and Risk Committee can be found on our website: www.seaharvest.co.za

The approved Charter of the Committee remained unchanged for 2018. The composition of the Committee was changed with the retirement of Mr LJ Penzhorn and the appointment of Ms KA Lagler (chair) and Ms CK Zama (member).

The Audit and Risk Committee comprises only independent non-executive directors as committee members. Meetings of the Committee are attended by executive directors of the Group, executive directors of key subsidiaries and various assurance providers to the Group, including the external and internal auditors.

Meetings of the Audit and Risk Committee

The Committee held three (3) meetings during the 2018 financial year. The table below records the attendance of members at committee meetings for the year:

NAME OF DIRECTOR	26 FEB 2018	27 AUG 2018	14 NOV 2018
Mr LJ Penzhorn (Chair)	✓	Retired	Retired
Ms KA Lagler (Chair)	Before appointment	✓	✓
Mr BM Rapiya	✓	✓	✓
Ms CK Zama	Before appointment	✓	✓
Mr WM Hanekom	✓	✓	✓

Responsibilities and Activities of the Audit and Risk Committee

As expanded in the detailed Audit and Risk Committee report, greater impetus was given in 2018 to risk management and combined assurance. The Committee also received and evaluated reports and other outputs from its sub-committees, that is, the Fraud and Prevention Committee and the Information and Technology Steering Committee.

The Committee gave sufficient attention to its financial reporting oversight responsibilities relevant to the annual financial statements, mid-year results and Integrated Annual Report. Looking forward, the Committee will be further embedding the existing risk management, fraud prevention and assurance disciplines within the Viking division and other acquired entities.

For a detailed description of the activities performed by the Audit and Risk Committee in 2018 please refer to the Audit and Risk Committee report on pages 69 to 71 of this report.

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

The Social, Ethics and Sustainability Committee assists the Board in all matters relating to organisational ethics, responsible corporate citizenship, transformation, health and safety, sustainable development and stakeholder relationships. The Committee functions in terms of the recommendations of King IV™ and the requirements of the Companies Act.

The Charter of the Social, Ethics and Sustainability Committee can be found on our website: www.seaharvest.co.za.

The approved Charter of the Committee remained unchanged for 2018, apart from the appointment of Ms CK Zama who joined the Committee as a member, following her appointment to the Board on 2 July 2018.

The Committee comprises non-executive directors and executive directors as committee members. Meetings of the Committee are attended by executive directors of the Group and executive directors of key subsidiaries.

Meetings of the Social, Ethics and Sustainability Committee

The Committee held four (4) meetings during the 2018 financial year. The table below records the attendance of members at committee meetings for the year:

NAME OF DIRECTOR	27 FEB 2018	7 MAY 2018	27 AUG 2018	15 NOV 2018
Mr FJ Robertson (Chair)	✓	✓	✓	✓
Mr BM Rapiya	✓	✓	✓	✓
Ms CK Zama	Before appointment	Before appointment	✓	✓
Mr MI Khan	✓	✓	✓	✓
Mr M Brey	✓	✓	✓	✓
Ms T Moodley	✓	✓	✓	✓
Mr F Ratheb (Invitee)	✓	✓	✓	✓
Mr M Khumalo (Invitee)	✓	Apology	✓	✓
Mr T Brown (Invitee)	✓	Apology	✓	✓
Ms M-L Harry (Invitee)	✓	✓	✓	✓

Mr FJ Robertson has been evaluated by the Board as an appropriate Chair of this committee, given his extensive exposure and involvement in numerous socio-economic initiatives.

OUR GOVERNANCE REPORT CONTINUED

Responsibilities and Activities of the Social, Ethics and Sustainability Committee

As expanded in the detailed Social, Ethics and Sustainability Committee report, greater impetus was given in 2018 to the Group's corporate social investment activities, B-BBEE evaluation and progress made in relation to transformation initiatives.

In 2019, the Committee will continue to monitor management's progress with regards to transformation, minimising any unsuitable environmental impact and ensuring the well-being of employees. Continued efforts for the key matters as described above and further detailed in the Committee's report will be undertaken in 2019.

For a detailed description of the activities performed by the Social, Ethics and Sustainability Committee in 2018, please refer to the Social, Ethics and Sustainability Committee report on pages 72 to 75 of this report.

REMUNERATION COMMITTEE

The CEO, executive directors, Group executives and remuneration structures are included in the ambit of the Remuneration Committee's responsibilities. All remuneration share awards and benefits in kind are evaluated and approved by the Committee.
The Committee is focused primarily on principle 14 of the King IV™ code, ensuring the Group remunerates fairly.

The Charter of the Remuneration Committee can be found on our website: www.seaharvest.co.za

The approved Charter of the Committee remained unchanged for 2018.

The Committee comprises only non-executive directors as committee members. Meetings of the Committee are attended by the CEO.

Meetings of the Remuneration Committee

The Committee held two (2) meetings during the 2018 financial year. The table below records the attendance of members at Committee meetings for the year:

NAME OF DIRECTOR	27 FEB 2018	15 NOV 2018
Mr WA Hanekom (Chair)	✓	✓
Mr BM Rapiya	✓	✓
Mr MI Khan	✓	✓
Mr F Robertson (Invitee)	✓	✓
Mr F Ratheb (Invitee)	✓	✓

Responsibilities and Activities of the Remuneration Committee

As expanded in the detailed Remuneration Committee report the Committee considered various benchmarking exercises undertaken applicable to the 2018 financial year in determining the remuneration structures, inclusive of guaranteed pay, long and short-term incentive schemes aligned with retention strategies for the CEO and senior executives.

For a detailed description of the activities performed by the Remuneration Committee in 2018, please refer to the Remuneration Committee report on pages 76 to 86 of this report.

NOMINATION COMMITTEE

The Nomination Committee is responsible for the structure and composition of the Board, considerate of its current position and future requirements. The Nomination Committee operates in terms of the Board-approved Charter.

The Charter of the Nomination Committee can be found on our website: www.seaharvest.co.za

The approved Charter of the Committee remained unchanged for 2018.

The Committee comprises only non-executive directors as committee members. Meetings of the Committee are attended by the CEO.

Meetings of the Nominations Committee

The Committee held two (2) meetings during the 2018 financial year. The table below records the attendance of members at committee meetings for the year:

NAME OF DIRECTOR	27 FEB 2018	15 NOV 2018
Mr WA Hanekom (Chair)	✓	✓
Mr BM Rapiya	✓	✓
Mr MI Khan	✓	✓
Mr F Robertson (Invitee)	✓	✓
Mr F Ratheb (Invitee)	✓	✓

Responsibilities and Activities of the Nominations Committee

As expanded in the detailed Nomination Committee report, the Committee evaluated the Board's composition, voluntary gender and diversity targets as well as skills requirements. Following this evaluation, and accepting the retirement of Mr LJ Penzhorn on 30 June 2018, the Committee recommended the appointment of Ms KA Lagler and Ms CK Zama to the Board as independent, non-executive directors.

For a detailed description of the activities performed by the Nomination Committee in 2018 please refer to the Nomination Committee report on pages 76 to 86 of this report.

INVESTMENT AND HEDGING COMMITTEE

The Investment and Hedging Committee is a Board-appointed committee established during the 2017 financial year. The Committee is responsible for the evaluation of the business-enhancing capital expenditure, hedging and investment strategies of the Group.

The Investment and Hedging Committee operates in terms of the approved Charter which is available on our website: www.seaharvest.co.za.

The approved Charter of the Committee remained unchanged for 2018.

The Committee comprises only non-executive directors as committee members. Meetings of the Committee are attended by executive directors of the Group and executive directors of key subsidiaries.

Meetings of the Investment and Hedging Committee

The Committee held two (2) meetings during the 2018 financial year.

The table below records the attendance of members at committee meetings for the year:

NAME OF DIRECTOR	27 FEB 2018	15 NOV 2018
WA Hanekom (Chair)	✓	✓
MI Khan	✓	✓
FJ Robertson (Invitee)	✓	✓
F Ratheb (Invitee)	✓	✓
JP De Freitas (Invitee)	✓	✓
M Brey (Invitee)	✓	✓
G Nortje (Invitee)	✓	✓

Responsibilities and Activities of the Investment and Hedging Committee

The Committee carried out the following key responsibilities during the 2018 financial year:

- Considered the proposed acquisitions, investments and capital expenditure in relation to our South African and Australian operations;
- Evaluated the capital expenditure on fleet and factory operations of Sea Harvest Corporation;
- Considered the sources of available funds to meet the requirements of the business and investors;
- Considered the South African Reserve Bank's requirements in relation to the intended activities;
- Approved funding from third-party providers;
- Provided strategic direction relevant to the high-value funding and investment decisions of the Group;
- Considered the Viking Fishing and Viking Aquaculture transaction and recommended them to the Board for approval;
- Considered the Ladismith Cheese Company acquisition and recommended it to the Board for approval;
- Considered the acquisition of the shares in Mareterram Limited not already owned by the Group and recommended it to the Board for approval; and
- Monitor the application of the Group's hedging policy and approve hedging in excess of 50% of export sales exposure.

Consistent with 2018 and the approved Charter, the Committee continues to focus on expenditure, sales hedges, Capex enhancing projects and funding arrangements.



Members of the Sea Harvest Group Board (L-R): Nana Aston, Group Company Secretary and Legal Advisor; Kari Ann Lagler and Carol Kholeka Zama, Independent Non-executive Directors; and Tiloshani Moodley, Non-executive Director

EMBEDDING OUR GOVERNANCE PROCESSES

SHARE-DEALING POLICY

The Group has an approved share-dealing policy, which restricts directors, prescribed officers, staff and their associates from dealing in Company shares within the periods and conditions prescribed by the JSE Limited, Companies Act, Financial Markets Act and Financial Services Board Act.

The policy stipulates the conditions under which share trading approval must be obtained for various designations within the Group. The Company Secretary is the custodian of all information pertaining to securities trading by directors, prescribed officers and staff.

All information relating to the securities trading of directors and prescribed officers and their associates is published by the Securities Exchanges News Service of the JSE Limited and can be viewed at www.seaharvest.co.za.

INTEREST IN CONTRACTS

All directors act in the best interest of the Group and their fiduciary responsibilities are understood. Strict compliance with the provisions of sections 75 and 76 of the Companies Act is adhered to through the declaration of interest in any contracts, and directorship in any enterprises, with which the Group may potentially interact. Such declarations are evaluated on a regular basis by the compliance and assurance providers within the Group.

Approved Codes of Conduct and Ethics applicable to all directors and employees govern behaviour relating to, *inter alia*, potential conflicts of interest and the conditions under which gifts may be accepted.

STAKEHOLDER ENGAGEMENT

Our relationships with key stakeholders, including customers, suppliers, government, society and investors, are recognised as pivotal to the Group's ability to ensure mutually beneficial, sustained value creation. An approved Stakeholder Management Policy regulates the manner in which the key information about the Group's strategies, future activities and progress is communicated.

CODE OF CONDUCT

The approved Code of Conduct and Ethics is the fundamental policy relating to the manner in which employees, directors and business partners interact with each other. The policy stipulates the duty of care principle, which must be applied consistently while maintaining the highest standards of honesty and integrity.

Each director and employee, as well as supplier, is informed of the code of conduct either at induction or during the contract negotiation stage. The relevance of this policy is overseen by the Social, Ethics and Sustainability Committee and any significant instances of non-adherence are monitored by the Audit and Risk Committee.

OUR GOVERNANCE REPORT CONTINUED

FRAUD, THEFT AND CORRUPTION PREVENTION MECHANISMS

The Group has zero tolerance for fraud, theft and corruption. Our approved Fraud Prevention Policy addresses all legislative and operational requirements and including, *inter alia*, whistle-blower protection.

Our Fraud Prevention Committee reports to the Audit and Risk Committee on all matters reported on the anonymous tip-off hotline, as well as the sanctions applied, and outcomes of investigations conducted by either the internal audit function or appointed investigators as the case may be.

Fraud, theft and corruption prevention is a crucial aspect of the operations of the Group with various activities in place to prevent such activities from occurring. These mechanisms include an established network of staff trained to assist fellow staff members in matters to be reported, onsite security at all major centres of operation, as well as communication of prevention, reporting processes in induction programmes and communication channels in operation.

During the year no material incidents of fraud, theft or corruption occurred.

COMBINED ASSURANCE AND INTERNAL CONTROLS

During the year, the Group continued efforts to implement a combined assurance model to maximise the assurance gained from management, as well as internal and external assurance providers, in relation to the material risks facing the Group.

The Audit and Risk Committee considered the risks and related mitigations identified through the risk management process and the plans were coordinated to prevent duplication of assurance work by these providers.

The executive directors and directors of key subsidiaries are responsible for ensuring that a robust internal control environment exists in order to ensure that:

- The Group's assets are adequately safeguarded and used only for the purposes of value creation.
- Accurate accounting records are regularly maintained.
- All financial and operational information used in the business is reliable and accurate.

Further information can be found in the King IV™ application register which is available at www.seaharvest.co.za.

INFORMATION TECHNOLOGY GOVERNANCE

Embracing the principles of King IV™ and being cognisant that information technology (IT) is crucial to operations, the Group has established an IT Steering Committee, which reports to the Executive Committee and the Audit and Risk Committee. The IT Steering Committee operates in terms of an approved Charter and comprises three directors or executives, the IT Head of Department (HOD), the HOD Internal Audit and representation from an outsourced service provider.

The Audit and Risk Committee evaluates the effectiveness of the IT structures of the Group, including network security and cybercrime threats. Regular assessment of the appropriateness of the Group's IT structures is performed by internal management and external assurance providers.

INTERNAL AUDIT

The in-house internal audit function is appointed to provide independent, objective assurance and advisory services to the Group, designed to add value and improve operations. The internal audit function assists the Group to accomplish its objectives by adopting a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, internal control, and operational, governance and compliance activities.

The internal audit function follows a risk-based approach and functionally it reports to the chairperson of the Audit and Risk Committee and administratively to the Chief Financial Officer. The internal audit function operates in terms of an approved Charter which is reviewed on an annual basis for relevance to the Group's strategies, operations and legislative environment.

GROUP RECORDS AND INDEPENDENT OR SPECIALIST ADVICE

All information, records, documents and intellectual property are freely accessible by directors. Should non-executive directors be required to meet with management, this can be done with or without the attendance of executive directors.

All directors have unrestricted access to the Company Secretary for advice and governance services. Furthermore, should it be deemed necessary, directors may obtain independent/specialist advice.

COMPANY SECRETARY

Ms N Aston is the appointed Company Secretary for the Group. The qualifications of the Company Secretary have been evaluated by the Board, which is satisfied that such qualifications and experience are adequate to properly perform her duties. The Company Secretary attended Board and committee meetings during the reporting period.

The Company Secretary remains independent from the Board and is not a director of the Group. During the year under review, the Company Secretary performed the following functions:

- Induction of newly appointed directors to enable them to familiarise themselves with the operations and business of the Group.
- Provided the directors with information and guidance about their responsibilities and how this should be properly discharged in the best interests of the Group.
- Provided guidance to the Board on the duties of directors and matters relating to ethics and good Corporate Governance.
- Acted as the primary focal point for the directors' and employees' share trading, JSE Listings Requirements and notification of closed periods.

REPORT OF THE AUDIT AND RISK COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2018

The Audit and Risk Committee ("the Committee") is pleased to present its report to the shareholders of the Sea Harvest Group Limited for the year ended 31 December 2018. This report is prepared in line with the Committee's responsibilities as defined in the Companies Act of South Africa (No. 71 of 2008) ("the Act"), the King IV™ Report on Corporate Governance™ ("King IV™") for South Africa and the JSE Listings Requirements.

THE COMMITTEE'S TERMS OF REFERENCE

The Committee is governed by formal terms of reference which have been approved by the Board and which are reviewed regularly. The terms of reference include the Committee's statutory duties as described in the Act, King IV™ and the additional responsibilities assigned to it by the Board. A copy of the Committee's terms of reference can be found on the Group's website: www.seaharvest.co.za.

The Committee is satisfied that it has satisfactorily discharged all of its responsibilities as mandated by its terms of reference.

ROLES AND RESPONSIBILITIES

In addition to its statutory duties prescribed in the Act, the Committee is required to provide independent oversight of the system of internal controls and risk management, and the effectiveness of the internal financial controls, to assist the Board in monitoring the integrity of the Group's annual financial statements and other performance-related external reports. The Committee further oversees the effectiveness and independence of the Group's external and internal assurance functions and services that contribute to the Group's financial and integrated reporting.

This report sets out the manner in which the Committee has fulfilled these responsibilities during the year under review.

COMPOSITION OF THE COMMITTEE

The Committee comprises 4 (four) independent non-executive directors. Mr LJ Penzhorn retired as Chairperson and member of the Committee on 2 July 2018. Ms KA Lagler was appointed as Chairperson of the Committee with effect from 2 July 2018. In addition, Ms CK Zama was appointed as a member of the Committee on 2 July 2018.

The Nominations Committee and the Board are satisfied that the members of the Committee have the requisite knowledge and experience as set out in Section 94(5) of the Act and Regulation 42 of the Companies Regulations, 2011.

The Committee Chairperson, Ms KA Lagler, and members Mr BM Rapiya, Mr WA Hanekom and Ms CK Zama will hold office until the upcoming Annual General Meeting on 27 May 2019, where their re-election will be a matter for shareholder consideration.

The Group Chairman, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Investment Officer ("CIO"), Mr MI Khan (Non-Executive Director), senior executives, internal auditors and external auditors attend the meetings of the Committee by invitation.

MEETINGS AND WORK PLAN

The agenda of the meetings are derived from the adopted work plan of the Committee which ensure that the Committee discharges its responsibilities in a structured manner.

The external and internal auditors attend committee meetings and have unrestricted access to the Committee and its Chairperson and have had the opportunity to address the Committee and its Chairperson without management being present to ensure their independence. The Committee reviewed detailed reports from the external auditors and internal auditors, the outcome of which were reported to the Board by the Chairperson of the Committee.

Three Audit and Risk Committee meetings were held during the year under review and the members attendance records are set out in the table below.

MEMBERS	ATTENDANCE
LJ Penzhorn (Committee Chairperson) BCom Retired 2 July 2018	Attended 1 of 1 meetings
KA Lagler (Committee Chairperson) CA(SA) Appointed 2 July 2018	Attended 2 of 2 meetings
WA Hanekom CA(SA)	Attended 3 of 3 meetings
BM Rapiya BAdmin	Attended 2 of 3 meetings
CK Zama CA(SA) Appointed 2 July 2018	Attended 2 of 2 meetings

KEY FUNCTIONS OF THE COMMITTEE

The Committee performed the following duties during the year under review:

- Reviewed the interim and annual financial statements of Sea Harvest Group Limited and recommended them to the Board for approval;
- Satisfied itself as to the adequacy of the Group's internal controls, including financial internal controls;
- Reviewed the solvency and liquidity, working capital, and going concern statements;
- Reviewed the annual dividend proposal;
- Reviewed the expertise and experience of the Group's Chief Financial Officer and finance function;
- Considered and nominated for appointment at the Annual General Meeting (AGM) the external auditors and the designated auditor for the financial year under review;
- Considered the independence and effectiveness of the external auditors;
- Determined the fees to be paid to the external auditors and the auditor's terms of engagement;
- Determined the nature and extent of non-audit services and pre-approval of such services as the Committee deemed appropriate, in accordance with the Non-Audit Services approved policy;

REPORT OF THE AUDIT AND RISK COMMITTEE CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

- Reviewed and approved the internal audit terms of reference and annual audit plan;
- Considered the effectiveness and independence of the head of internal audit and the internal audit function;
- Received and considered the Proactive Monitoring report of general findings from the JSE;
- Confirmed that there were no concerns nor complaints raised in relation to financial reporting matters and internal controls;
- Provided oversight of Information Technology governance and risk management;
- Assessed the Group's combined assurance model and risk management framework; and
- Assessed the Group's application of the King IV™ principles as set out in the King IV™ Application Register.

FINANCE FUNCTION

The preparation of financial reports including the annual financial statements were completed under the supervision of the Group's Chief Financial Officer, Mr JP de Freitas CA(SA). The Committee reviewed and satisfied itself that the expertise and experience of Mr de Freitas, is appropriate. The Committee further reviewed and was satisfied that the expertise and resources within the finance function were appropriate.

COMBINED ASSURANCE

The Committee continues to have oversight of the Group's approach to Combined Assurance in response to the risks facing the Group, and which incorporates the "3 lines of defence" strategy. Assurance is obtained from various assurance providers in a coordinated manner, to avoid duplication of effort. The Combined Assurance framework was presented to and evaluated by the Committee during the reporting period and deemed to be appropriate.

The internal audit plan is compiled using a risk-based methodology, in consultation with management. In addition, internal and external auditors work in a collaborative manner. For the 2018 financial year, the Committee has considered the risk assesments and mitigation plans presented by management, evaluated and approved the plans of the internal audit function and the external auditors, and the outcomes of the audit work performed. The Committee is satisfied that the combined assurance framework is appropriate and provides sufficient assurance over the Group's risk universe.

The Committee meets with the external auditors without management's presence and the Chairperson of the Committee has regular meetings with the head of internal audit. The Committee is satisfied that the independent assurance providers' work undertaken together with the internal controls designed by management are adequate.

RISK MANAGEMENT AND FRAUD PREVENTION

The Group has developed a Risk Management Framework which was presented to the Committee during the year and deemed appropriate for the size and complexity of the Group. In accordance with this framework the Committee reviewed the strategic risks which could materially impact the ability of the Group to deliver its objectives and the related mitigation plans and considers these appropriate.

The Committee has also evaluated the fraud prevention strategies adopted by the Group. In the fulfilment of its oversight function the Committee is satisfied that the reported risks and fraud prevention strategies adopted are appropriate.

INFORMATION TECHNOLOGY (IT) GOVERNANCE

The Committee has oversight responsibility for IT governance and risk management. IT governance is managed through various charters, plans, policies, procedures and practices. The IT policies, in particular those pertaining to disaster recovery, have been presented and approved by the Committee. An IT Steering Committee has been established to actively manage the IT governance and risk management matters and is responsible for the Group's adherence to the various IT policies and procedures. The IT Steering Committee meets quarterly and provides formal feedback to the Committee in the form of an IT Steering Committee feedback report. The Committee is satisfied that the report of the IT Steering Committee adequately addresses IT governance and risk management requirements, including the appropriateness of IT strategies and policies, systems and network architecture, applications, disaster recovery and security management.

EXTERNAL AUDITORS

Deloitte & Touche ("Deloitte") are the Group's external auditors and were appointed in 2008. Mr M van Wyk is currently the designated audit partner and was appointed as such in 2018. Mr M van Wyk has confirmed to the Committee that Deloitte have complied with the independence requirements in terms of the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants standards.

The Committee gave due consideration to the external auditors and is satisfied that Deloitte is independent of the Group, executive and senior management and therefore able to express an independent opinion on the Group's annual financial statements.

The Committee approved the level of scope, external audit fees and extent of non-audit services for the 2018 audit. In accordance with the approved policy in respect of non-audit services performed by Deloitte, the Committee is satisfied that the fees paid to the external auditors did not exceed approved limits. The fees paid to Deloitte for non-audit services in 2018 related to taxation work and agreed upon procedures in respect of royalty certificates issued to the Marine Stewardship Council and the application for Fish Processing Establishment Rights within Cape Harvest Foods Proprietary Limited.

The Committee has evaluated the performance and conduct of the external auditor for the reporting period and is satisfied with the quality of the external auditors.

The Committee, after appropriate consideration, has nominated for approval at the upcoming AGM on 27 May 2019, Deloitte as the external auditor, and Mr M van Wyk as the designated audit partner.

SUITABILITY OF EXTERNAL AUDITOR AND DESIGNATED PARTNER

The Committee reviewed and was comfortable with the performance of the external auditor during the reporting period and with the quality of the external audit process and have obtained the confirmation required in terms of section 3.84 (g) and 22.15 (h) of the Listings Requirements of the JSE.

KEY AUDIT MATTERS RELATING TO THE 2018 AUDIT

The report of the independent auditors for the year ended 31 December 2018 contained the following key audit matters and the responses to these matters by management in relation to the 2018 annual financial statements were considered by the Committee:

- Acquisition of Viking Fishing and Viking Aquaculture and application of purchase price allocation and valuation; and
- Long-term fishing permit conditions;

Within the context of the audit of the annual financial statements, the Committee is satisfied that these items were suitably addressed.

INTERNAL AUDITORS

The Committee has considered the independence and effectiveness of the in-house internal audit function. The Committee has reviewed and approved the internal audit terms of reference and the coverage plans for 2018 and is satisfied, through the declarations made by the internal auditors, that the assurances provided to the Committee is aligned to the Code of Ethics of the Institute of Internal Auditors.

The head of internal audit reported to the Committee at each meeting and through these reports provided the Committee with a detailed evaluation of the internal control environment within the Group.

INTERNAL FINANCIAL CONTROLS AND FINANCIAL REPORTING PROCEDURES

The Committee has reviewed the written assessment performed by internal audit on the design, implementation and effectiveness of the Group's internal financial controls and financial reporting procedures. Based on the results of this review, information provided by management, and in conjunction with the independent assurance providers, the Committee believes the internal financial controls and financial reporting procedures are suitable and effective and provide a sound basis for the preparation and reporting of reliable financial information.

ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements for the year ended 31 December 2018 and are satisfied that they comply with International Financial Reporting Standards. Accordingly the Committee recommended the annual financial statements to the Board for approval, which the Board subsequently approved.

GOING CONCERN, SOLVENCY AND LIQUIDITY

The Committee reviewed the going concern status of the Group and recommended to the Board that the Group is expected to operate on a going concern basis for the foreseeable future and that the Company is considered solvent and able to distribute its proposed dividend to shareholders.

JSE AND ASX REPORTING REQUIREMENTS

The Committee is satisfied that the Group has met the JSE Listings Requirements and the requirements of King IV™ and is satisfied with the disclosures contained in the King IV™ Application Register, which can be found on the Group's website: www.seaharvest.co.za.

The governance of the Group's Australian Securities Exchange (ASX) listed subsidiary, Mareterram, is managed through representation of the Group's Chairman, CEO and CIO as non-executive directors on the Mareterram Board and Audit Committee. The Committee is satisfied that the necessary governance standards as promulgated by the ASX Listing Rules and the ASX Corporate Governance Council have been materially complied with and where not so, appropriately disclosed.

CONCLUSION

I wish to extend my thanks to my fellow committee members for the work undertaken during this exciting period. On behalf of the Committee I wish to also thank the invitee non-executive and executive directors, management and assurance providers for their contributions to the Committee during the year.



KA Lagler
CA(SA)
29 March 2019

REPORT OF THE SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

Sea Harvest Group Limited ('Sea Harvest' or 'the company') is committed to creating a sound investment for its stakeholders whilst ensuring that its people, local communities and the environment remain as critical pillars of the organisation. As a responsible corporate citizen the company is committed to ensuring that the value it creates also serves to uplift and sustain its people, local communities and the environment, all underpinned by ethical leadership and sound corporate governance practices.

The Social, Ethics and Sustainability Committee ('the Committee') was established to monitor Sea Harvest's performance as a responsible corporate citizen and to perform its statutory functions in terms of the Companies Act, 71 of 2008, as amended (the Companies Act), the King IV™ Principles on Corporate Governance (King IV™), and the Listing Requirements of the JSE Limited, the Committee's Terms of Reference Charter ('the charter'), internal policies and any other applicable legislation. Beyond the statutory functions of the Committee, it serves as a guide to ensure that the company maintains its commitment to social upliftment and the transformation of the environment in which it operates.

The Committee is a sub-committee of the company's Board of Directors (the 'Board' or the 'Directors') and has an independent role with accountability to the Board. This report describes how the Committee discharged its duties from 1 January 2018 until the financial year ended 31 December 2018. The Committee's charter was approved by the Board on 16 February 2017 and the Committee approved its 2018 Annual Work Plan on 15 November 2017.

MEMBERSHIP AND COMPOSITION OF THE COMMITTEE

Committee members at present are:

- Frederick Robertson (Chairman)
- Bahleli Marshall Rapiya
- Mohamed Iqbal Khan
- Tiloshani Moodley
- Carol Kholeka Zama
- Muhammad Brey

The Committee comprises of non-executive and executive directors with the majority being non-executive directors. The chief executive officer is an ex-officio member of the Committee with Sea Harvest executives invited to attend from time to time. The Committee meets at least four times a year and reports to the Board each quarter and on other occasions when required.

THE COMMITTEE'S ROLE AND RESPONSIBILITIES

The role of the Committee is mandated to oversee social, environmental and ethical matters on behalf of the Board. It also serves to monitor relationships with all material stakeholders and ensure company and societal transformation whilst mitigating impacts of the company on the natural environment.

2018 SOCIAL, ETHICS AND SUSTAINABILITY HIGHLIGHTS

RURAL ECONOMIC DEVELOPMENT AND CORPORATE SOCIAL INVESTMENT COMMITMENT 2018

Sea Harvest is committed to transformation where the company's ambition to facilitate rural economic development in all the regions where it operates and is preserved in the company's way of doing business.

The company's social economic development and corporate social investment (CSI) has historically primarily focused on the west coast and spearheaded through the Sea Harvest Foundation NPC ('the Foundation'). However, in 2018 through the acquisition of Viking Fishing and a majority share in Viking Aquaculture, the Foundation increased its social impact footprint through its incorporation of the Viking Social and Upliftment Trust. Through the Foundation, Sea Harvest has formalised its approach to responding to the needs of society, specifically in communities where the company operates.
The Foundation has been used as a vehicle through which Sea Harvest has tried to drive social change by directing funds towards projects that benefit, uplift and empower communities throughout South Africa but predominantly in the Western Cape. During 2018 the Foundation crafted a funding criteria and procedures which drastically improve its ability to assess and respond to applications for support.

The Foundation reports to the Committee and during the financial year in review (2018) the Foundation spent c. R3 million on CSI in local communities. For more information on the Foundation refer to page 50 of this report.

SEA HARVEST FOUNDATION 2018 HIGHLIGHTS

- Allocated bursaries for tertiary education to deserving black applicants from local communities.
- Supported local creches with fish donations throughout the year.
- Continued to support an annual two-week Dental Clinic initiative, where members of local communities can get a free dental check-up.
- Donated funds to a high school cycling club, which were used for new bicycle parts and equipment.
- Launched a Grade R school in Diazville in Saldanha Bay that was built in partnership with the Western Cape Education Department in 2017.
- Supported Surfing South Africa by sponsoring surfing events throughout South Africa and programmes that facilitate the introduction of sport and surfing to previously disadvantaged communities.
- Supported the Red Cross Children's Hospital Trust's *Kids for Kids* campaign by donating a portion of the sales of selected coated Sea Harvest products to the Trust. In 2018, funds raised went towards the Western Cape Department of Health's 100 Operations for Mandela Day.

TRANSFORMATION

B-BBEE SCORECARD ELEMENTS

Sea Harvest's commitment to the economic and social transformation of South Africa will continue and that is illustrated by the company's continued progression and improvement on the B-BBEE scorecard. A special report about the Most Empowered Companies listed on the JSE, which was published by Independent Media in partnership with Empowerdex and Intellidex in November 2018, rated the Group as being the "Most Empowered fishing and food company on the JSE". The report listed Sea Harvest as the 10th Most Empowered Company overall on the JSE, and the 3rd Most Empowered in terms of ownership on the JSE, when assessed according to the B-BBEE amended codes. Driving transformation is a non-negotiable for Sea Harvest. The Group has worked hard to ensure that it supports government's endeavour to empower the previously disadvantaged. This has taken Sea Harvest from a Level 4 BBEE company 10 years ago to a Level 1 company in 2018. Over the past decade, the Group has achieved consistent success on its ambitious transformation journey resulting in its c.80% black ownership (up from 21% 15 years ago) and an increase in its overall BEE score from 78.8 in 2010 to 100.37 in 2018.

Employee transformation is an imperative at Sea Harvest and is implemented according to four transformation policies which guide employment equity, talent management, succession planning and learning and development throughout the company. During 2018 the company continued to make strides in its transformation strategy, where through its subsidiaries, the company was able to further transform its workforce skills through the promulgation of a Management Development Programme for high-performing historically disadvantaged individuals.

For further information about the implementation and results of our transformation policies refer to the report on our Human Capital on page 46 of this report.

As one of the largest black-owned companies in the sector, the Group continued to drive the key focus of local economic development in 2018 in predominantly rural areas. This is underpinned by a continuation of the Group's work with the West Coast Business Development Centre that provides services and mentorship for SMMEs. In 2018, the company supported an initiative in conjunction with an NGO which offered technical skills training including computer skills to assist entrepreneurs to fulfil their ambitions and create thriving businesses. The company's procurement policies, meanwhile, have resulted in c. R721 million being spent during the 2018 financial year on suppliers that are majority black-owned and managed.



A Grade R school in Diazville, Saldanha Bay, which was built by Sea Harvest in partnership with other roleplayers in 2017, was officially opened in February 2018

REPORT OF THE SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE CONTINUED

SUPPLIER AND ENTERPRISE DEVELOPMENT 2018

HIGHLIGHTS

- Spent over R721 million with majority black-owned suppliers;
- In order to fast-track transformation within the broader fishing industry, Sea Harvest led a black consortium in the purchase of the majority white-owned Viking Fishing Group, making it possible for two new 100% black-owned entities to enter the industry;
- Entered into commercial relationship with two 3rd party Hake Deep-Sea Trawl quota holders where through the commercial arrangement they now have a 30% ownership stake in a vessel. This transfer will assist the parties to successfully harvest Cape hake and create employment in the sector; and
- Launched a Fisheries Development Fund in partnership with Brimstone. This fund will support SMMEs by providing approximately R100 million in either cash or other capital, including marketing assistance, vessels and assets, management expertise, training and mentoring, and processing of fish to promote enterprise development.

  The primary objective of the fund is to transform the fishing industry from the ground up by assisting smaller quota holders and new entrants to acquire boats, catch their quotas, process catches, and access markets. The first service from the fund will be the creation of a subsidised Accidental Death and Disability policy for small and medium scale fishers.

EMPLOYEE WELLNESS AND EMPLOYEE SHARE SCHEME

Even though the Company is making strides in transforming its local communities through its procurement practices, Sea Harvest's core-focus in all it does is creating good, sustainable employment. Central to this focus is ensuring that its employees share in the wealth of the company through the Employee Share Trust, whilst remaining healthy and safe through a variety of safety and health initiatives that the company provides.

In 2018, the scheme received dividends of c. R2 million for distribution to qualifying employees which was split equally amongst all beneficiaries of the scheme. Furthermore, as a part of the Viking Fishing and Viking Aquaculture transaction during 2018, the former Viking Staff Trust which comprised of all qualifying staff within the Viking Fishing Group at the time received R120 million as a part of its proceeds from the sale of the company, and a further R30 million was utilised in order to create a new Employee Share Trust for the former Viking Fishing Group employees so they would continue to share in the growth of the wider Sea Harvest Group.

HEALTH, SAFETY AND ENVIRONMENT

Sea Harvest is committed to ensuring the safety and security of all its employees whist discharging their duties. The company continues to evaluate its safety and security procedures in order to ensure that they are in-line with best practice in the industry. In the unfortunate event that an employee is injured during operations, Sea Harvest has a comprehensive range of benefits which employees can utilise to assist them in their time of need. More information of these benefits can be found on page 46 in the Human Capital section of this report.

During 2018, Sea Harvest underwent a concerted effort to reduce injuries through various initiatives such as: promoting greater awareness of safety procedures to staff through forums and competitions which were complimented by additional drills and inspections; added additional medical monitoring equipment on all of its vessels in order to assist in highlighting any potential concerns at short notice; continuing to score well on third party safety audits both at sea and at its operational sites.

All of the health and safety improvements during 2018 culminated in the implementation of a new and improved Safety Management System underpinned by a Safety at Sea Policy for all of the company's vessels in order to protect all of its sea-going staff.

Overall the company's extensive health and safety procedures along with its security systems continued to perform well in 2018 ensuring the protection of the company's employees and assets.

Sea Harvest believes in conducting its business in a sustainable manner to, *inter alia*, ensure that we preserve natural resources for future generations whilst promoting the sustainable use of other resources such as energy. Not only does the Company comply with the environmental regulations imposed by the local authorities and other international organisations, but the company also plays an active role in initiating further measures to protect South Africa's environmental resources.

The installation of Sea Harvest's desalination plant was completed and launched during 2018. The multi-million Rand investment, which includes desalination and reverse osmosis, ensured that the Company could continue to operate at its largest site and honour its commitment to delivering against stakeholder expectations but most importantly protect jobs. Since the Western Cape was declared a drought-stricken region in 2016, Sea Harvest has been able to reduce its fresh water consumption by 35% in an effort to alleviate the pressure on this precious resource. The company is in the early stages of ensuring that through its investment at the site it is able to operate completely off the local municipal water grid, thus ensuring that other users are able to benefit through capacity created from Sea Harvest being off the grid.

Refer to page 47 under the Natural Capital section of this report to read about Sea Harvest's commitment to the sustainable utilisation of water and other resources and its 2018 performance in this regard.

This Committee has challenged Sea Harvest in ensuring that the company's commitments to its employees, community and the environment are maintained. A constant focus on these elements will show that commercial enterprise, the environment and community spirit are critical success factors in developing a healthy, relevant and sustainable business.

REPORT TO STAKEHOLDERS

Management has confirmed that no instances of material non-compliance with applicable legislation or governance codes were raised or recorded. The Committee has reviewed Sea Harvest's Annual Integrated Report and is satisfied that its content are relevant to the activities and responsibilities of the Committee.

Fred Robertson
Chairman

12 April 2019



Michael Madangatya is one of many small black business owners who benefit from the Group's operations. He is the owner of Khula Khula Transport in Saldanha Bay. His company specialises in the transportation of dry and perishable goods.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

This report comprises three parts:

- The Nomination and Remuneration Committee (the "**Committee**") Chairman's report providing an overview of performance and remuneration in the 2018 financial year along with details of the governance arrangements in place with respect to nomination and remuneration. The Group has a single committee dealing with both nomination and remuneration matters and the Committee therefore prepares a single report combining both;
- The remuneration philosophy, policy and framework to be tabled at the Annual General Meeting ("**AGM**") for a non-binding advisory vote by the Group's shareholders; and
- The implementation of the remuneration policy in the 2018 financial year, to be tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders.

This report covers primarily the South African fishing business (and particularly Sea Harvest Corporation) as many of the performance measures put in place in 2017 relating to the 2018 financial year were structured in line with the Group structure at 31 December 2017, before the acquisition of the business of Viking Fishing and a 51% shareholding in Viking Aquaculture. It is expected that subsequent reports be expanded to include the Group's recent acquisitions.

PART 1: THE REMUNERATION COMMITTEE CHAIRMAN'S REPORT

BACKGROUND

Sea Harvest, as a responsible corporate citizen, remains committed to ethical leadership and responsible corporate governance practices, creating sustainable growth in shareholder value through consistent improvement in earnings, clear growth and expansion of capital, and engaging with its shareholders and other stakeholders.

This report describes the material matters dealt with by the Committee and summarises the Group's approach to fair, responsible and transparent remuneration. The report sets out how the Committee has discharged its duties in terms of statutory requirements as well as its additional duties assigned to it by the Board in respect of the financial year ended 31 December 2018 and provides an overview of the Group's approach to nomination matters and remuneration policy, framework and philosophy with a particular emphasis on executive directors, non-executive directors and management.

OVERVIEW OF PERFORMANCE AND REMUNERATION

As detailed in the CEO's report, 2018 was a transformative year for Sea Harvest, with the acquisition of 100% of the assets and liabilities of Viking Fishing and a 51% shareholding in Viking Aquaculture effective 1 July 2018, followed by the acquisition of 100% of Ladismith Cheese subsequent to year-end. In addition, Sea Harvest acquired and converted an additional factory freezer vessel, the *Harvest Mzansi*, in April 2018, and implemented the Marel factory solution in September 2018.

As a result of both organic and acquisitive growth, Sea Harvest's revenue increased 21% to R2.58 billion (2017: R2.13 billion), benefiting from the inclusion of revenue from Viking Fishing and Viking Aquaculture for the six months' post-acquisition.

The Group delivered gross profit for the year of R908 million, up 27% from R717 million, and the gross profit margin expanded from 33.6% to 35.2%. The expansion in the gross profit margin has been driven by the inclusion of Viking Fishing and Viking Aquaculture earnings, together with further efficiency gains, an increase in higher margin export volumes, price increases and a weaker Rand.

The Group increased EBIT from R383 million to R438 million with the EBIT margin steady at 17%.

Profit after tax increased from R267 million to R293 million and HEPS increased to R1.12 per share.

The Group declared a dividend of R0.40 per share payable on 15 April 2019, up 29% over the 2017 dividend of R0.31 per share.

As a result of the significant organic and acquisitive growth of the Group, the Committee has commenced work on reviewing the Group's remuneration structures and intends continuing this work in the 2019 year to ensure that it is fit for purpose and would drive the behaviours required of employees. Further, this is expected to include an executive benchmarking as the Committee would want to ensure that the executive directors and the senior management team, whom the Board believe are crucial to the Group's success, are retained.

Further details on specific activities of the Committee during the year are set out in this report.

There are two planned changes to the Remuneration Policy for the 2019 financial year these being:

(i) the introduction of the return on capital employed (ROCE) performance measure as part of the Group's forfeitable share plan, details of which are set out in LTI Allocation Methodology below, and

(ii) the introduction of HEPS as a second measure in relation to the executive Directors STI, details of which are set out in the STI Performance conditions below.

The Committee remains confident that the Group's remuneration philosophy and policies are aligned to its strategy and have contributed to the Group's growth. The Committee is also satisfied that the Remuneration Policy achieved its objectives in the 2018 financial year.

GOVERNANCE

The Committee was established to assist in monitoring the Group's nomination and remuneration practices and performance and to perform the statutory functions required of a Nomination and Remuneration Committee in terms of the Companies Act, 71 of 2008, as amended ("**the Companies Act**"), the King IV™ Principles on Corporate Governance™ ("**King IV™**"), the Listings Requirements of the JSE Limited, the Committee's Terms of Reference (the "**Charter**"), the Group's Remuneration Policy and any other applicable legislation.

The Committee is a sub-committee of the Group's Board of Directors (the "**Board**" or the "**Directors**") and has an independent role with accountability to the Board. The Committee operates in terms of a formally approved Charter that was approved by the Board on 12 January 2017 and is reviewed annually. The Charter is available at www.seaharvest.co.za.

COMPOSITION OF THE COMMITTEE

In line with best practice, the majority of the Committee members are independent non-executive directors of the Group. For the period under review the Committee consisted of:

- Mr WA Hanekom – Chairman (Independent Non-executive Director);
- Mr BM Rapiya (Independent Non-executive Director); and
- Mr MI Khan (Non-executive Director).

The Chairman of the Board is an *ex officio* member of the Committee. To assist the Committee with the execution of its mandate, the Chief Executive Officer ("CEO") attended the meetings in the 2018 financial year.

Invitees attend committee meetings, but are not present when their remuneration is discussed and hold no voting powers. Similarly, committee members do not decide on their own remuneration.

The Committee holds two meetings a year (in line with its Charter) and draws matters within its mandate to the attention of the Board on a quarterly basis and as occasion requires. The attendance record of the Committee is set out in the corporate governance report on page 66.

COMPOSITION OF THE NOMINATION COMMITTEE

The Nomination Committee deals with dedicated nomination matters and comprises of the Committee members being:

- Mr WA Hanekom – Chairman (Independent Non-executive
- Director);
- Mr BM Rapiya (Independent Non-executive Director); and
- Mr MI Khan (Non-executive Director).

INDEPENDENT EXTERNAL ADVICE

The Committee actively sought independent external advice from PricewaterhouseCoopers (PwC) on remuneration trends and benchmarks for executive Directors and management and on elements of the Company's Forfeitable Share Plan. The Committee is satisfied that the advisers were independent and objective.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The role of the Committee in respect of nomination matters, is to have oversight of the following matters:

- The process for nominating, electing and appointing members of the Board;
- Attributes of members of the Board;
- Independence of members of the Board;
- Succession planning in respect of Board members;
- The Company's policy on diversity (including gender) for nominations and appointments of directors; and
- The evaluation of the performance of the Board.

The role of the Committee in respect of remuneration is to assist the Board to ensure that:

- the employee value proposition promotes fair, responsible, transparent remuneration and reasonable employment practices;
- the review of executive performance is conducted;
- the Group remunerates executive and non-executive directors fairly and responsibly; and
- the disclosure of directors' remuneration is accurate, complete and transparent.

The following responsibilities are delegated by the Board to the Committee:

- Determine the Group's remuneration philosophy and policy to ensure alignment to the Group's strategy;
- Review and approve the composition of remuneration packages for executive directors and senior executives to ensure that the Group remunerates fairly and responsibly;
- Recommend the remuneration of non-executive directors;
- Determine the performance criteria and targets for both short- and long-term incentives;
- Approve the allocation and award of Forfeitable Share Plan shares in terms of the Group's long-term incentive plan rules;
- Consider the composition and performance of the Board as well as succession planning; and
- Consider the succession planning for executive directors and key senior executives.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE CONTINUED

ROLES AND RESPONSIBILITIES OF THE COMMITTEE (CONTINUED)

In satisfying its mandate, the main activities undertaken by the Committee during the year included:

- consideration of nomination matters; this included considering the appointment of the two new independent non-executive directors;
- review of the composition of the Board and Board Committees;
- review of the performance of the Committee;
- succession planning for the CEO and Executive Committee;
- considering executive depth in the Group;
- considering the independent directors' (including the Chairman's) outside professional commitments;
- reviewing the independence of directors;
- consideration of the Board's diversity policy and targets;
- approval of short-term incentive ("**STI**") payments for the 2017 and 2018 financial years;
- review and approval of the performance metrics and rules for the 2018 and 2019 financial years STI;
- review of the performance of the CEO for the 2017 and 2018 financial years;
- setting the financial targets and functional targets for the CEO for the 2018 and 2019 financial years;
- consideration and approval of the allocation and award of shares in terms of the Group's Forfeitable Share Plan to eligible participants;
- benchmarking executive director and senior executive packages;
- consideration and approval of the 2018 and 2019 financial years increases in guaranteed pay for executives and employees in management positions;
- consideration and approval of the 2018 and 2019 financial years' increases in fees for non-executive directors;
- consideration and approval of the mandate for 2018 and 2019 plant level and bargaining council wage negotiations;
- considering the Committee's charter and the Remuneration Policy;
- implementing the Committee's charter and ensuring its alignment to King IV™; and
- setting the annual work plan for the Committee.

During the 2019 financial year, the main focus of the Committee is expected to be on ensuring that the Remuneration Policy is effective and driving the required behaviours of management and employees. This will be particularly important as a result of the organic and acquisitive growth experienced by the Group in 2018.

The Committee will also provide input when requested with regard to the integration of the Group's acquisition targets.

NON-BINDING ADVISORY VOTE

At the AGM held of 8 May 2018, the 2017 Remuneration Policy and implementation report received support of 82% and 80%, respectively of shareholders voting in favour thereof.

In line with the requirements of King IV™ and the JSE Listings Requirements, the 2018 Remuneration Policy together with the implementation report will be tabled for two separate non-binding advisory votes at the upcoming AGM.

In the event of 25% or more of the shareholders voting against either resolution at the AGM the Committee will:

- extend an invitation to dissenting shareholders in the Stock Exchange News Service ("SENS") announcement with the results of the AGM, for them to engage with the Committee regarding their reasons for voting against the relevant resolution; and
- propose in the invitation the manner and timing of engagement, which may include (but is not limited to) communication via email, telephone calls, meetings and roadshows.

The Committee will ascertain the reasons for dissenting votes, respond and provide constructive feedback to shareholders' questions, queries and legitimate concerns. After consideration of the results of shareholder engagement, the Committee reserves the right to amend elements of the Remuneration Policy to further align it to market practice and shareholder value creation.

The Committee is pleased to present the Remuneration Policy of the Group on pages 79 to 83 and the implementation report on pages 84 to 86, for separate non-binding advisory votes.

André Hanekom
Chairman of the Nomination and Remuneration Committee
18 April 2019

PART 2: FORWARD-LOOKING REMUNERATION POLICY

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 policies and the reward framework in place for the financial year ended 31 December 2018 and the financial year ending 31 December 2019.

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 from 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 across the Group and may undertake and implement various initiatives, from time to time, to realise progressively the concept of fair and responsible remuneration.

Some of the principles driving this commitment include the following:

- Ensuring compliance with legislative requirements in terms of remuneration and benefits.
- On an annual basis, external benchmarking may be conducted 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 and variable pay. Variable pay consists of 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 over-dependence 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.

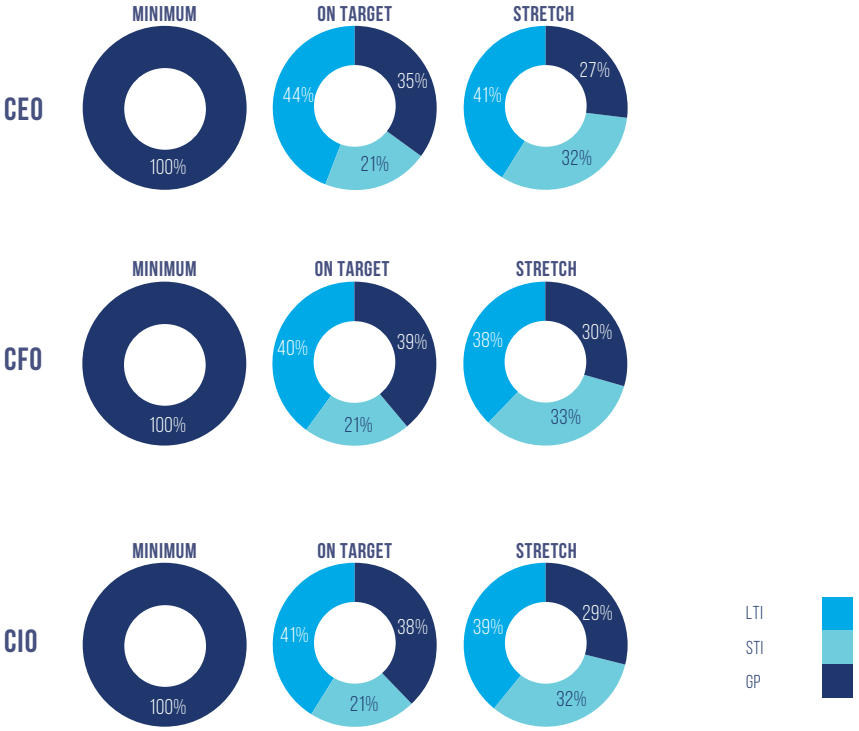
In order to drive a high performance culture and an alignment with shareholders through shared value creation, the total reward mix for the CEO and executive directors is geared towards a higher percentage of variable pay at risk for the achievement of stretch targets. The graphs below illustrate the 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™.

Element	Minimum	On-target	Stretch
GP	Salary and benefits in line with those paid in the 2018 financial year (as reported in the single figure table below).		
STI	Nil	50% of stretch	110% – 120% of GP
LTI	Nil	The maximum number of performance shares and bonus shares granted in 2018 multiplied by the fair value on grant.	The maximum number of performance shares and bonus shares granted in 2018 multiplied by the share price on grant.

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

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE CONTINUED

AGGREGATE EXECUTIVE DIRECTOR PAY MIX



REMUNERATION MIX

Remuneration comprises guaranteed pay ("**GP**") and variable pay.

COMPONENTS OF REMUNERATION

	GUARANTEED PAY		VARIABLE PAY	
	BASIC SALARY	BENEFITS	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
PURPOSE AND LINK TO STRATEGY	Attract and retain talent	Improve employees' financial planning and security on retirement	Encourage 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.	Attract, retain, incentivise and reward 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 dependent on grade	Permanent staff from senior management upwards.	Executive directors and executives.

	GUARANTEED PAY		VARIABLE PAY	
	BASIC SALARY	BENEFITS	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
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). The functional target cannot be earned if the minimum financial target hurdle is not met. Executives have a higher weighting on financial targets (80%) with 20% based on functional targets. Lower-level executives have a greater weighting to strategic and individual performance. The level of remuneration that can be earned by the CEO, CFO and CIO is: • On-target: 55% to 60% of GP; • Stretch target: 110% to 120% of GP; and • Based on a sliding scale for performance in between 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.	**Retention shares** *Ad hoc* award of retention shares acts as a means to retain certain executives and key senior management. Retention shares vest annually in equal portions over a three-year period (for the CEO and CIO, this period is five years), subject only to continued employment. Retention shares have only been issued at listing and no further retention shares have been issued subsequently. **Performance shares and bonus shares** Allocations on an annual basis subject to Committee discretion. • CEO – Performance shares 67% of GP and bonus shares 33% of previous year STI; • CFO and CIO – Performance shares 61% of GP and bonus shares 33% of previous year STI; and • Senior management – Performance shares 22% to 61% of GP and Bonus shares 28% to 83% of previous year STI **Employee Share Trust** • 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.
PERFORMANCE CONDITIONS	Performance, i.e. meeting requirements of the job	n/a	A single financial target, EBIT, is used for lower-level executives, while dual financial targets, EBIT and HEPS, are used for executive directors. Functional targets for the executive directors include: • Delivery of organic growth projects and improving operational efficiencies; • Delivery of strategic acquisitions; • B-BBEE credentials and transformation; • Retention of fishing rights; and • Building organisational capability.	Refer to next table for performance conditions and characteristics of each share element.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE CONTINUED

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 Forfeitable Share Plan acts as a means to retain certain executive directors and key senior management. • Retention shares vest equally over a three-year period (for the CEO and CIO, this period is five years), subject only to continued employment.
2.	Performance shares (conditional)	Executive directors and key senior management	• The performance share element of the Forfeitable Share Plan 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 pre-set performance criteria over the three-year period. Currently, vesting (for the 2017 and 2018 allocation of Performance shares) is governed by: 1. continued employment; and 2. weighted 33%, the first performance criteria is the Group's comparative Total Shareholder Return (TSR) performance in relation to a comparator group. • If the TSR over the three-year period places it at the median of the comparator group or better, then the targeted number (30% of the maximum number) of performance shares awarded will vest. • If the TSR over the three-year period places at the upper quartile of the comparator group or better, then the maximum number (100% of the maximum number) of performance shares awarded will vest. • If the TSR over the three-year period places below the median group or worse, then all performance shares awarded relating to that TSR tranche will be forfeited. • TSR performance between any of the above points results in pro-rated vesting. No retesting will be allowed, and any shares not vesting will lapse. 3. Weighted 33%, the second performance criteria is the Group's average headline earnings per share (HEPS) growth weighted for the main territories in which the Group operates: • If the average HEPS 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 worse, 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. 4. Weighted 33%, the third performance criteria 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. 5. Based on the feedback from select shareholders who indicated the preference for a balance sheet performance criterion, the Remuneration Committee has amended the performance criteria relating to the 2019 allocation of Performance Shares by replacing the TSR criterion with a ROCE criterion. Weighted 33%, the ROCE performance criteria measures the Group's average ROCE in relation to its average Weighted Average Cost of Capital (WACC). • 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 worse, 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.
2.1	Bonus shares	Executive directors and key senior management	• The bonus share element of the Forfeitable Share Plan 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 short-term incentive, 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 Trust	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 Trust terminates. • Employees who resign lose all entitlements in the Trust. • The Trust terminates in March 2022.

SHARE DILUTION LIMITS

In terms of the Forfeitable Share Plan, the maximum number of shares to be issued under the FSP may not exceed 12 959 048 shares (4.40% of total shares in issue) and the maximum number of shares to be issued under the FSP to any one individual may not exceed 3 887 714 shares (1.32% 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.

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 DIRECTOR FEES

Non-executive director 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 on a regular basis based on non-executive director fee surveys and the results of benchmarking exercises conducted by PwC.

Fees are reviewed annually and proposed adjustments are tabled by the CEO for review by the Committee, who will consider the proposed adjustments, taking into account increases across the Group. Non-executive directors do not qualify for share options nor do they participate in any variable pay incentive schemes, in order to preserve their independence. Disbursements for reasonable travel and subsistence expenses are reimbursed to non-executive directors in line with the reimbursement policy for employees. 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 Monday, 27 May 2018:

ROLE	1 JULY 2019 TO 30 JUNE 2020 R	1 JULY 2018 TO 30 JUNE 2019 R	CHANGE (%)
Board Chairperson*	R750 000	R535 000	40.2
Board Lead Independent Director	R284 888	R267 500	6.5
Board member	R227 910	R214 000	6.5
Audit and Risk Committee Chairperson	R148 142	R139 000	6.5
Audit and Risk Committee member	R78 810	R74 000	6.5
Remuneration and Nomination Committee Chairperson	R113 955	R107 000	6.5
Remuneration and Nomination Committee member	R56 978	R53 500	6.5
Social, Ethics and Sustainability Committee Chairperson	R113 955	R107 000	6.5
Social, Ethics and Sustainability Committee member	R56 978	R53 500	6.5
Investment and Hedging Committee Chairperson	R113 955	R107 000	6.5

** The increase in the fee payable to the Board Chairperson is reflective of the significant additional time and effort that the Board Chairperson is dedicating to requirements of the Group.*

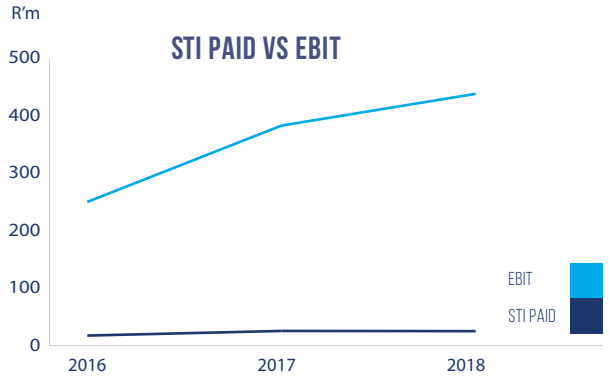
REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE CONTINUED

PART 3: IMPLEMENTATION REPORT

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.

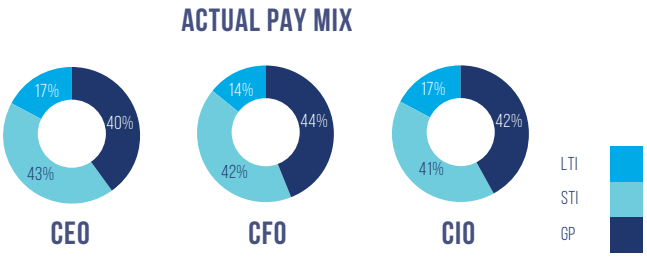
The Committee is satisfied that variable pay outcomes for the 2018 financial year are aligned with the Group's financial performance for the 2018 financial year (as contextualised in the CEO's report).

The graphs below compare the Group's STI to its growth in EBIT. The Committee is satisfied that remuneration is linked to long-term performance and value creation.



From an LTI perspective, the first tranche of retention shares vested in March 2018 (retention shares vest equally over a three/five-year period), whereas none of the performance shares or bonus shares qualified for vesting during 2018.

The first tranche of performance shares and bonus shares are scheduled to vest in March 2020. The following graph has been prepared on the same basis as the chart in part 2 referring to pay mix which represents GP, STI and LTI, and showing the actual mix achieved for the year ended 31 December 2018.



Note: Actual pay mix comprises a much higher level of GP and STI, as the first tranche of performance shares and bonus shares are only scheduled to vest in March 2020. The LTI in the above graph reflects the vesting of the first tranche of retention shares in March 2018.

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.

2018	NUMBER OF EMPLOYEES	GUARANTEED PAY INCREASES
Group CEO, Executive Team and Senior Management	53	6.4%
Junior Management	96	5.9%
Salaried Staff	107	7.2%
Factory Waged Staff	1 087	8.5%
Fleet Waged Staff	621	7.0%

During the year, the Group undertook benchmarking studies for the compensation of executive Directors and management.

SHORT-TERM INCENTIVE

As set out in the remuneration policy, the STI for executive Directors is based on a combination of financial targets and functional targets.

For the 2018 financial year, a single financial target, being EBIT was used for executive directors, while from the 2019 financial year onwards, dual financial targets, being EBIT and HEPS, are to be used for executive directors.

In line with the Group's performance in the 2018 financial year, 84% of the total possible STI was achieved. The functional targets for the executive directors for 2018 encompassed transformation, retention of fishing rights, efficiency initiatives, organic and acquisitive growth and building organisational capacity.

LONG-TERM INCENTIVE

The Forfeitable Share Plan 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 shares bonus shares to executive directors, executives and key senior management.

The number of FSPs issued to the executive directors is set out in the table below. The first tranche of retention shares vested in March 2018 (retention shares vest equally over a three/five-year period), whereas none of the performance shares or bonus shares qualified for vesting during 2018. The first tranche of performance shares and bonus shares are scheduled to vest in March 2020.

In addition, in line with the recommendation of King IV™ included is an indicative value of the unvested instruments as at 31 December 2018. For the bonus shares and retention shares, the indicative value is calculated as the number of instruments multiplied by the share price at the year-end of R13.75. For the performance shares a valuation was performed based on assumptions as at 31 December 2018.

Date of award	Type of instrument	Number of instruments awarded	Share price on date of grant	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								
23 March 2017	Performance shares	219 385	12.50	22 March 2020	–	N/A	219 385	2 081 964
7 September 2018	Performance shares	333 274	13.00	22 March 2021	–	N/A	333 274	3 316 076
23 March 2017	Bonus shares	119 998	12.50	22 March 2020	–	N/A	119 998	1 649 973
7 September 2018	Bonus shares	199 964	13.00	22 March 2021	–	N/A	199 964	2 749 505
23 March 2017	Retention shares*	789 786	12.50	22 March 2018 to 22 March 2022	157 957	N/A	631 829	8 687 649
John Paul de Freitas								
23 March 2017	Performance shares	113 120	12.50	22 March 2020	–	N/A	113 120	1 073 509
7 September 2018	Performance shares	157 342	13.00	22 March 2021	–	N/A	157 342	1 565 553
23 March 2017	Bonus shares	61 874	12.50	22 March 2020	–	N/A	61 874	850 768
7 September 2018	Bonus shares	91 573	13.00	22 March 2021	–	N/A	91 573	1 259 129
23 March 2017	Retention shares	203 616	12.50	22 March 2018 to 22 March 2020	67 872	N/A	135 744	1 866 480
Muhammed Brey								
23 March 2017	Performance shares	124 178	12.50	22 March 2020	–	N/A	124 178	1 178 449
7 September 2018	Performance shares	179 688	13.00	22 March 2021	–	N/A	179 688	1 787 896
23 March 2017	Bonus shares	66 097	12.50	22 March 2020	–	N/A	66 097	908 834
7 September 2018	Bonus shares	105 656	13.00	22 March 2021	–	N/A	105 656	1 452 770
23 March 2017	Retention shares*	447 040	12.50	22 March 2018 to 22 March 2022	89 408	N/A	357 632	4 917 440

** Five-year vesting from 22 March 2018 to 2022*

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE CONTINUED

EXECUTIVE REMUNERATION FOR YEAR ENDED 31 DECEMBER 2018

Remuneration of executive directors and prescribed officers is set out in full in Note 35 of the Annual Financial Statements.

DIVERSITY TARGETS

The Committee set the following diversity targets during the 2017 financial year and reviewed these targets during the 2018 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. During the year, with the appointment of CK Zama and T Moodley to the Board, the Board made good progress and achieved a score of 60% at the end of the 2018 financial year.

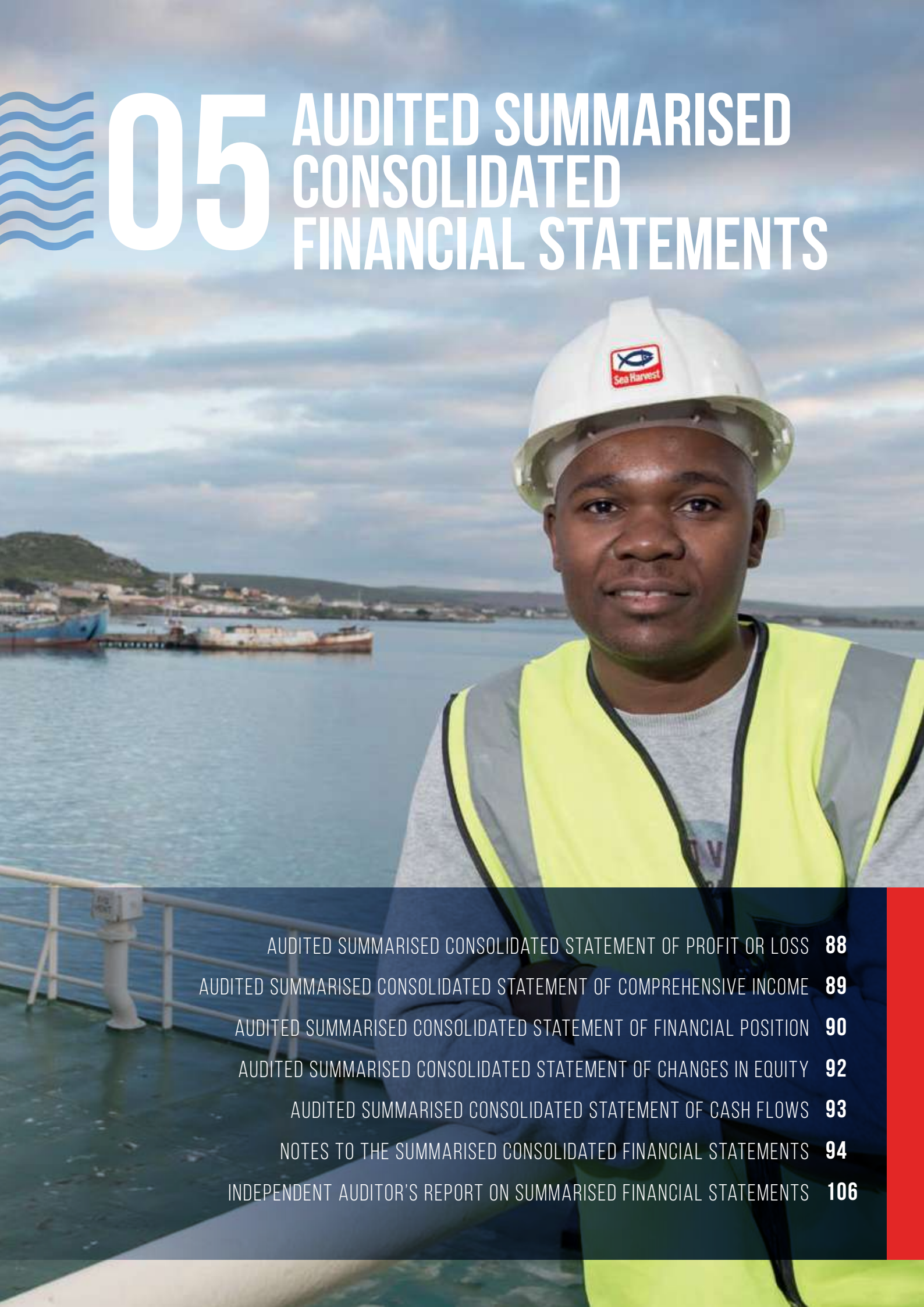
GENDER – FEMALE TARGETS

The Committee agreed that 30% of the Board composition should be female within a period of three years. During the year, with the appointment of CK Zama, KA Lagler and T Moodley to the Board, the Board achieved its target of 30%.

APPROVAL

This report was approved by the Nominations and Remunerations Committee of Sea Harvest Group Limited.

05 AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS



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SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Revenue	4	**2 583 341**	2 131 054
Cost of sales		**(1 675 097)**	(1 414 264)
Gross profit		**908 244**	716 790
Other operating income		**72 240**	74 707
Selling and distribution expenses		**(123 897)**	(114 771)
Marketing expenses		**(13 248)**	(15 166)
Other operating expenses		**(454 720)**	(327 747)
Operating profit before fair value gains, joint venture and associate income		**388 619**	333 813
Share of profit of joint venture and associate		**647**	1 000
Gain on the disposal of interest in joint venture		**–**	23 155
Fair value gains		**48 743**	24 825
Operating profit before net finance costs and taxation		**438 009**	382 793
Investment income		**46 125**	17 206
Interest expense		**(90 130)**	(38 848)
Profit before taxation		**394 004**	361 151
Taxation		**(100 871)**	(94 206)
Profit after taxation		**293 133**	266 945
Profit after taxation attributable to:			
Shareholders of Sea Harvest Group Limited		**281 209**	259 344
Non-controlling interests		**11 924**	7 601
		293 133	266 945
Earnings per share (cents)			
– Basic		**112.8**	119.0
– Diluted		**108.6**	114.7

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Profit after taxation	**293 133**	266 945
Other comprehensive (loss)/ income		
Items that may be reclassified subsequently to profit or loss:		
Movement in cash flow hedging reserve	**(23 956)**	27 118
Cash flow hedging reserve recycled to other operating income	**20 614**	(47 342)
Cost of hedging reserve[1]	**(27 194)**	–
Exchange differences on foreign operations	**22 275**	(11 576)
Items that may not be reclassified subsequently to profit or loss:		
Net measurement gain on defined benefit plan	**2 149**	1 625
Other comprehensive loss net of tax	**(6 112)**	(30 175)
Total comprehensive income for the year	**287 021**	236 770
Total comprehensive income attributable to:		
Shareholders of Sea Harvest Group Limited	**271 525**	233 403
Non-controlling interests	**15 496**	3 367
	287 021	236 770

[1] *As a result of adopting IFRS 9: Financial Instruments, the Group has elected to designate the spot element of the forward contracts for hedge accounting with the forward points of effective hedges deferred in other comprehensive income as the cost of hedging.*

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Notes	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
ASSETS			
Property, plant, equipment and vehicles[1]		**1 604 800**	808 192
Biological assets[2]		**107 646**	–
Intangible assets[3]		**616 163**	489 805
Goodwill[4]		**621 549**	84 220
Investments in associate		**5 316**	–
Available-for-sale investment	7	**–**	25 264
Investment at fair value through other comprehensive income	7	**25 264**	–
Financial assets	7	**25 912**	24 825
Loans to related parties	8	**72 489**	72 489
Loans to supplier partners[5]		**72 182**	1 959
Deferred tax assets		**333**	243
Non-current assets		**3 151 654**	1 506 997
Inventories		**396 471**	304 001
Trade and other receivables		**507 500**	332 578
Financial assets	7	**994**	41 896
Tax assets		**9 986**	–
Cash and bank balances		**781 679**	383 047
Current assets		**1 696 630**	1 061 522
Total assets		**4 848 284**	2 568 519

[1] Movement in property, plant and equipment during the year includes:

- *acquisitions through a business combination of R652 million;*
- *Marel fish processing project of R81 million;*
- *further capitalisation of the Harvest Msanzi conversion cost in an amount of R46 million; and*
- *disposal of Atlantic Hope with a carrying value of R56 million.*

The Group has re-assessed the residual values of its fleet, resulting in a reduction in depreciation of R5 million in the current year and cumulative reduction in depreciation of R75 million over the next 15 years.

[2] Biological assets include abalone, oysters, mussels and fish acquired through a business combination of R85 million.

[3] Additions to intangible assets include the acquisition of Spanish Mackerel rights by Mareterram for an amount of R36 million and R67 million of fishing rights relating to the acquisition of the Viking Fishing business.

[4] Movement of R533 million in goodwill relates to current year business combinations and R4 million in the foreign currency translation reserve.

[5] Relates to loans to Nalitha Investments Proprietary Limited and South African Fishing Empowerment Corporation Proprietary Limited.

	Notes	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
EQUITY AND LIABILITIES			
Stated capital	9	**1 538 761**	1 294 875
Other reserves		**(102 006)**	(71 476)
Retained earnings		**377 910**	174 267
Attributable to shareholders of Sea Harvest Group Limited		**1 814 665**	1 397 666
Non-controlling interests		**254 662**	168 313
Capital and reserves		**2 069 327**	1 565 979
Long-term borrowings[1]		**1 517 683**	315 825
Employee related liabilities		**25 229**	26 342
Share based payment liability		**27 626**	18 789
Long-term deferred grant income		**20 026**	12 110
Contingent consideration	3	**121 910**	–
Financial liabilities	7	**41 806**	59 348
Deferred taxation		**374 551**	205 277
Non-current liabilities		**2 128 831**	637 691
Short-term borrowings		**174 955**	31 298
Trade and other payables		**410 211**	269 356
Short-term deferred grant income		**2 317**	1 505
Financial liabilities	7	**36 726**	20 848
Short-term provisions		**25 121**	30 980
Taxation		**796**	10 862
Current liabilities		**650 126**	364 849
Total equity and liabilities		**4 848 284**	2 568 519

[1] *Included in the movement in long-term borrowings is a R850 million term loan to fund the Viking Group acquisition and R307 million relating to loans advanced to Viking Aquaculture Proprietary Limited from Viking Fishing Group Administration Proprietary Limited (non-controlling shareholders of Viking Aquaculture Proprietary Limited).*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Balance at the beginning of the year	**1 565 979**	669 447
Attributable to:		
Shareholders of Sea Harvest Group Limited	**1 397 666**	517 404
Non-controlling interests	**168 313**	152 043
Total comprehensive income for the year attributable to shareholders of Sea Harvest Group Limited	**271 525**	233 405
Profit after taxation	**281 209**	259 344
Movements in other items of comprehensive income, net of tax	**(9 684)**	(25 939)
Movements attributable to shareholders of Sea Harvest Group Limited		
Shares issued[1]	**279 531**	1 294 047
Shares repurchased[2]	**(38 526)**	–
Shares awarded in terms of forfeitable share plan[2]	**2 882**	–
Recognition of forfeitable share plan reserve	**(32 413)**	(55 000)
Redemption of preference shares	**–**	(368 409)
Distributions to participants of share trusts and repurchase of shares	**–**	(218 771)
Dividends paid	**(77 565)**	–
Share-based payments	**11 565**	15 178
Transfer to share based payment liability (modification)	**–**	(19 789)
Further acquisition of investment in subsidiary	**–**	(399)
Movement attributable to non-controlling interests	**86 349**	16 270
Balance at the end of the year	**2 069 327**	1 565 979

[1] *As part of the total purchase consideration for acquisition of the Viking Fishing business on 2 July 2018, a total of 19 230 769 new ordinary shares were issued to Viking Fishing shareholders at R13 per share amounting to R250 million. An additional 2 271 567 new ordinary shares were awarded in terms of the forfeitable share plan at R13 per share amounting to R29 million.*

[2] *A total of 2 671 642 shares were repurchased, of which 217 175 shares were awarded in terms of the forfeitable share plan at an average price of R13.27 per share. The balance of 2 454 467 shares were repurchased for the purpose of the forfeitable share plan allocation in 2019.*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Operating activities			
Profit after taxation		**293 133**	266 945
Adjustments for non-cash and other items		**246 026**	163 296
Operating cash flows before changes in working capital		**539 159**	430 241
Increase in inventories		**(14 555)**	(14 255)
Increase in trade and other receivables		**(60 201)**	(53 547)
Increase/(decrease) in trade and other payables		**86 502**	(21 448)
Cash generated from operations		**550 905**	340 991
Investment income received		**46 125**	17 206
Income tax paid		**(36 569)**	(80 011)
Interest paid		**(83 963)**	(25 544)
Net cash generated from operating activities		**476 498**	252 642
Investing activities			
Acquisition of investment in subsidiary/business	3	**(181 339)**	–
Proceeds on disposal of property, plant, equipment and vehicles		**75 543**	2 855
Acquisition of property, plant and equipment and vehicles		**(319 275)**	(369 876)
Acquisition of intangible assets		**(38 925)**	(1 526)
Additions to biological assets		**(37 149)**	–
Net cash utilised in investing activities		**(501 145)**	(368 547)
Financing activities			
Shares issued, net of listing costs		**–**	1 239 025
Shares repurchased		**(38 526)**	–
Redemption of B and C preference share capital		**–**	(368 409)
Repayment of B and C preference dividends		**–**	(144 269)
Proceeds from borrowings		**1 271 051**	257 968
Repayment of borrowings		**(641 514)**	(332 024)
Repayment of financial liabilities		**(21 266)**	(22 256)
Repurchase of shares and distributions to participants of share trusts		**–**	(218 771)
Dividends paid		**(78 506)**	–
Amounts advanced to related parties		**–**	(80 194)
Amounts advanced to supplier partners		**(68 000)**	–
Rights issue by subsidiary		**–**	14 971
Further investment in subsidiary		**–**	(1 479)
Net cash generated from financing activities		**423 239**	344 562
Net increase in cash and cash equivalents		**398 592**	228 657
Cash and cash equivalents at the beginning of the year		**383 047**	154 404
Effects of exchange rates on the balance of cash held in foreign operation		**40**	(14)
Cash and cash equivalents at the end of the year		**781 679**	383 047

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 December 2018 are prepared in accordance with the requirements of the Companies Act of South Africa. The summarised consolidated financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

These audited consolidated financial statements for the year ended 31 December 2018 has been audited by Deloitte & Touche, who expressed an unmodified audit opinion thereon.

The directors take full responsibility for the preparation of this report. The summarised consolidated annual financial statements were prepared under the supervision of the Chief Financial Officer, JP de Freitas CA(SA).

A copy of the full consolidated financial statements and the audit report thereon are available for inspection at the company's registered office and the company's website. The audit report does not cover all the information contained in this integrated report. Shareholders are, therefore, advised that in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report together with the accompanying financial information from the company's website or from the registered office of the company.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of these summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the financial statements for the year ended 31 December 2017, except as set out below.

The Group adopted IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers on 1 January 2018. As reported previously, the adoption of these standards had an immaterial impact on the Group. The implementation of IFRS 9 resulted in the reclassification of the R25 million "available-for-sale" investment to an equity instrument irrevocably designated as at fair value through other comprehensive income as disclosed in note 7. There is no reclassification of fair value changes on the "available-for-sale" investments as these are already reported in equity. As a result of adopting IFRS 9, the Group has elected to designate the spot element of the forward contracts for hedge accounting with the forward points of effective hedges deferred in other comprehensive income as the cost of hedging. The adoption of IFRS 15 had no material impact on the Group.

3. BUSINESS COMBINATION

With effect from 2 July 2018, the Group has, together with a consortium of broad-based black economic empowerment investors, acquired the entire fishing business of Viking Fishing Holdings Proprietary Limited ("Viking Fishing") by way of the purchase of selected assets, liabilities and businesses from, and selected shareholdings in, the respective Viking Fishing group businesses. As part of the same transaction, the Group acquired 51% of the issued share capital of Viking Aquaculture Proprietary Limited ("Viking Aquaculture").

Viking Fishing and Viking Aquaculture (together the "Viking Group") was founded in 1978 and 2012, respectively. The Viking Group has developed into a significant vertically integrated fishing and aquaculture business since establishment.

The acquisition of the Viking Group is in line with the Group's investment criteria and the Group is confident of the value that a combination of Sea Harvest and the Viking Group would generate through the complementary nature of the fishing businesses and the diversification into other wild caught species and aquaculture.

The Group gained a controlling interest in Viking Aquaculture through this acquisition, and has accounted for the 51% interest as a non-wholly-owned subsidiary, with its results from 2 July 2018 being fully consolidated with that of the Group's results.

3. BUSINESS COMBINATION (CONTINUED)

The Group has elected to measure the non-controlling interest in Viking Aquaculture at its proportionate percentage of the recognised amounts of the acquiree's identifiable net assets.

The cash generating units identified for the business combination are Viking Fishing and Viking Aquaculture. The purchase price allocation is as follows:

ASSETS ACQUIRED AND LIABILITIES ASSUMED	FAIR VALUE AT ACQUISITION DATE VIKING AQUACULTURE R'000	FAIR VALUE AT ACQUISITION DATE VIKING FISHING R'000	AUDITED TOTAL R'000
Property, plant and equipment	425 292	227 172	652 464
Biological assets	85 368	–	85 368
Intangible assets	5 635	67 149	72 784
Investment in associate	669	–	669
Deferred tax assets	10 750	–	10 750
Inventory	7 307	67 014	74 321
Current tax receivables	298	–	298
Trade and other receivables	17 888	97 591	115 479
Cash and bank balances	4 540	128 727	133 267
Long-term interest-bearing borrowings	–	(402 218)	(402 218)
Other long-term loans	(305 047)	–	(305 047)
Deferred-income	(9 445)	–	(9 445)
Deferred tax liabilities	(83 632)	(19 773)	(103 405)
Trade and other payables	(14 913)	(37 403)	(52 316)
Employee related liabilities	–	(12 812)	(12 812)
Total identifiable assets and liabilities	144 710	115 447	260 157

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

ASSETS ACQUIRED AND LIABILITIES ASSUMED	FAIR VALUE AT ACQUISITION DATE VIKING AQUACULTURE R'000	FAIR VALUE AT ACQUISITION DATE VIKING FISHING R'000	AUDITED TOTAL R'000
Total consideration is made up of following:			
Cash	64 605	250 001	314 606
Shares issued (19 230 769 ordinary shares at a price of R13 per share)	–	250 000	250 000
Contingent consideration	78 740	78 770	157 510
	143 345	578 771	722 116
Net cash flow on acquisition of subsidiary business			
Consideration paid in cash	64 605	250 001	314 606
Less: Cash and cash equivalent balances acquired	(4 540)	(128 727)	(133 267)
	60 065	121 274	181 339
Goodwill on acquisition			
Consideration	143 345	578 771	722 116
Less: Fair value of identifiable assets acquired and liabilities assumed	(144 710)	(115 447)	(260 157)
Non-controlling interest	71 348	–	71 348
	69 983	463 324	533 307

The initial accounting for the acquisition of Viking Fishing and Viking Aquaculture has been finalised.

Property, plant and equipment with a carrying amount of R218 million was revalued at acquisition date to R653 million, being its fair value at acquisition date. A total of R288 million of the fair value adjustment relates to Viking Aquaculture abalone plants, which was valued based on management estimates of what similar fully functional abalone plants with the same capacity will cost at acquisition date adjusted for wear and tear. The remaining R147 million fair value adjustment relates to Viking Fishing, of which a significant portion relates to Viking Fishing's fishing trawlers. These valuations were performed by an independent industry expert.

The main classes of intangible assets identified in Viking Aquaculture were trade names, maritime aquaculture rights and seaweed rights. The main class of intangible asset identified in the Viking Fishing business was its fishing rights. The fair values were determined by an external independent valuer with reference to the best estimate of market participant's ability to generate economic benefits by using the asset in its highest and best use.

The fair value of trade and other receivables is R116 million and includes trade receivables with a fair value of R110 million which approximates the gross contractual amount.

Goodwill is attributable to a control premium as well as the benefit of expected synergies, revenue growth and delivering diversification into other species and high value aquaculture.

3. BUSINESS COMBINATION (CONTINUED)

Goodwill is not expected to be deductible for tax purposes.

Subsumed into goodwill are the assembled workforce with specialised knowledge and non-contractual customer relationships which do not qualify for separate recognition.

Impact of the acquisition on the results of the Group

Amounts included in the Group's results relating to the Viking Group since the date of acquisition:

The directors are of the opinion that it is impractical to separately disclose the earnings of Viking Group for the six months ended 31 December 2018 as the acquisition of Viking Fishing took the form of an acquisition of assets and liabilities and during the six months since acquisition the fishing operations of Sea Harvest and Viking Fishing were integrated, making it impractical to allocate revenue and operating costs between the two business operations. Separate records are being maintained on a basis agreed with the former owners for the purpose of earn-out determination.

Results of the Group if Viking Group had been consolidated from 1 January 2018:	**R'000**
Revenue	3 102 729
Profit for the year	333 088

The directors consider these amounts to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the profit of the Group had the Viking Group been acquired on 1 January 2018, the directors have taken into consideration the following:

- Additional finance costs that would have been incurred had the transaction taken place on 1 January 2018;
- The depreciation of plant and equipment and amortisation of intangibles acquired was calculated on the basis of the fair values arising in the accounting for the business combination, rather than the carrying amounts recognised in the pre acquisition financial statements; and
- Incremental operating costs that would have been incurred by the Group had the transaction taken place on 1 January 2018.

Acquisition related costs

Acquisition costs of R29.4 million were recognised in profit or loss for the 2018 year.

Contingent consideration

The contingent consideration was estimated by an independent valuer and is based on Viking Aquaculture and Viking Fishing achieving the earn-out targets for 2018 and 2019 financial years discounted at the prime lending rate at acquisition date. The contingent consideration is regarded as a level 3 financial instrument for fair value measurement purposes. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The movement in contingent consideration in 2018 is as follows:

Viking Fishing	78 770
Viking Aquaculture	78 740
	157 510
Effect of discounting	7 660
Fair value adjustment[1]	(43 260)
Closing balance	121 910

[1] *The fair value adjustment is as a result of Viking Aquaculture not achieving the 2018 minimum target.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
4. REVENUE		
Group revenue for the year can be analysed as follows:		
Revenue from the sale of goods	**2 583 341**	2 125 028
Revenue from the performance of services	**–**	6 026
	2 583 341	2 131 054
Revenue from sale of goods comprise of:		
Cape Hake	**1 351 669**	1 232 227
Traded and other	**652 359**	418 957
Prawns	**176 484**	202 133
Vegetables and meals	**108 343**	120 985
High value by catch	**150 130**	108 828
Scallops and crabs	**43 248**	41 898
Horse Mackerel	**65 726**	–
Abalone	**35 382**	–
	2 583 341	2 125 028
Revenue is further split by geographic region as follows:		
South Africa	**1 079 820**	821 317
Southern Europe	**720 892**	551 823
Australia	**471 997**	506 069
Northern Europe	**188 439**	203 683
Other Markets	**122 193**	48 162
	2 583 341	2 131 054

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
5. HEADLINE EARNINGS PER SHARE		
5.1 DETERMINATION OF HEADLINE EARNINGS		
Profit for the year attributable to shareholders of Sea Harvest Group Limited	**281 209**	259 344
Profit on disposal of property, plant, equipment and vehicles	**(4 596)**	(3 876)
Realised profit on disposal of interest in joint venture	**–**	(23 155)
Total tax effects of adjustments	**1 286**	3 004
Headline earnings for the year	**277 899**	235 317

	AUDITED YEAR ENDED 31 DECEMBER 2018	AUDITED YEAR ENDED 31 DECEMBER 2017
5.2 CALCULATION OF WEIGHTED AVERAGE NUMBER OF SHARES		
Weighted average number of shares on which earnings and headline earnings per share are based	**249 202 106**	217 859 827
Weighted average number of shares on which diluted earnings and diluted headline earnings per share are based	**258 988 718**	226 173 525
Reconciliation of weighted average number of shares between basic and diluted earnings per share and headline earnings and diluted headline earnings per share:		
Basic	**249 202 106**	217 859 827
Dilutive instruments	**9 786 612**	8 313 698
Diluted	**258 988 718**	226 173 525
Headline earnings per share (cents)		
– Basic	**111.5**	108.0
– Diluted	**107.3**	104.0

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
6. SEGMENTAL RESULTS		
As a result of the business combination, the South African Operations, as reported in prior years, now includes the Viking Fishing business forming the South African Fishing segment and a new reportable segment, Aquaculture, was formed. The Groups' reportable segments under IFRS 8: Operating Segments are South African Fishing, Aquaculture and the Australian operation.		
Segment revenue		
South African Fishing[1]	**2 085 972**	1 644 206
Australian Operations	**442 837**	486 848
Aquaculture[2]	**54 532**	–
Total revenue	**2 583 341**	2 131 054
Segment profit from operations		
South African Fishing	**369 408**	312 262
Australian Operations	**16 318**	21 551
Aquaculture	**2 893**	–
Operating profit before fair value gains, joint venture and associate income	**388 619**	333 813
Fair value gains	**48 743**	24 825
Gain on the disposal of interest in joint venture	**–**	23 155
Share of profits of joint venture and associate	**647**	1 000
Investment income	**46 125**	17 206
Interest expense	**(90 130)**	(38 848)
Profit before taxation	**394 004**	361 151
Total assets		
South African Fishing[3]	**3 338 053**	1 732 386
Australian Operations	**873 809**	836 133
Aquaculture	**636 422**	–
	4 848 284	2 568 519
Total liabilities		
South African Fishing	**1 958 850**	638 084
Australian Operations	**376 482**	364 456
Aquaculture	**443 625**	–
	2 778 957	1 002 540

[1] *Revenue excludes inter-segmental revenue of R98 million (2017: R101 million) which are eliminated on consolidation.*
[2] *Revenue excludes inter-segmental revenue of R2 million (2017: nil) which are eliminated on consolidation.*
[3] *South African Fishing assets includes assets of R1 billion acquired in a business combination. Refer to note 3.*

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
7. OTHER FINANCIAL ASSETS AND LIABILITIES		
Financial derivative assets	**26 906**	66 721
Non-current portion of financial assets[1]	**25 912**	24 825
Current portion of financial assets[2]	**994**	41 896
Other financial asset		
Available-for-sale investment[3]	**–**	25 264
Investment at fair value through other comprehensive income[3]	**25 264**	–
Financial derivative liabilities	**14 460**	130
Current portion of financial liabilities[2]	**14 460**	130
Other financial liability		
Fishing licence liability[4]	**64 072**	80 066
Non-current portion of financial liability	**41 806**	59 348
Current portion of financial liability	**22 266**	20 718

1 CALL OPTION DERIVATIVE

Included in the non-current financial assets is a call option to acquire 100% of the shareholding in Vuna Fishing Company Proprietary Limited from Vuna Fishing Group Proprietary Limited. The fair value was independently determined by an expert using the Black-Scholes option pricing model. The call option financial asset has been classified as a non-current asset at 31 December 2018 due to the expected exercise date thereof exceeding 12 months from the reporting date. The call option is regarded as a level 3 financial instrument for fair value measurement purposes. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The movement in the call option derivative is as follows:

Opening balance	**24 825**	–
Fair value movement	**1 087**	24 825
Closing balance	**25 912**	24 825

ASSUMPTION SENSITIVITY ANALYSIS

The Group has performed a sensitivity analysis relating to its exposure to a change in the assumptions used in the valuation. The sensitivity analysis demonstrates the increase/(decrease) on the asset held at fair value through profit or loss which could result from a change in these assumptions.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Vuna Fishing Company valuation		
+5%	**1 980**	2 061
–5%	**(1 956)**	(2 036)
Yield Curve (8.0590%)		
+5%	**1 324**	1 167
–5%	**(1 285)**	(975)
Volatility (34.378%)		
+1%	**1 060**	1 435
–1%	**(1 087)**	(1 487)

As Vuna Fishing Company Proprietary Limited is unlisted, the volatility was determined using the quadratic mean volatility of peer group companies.

2 FINANCIAL DERIVATIVE ASSETS AND LIABILITIES

Financial assets and liabilities arise from hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency volatility. Hedging contracts are regarded as level 2 financial instruments for fair value measurement purposes. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group holds 10% of the ordinary share capital of Desert Diamond Fishing Proprietary Limited, a company involved in the fishing and fishing processing industries.

This investment was previously classified as "available-for-sale". With the adoption of IFRS 9, the Group has irrevocably elected to classify this investment as fair value through other comprehensive income because this investment is held as long-term strategic investment that is not expected to be sold in the short to medium term. As a result, the investment with a fair value of R25 million was reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income.

The Group reassesses the valuation of the fair value through other comprehensive income investment annually, by using an asset valuation method performed by an independent valuator.

The fair value through other comprehensive income investment is regarded as a level 3 financial instrument. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

ASSUMPTION SENSITIVITY ANALYSIS

The Group has performed a sensitivity analysis relating to its exposure to a change in the assumptions used in the valuation. The sensitivity analysis demonstrates the increase/(decrease) on the investment at fair value through other comprehensive income which could result from a change in these assumptions.

7. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Desert Diamond vessel valuation		
+5%	**1 263**	1 263
–5%	**(1 263)**	(1 263)

4 FISHING LICENCE LIABILITY

The fishing licence liabilities relate to the Shark Bay Prawn Managed Fishery Voluntary Fisheries Adjustment Scheme (VFAS). The VFAS operates from 12 November 2010 until 1 July 2021. Mareterram owns 10 fishing licences in the Shark Bay region. The liabilities shown represent present values discounted at the five-year Australian Corporate Bond rate. Fishing licence liabilities are carried at amortised cost.

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
8. RELATED PARTY TRANSACTIONS		
This disclosure relates to material related party balances and transactions.		
8.1 RELATED PARTY LOANS		
Loans to related parties-non-current		
Vuna Fishing Company Proprietary Limited (Joint venture of Brimstone Investment Corporation Limited)	**27 420**	27 420
Vuna Fishing Group Proprietary Limited (Subsidiary of Brimstone Investment Corporation Limited)	**45 069**	45 069
Total	**72 489**	72 489
Loans to related parties-current		
Specialised Aquatic Feeds Proprietary Limited (Associate of Viking Aquaculture Proprietary Limited)	**4 000**	–
Total	**4 000**	–
Interest paid to related parties		
Brimco Proprietary Limited	**–**	10 708

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
8.2 RELATED PARTY TRANSACTIONS		
Sales to related parties		
SeaVuna Fishing Company Proprietary Limited[1]	**81 520**	34 880
Purchases from related parties		
SeaVuna Fishing Company Proprietary Limited[1]	**193 157**	165 731

[1] *SeaVuna Fishing Company Proprietary Limited is a wholly-owned subsidiary of Vuna Fishing Company Proprietary Limited which is a joint venture of Brimstone Investment Corporation Limited.*

In terms of the supply agreement with Vuna Fishing Company Proprietary Limited ("Vuna") and SeaVuna Fishing Company Proprietary Limited ("SeaVuna"), fish caught by Vuna and SeaVuna is marketed by Sea Harvest Corporation Proprietary Limited.

	AUDITED YEAR ENDED 31 DECEMBER 2018	AUDITED YEAR ENDED 31 DECEMBER 2017
9. STATED CAPITAL (NUMBER)		
In issue (number)		
Ordinary shares	**272 865 243**	251 362 907
Held as treasury shares	**(15 685 629)**	(11 389 304)
	257 179 614	239 973 603

At 31 December 2018, the movement in stated capital is as follows:

	TOTAL SHARES IN ISSUE	LESS TREASURY SHARES	TOTAL NET SHARES IN ISSUE
Opening balance	**251 362 907**	**11 389 304**	239 973 603
Shares issued	**21 502 336**	**2 271 567**	19 230 769
Shares repurchased	**–**	**2 671 642**	(2 671 642)
Shares vested	**–**	**(646 884)**	646 884
Closing balance	**272 865 243**	**15 685 629**	257 179 614

10. CONTINGENT LIABILITIES AND COMMITMENTS

The Group has no contingent liabilities at the end of the year (2017: nil).

	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000	AUDITED YEAR ENDED 31 DECEMBER 2017 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
– contracted	**19 632**	155 665
– not contracted	**115 142**	123 230
Lease commitments		
– land and buildings	**227 712**	24 456

11. EVENTS AFTER THE REPORTING DATE

On 2 January 2019, Sea Harvest Group Limited has, through its wholly-owned subsidiary Cape Harvest Food Group Proprietary Limited, acquired the entire issued share capital of Ladismith Cheese Company Proprietary Limited for a consideration of R573 million, settled in cash. Part of the consideration was funded by way of a vendor consideration placement, whereby holding company, Brimstone Investment Corporation Limited, through its wholly-owned subsidiary Newshelf 1169 Proprietary Limited, subscribed for 21 428 571 shares at a price of R14 per share, resulting in a total subscription of R300 million.
This increases Brimstone Investment Corporation Limited's investment in Sea Harvest from 50.59%[1] at 31 December 2018 to 54.19%[1] at 8 January 2019. The Group is in the process of determining the fair values of the assets and liabilities of Ladismith Cheese for IFRS 3: Business Combination purposes.

On 5 February 2019, the Group announced that, through its wholly-owned subsidiary Sea Harvest International Proprietary Limited, it had entered into a binding bid implementation agreement with its 56.3% held Australian subsidiary, Mareterram Limited whose shares are listed on the Australian Securities Exchange, regarding the potential acquisition of all of the fully paid ordinary shares in the issued share capital of Mareterram not currently owned by Sea Harvest by way of an off-market takeover offer. The offer closed successfully on 5 April 2019 and on 12 April 2019, the Group announced that it had acquired an additional 41% of the shares in Mareterram, taking the Group's shareholding to 97.3%. Mareterram was delisted on 14 April 2019 and it is expected that the remaining 2.8% will be acquired by early May 2019.

The Board of Directors has recommended a gross full and final cash dividend of 40 cents (2017: 31 cents) per share on 5 March 2019 in respect of the year ended 31 December 2018.

Other than as outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect substantially the operations of the Group, the results of its operations or the state of affairs of the Group.

[1] *Including treasury shares in the calculation of the interest*

INDEPENDENT AUDITOR'S REPORT ON SUMMARISED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SEA HARVEST GROUP LIMITED

OPINION

The summarised consolidated financial statements of Sea Harvest Group Limited, which comprise the summarised consolidated statement of financial position as at 31 December 2018, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Sea Harvest Group Limited for the year ended 31 December 2018.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Sea Harvest Group Limited, in accordance with the basis of preparation set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to Annual Financial Statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Sea Harvest Group Limited and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 March 2019. That report also includes:

The communication of other key audit matters as reported in the auditor's report of the audited financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the basis of preparation set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summarised Financial Statements.

Deloitte & Touche
Registered Auditors
Per: Michael van Wyk
Partner
23 April 2019

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06 SHAREHOLDERS' INFORMATION



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ANALYSIS OF ORDINARY SHAREHOLDERS

AT 31 DECEMBER 2018

SHAREHOLDER SPREAD	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDING	NUMBER OF SHARES	% OF ISSUED CAPITAL
1 – 1 000 shares	598	55.37%	149 375	0.05%
1 001 – 10 000 shares	207	19.17%	908 733	0.33%
10 001 – 100 000 shares	156	14.44%	6 108 074	2.24%
100 001 – 1 000 000 shares	95	8.80%	35 979 801	13.19%
1 000 000 shares and over	24	2.22%	229 719 260	84.19%
Total	1 080	100%	272 865 243	100.00%
Distribution of shareholders				
Assurance Companies	2	0.19%	241 292	0.09%
Close Corporations	9	0.83%	75 470	0.03%
Collective Investment Schemes	53	4.91%	24 950 872	9.14%
Foundations & Charitable Funds	4	0.37%	2 128 570	0.78%
Hedge Funds	15	1.39%	10 681 511	3.91%
Insurance Companies	3	0.28%	14 578	0.01%
Investment Partnerships	7	0.65%	213 200	0.08%
Managed Funds	3	0.28%	4 265 791	1.56%
Medical Aid Funds	1	0.09%	46 450	0.02%
Organs of State	1	0.09%	29 396 703	10.77%
Private Companies	45	4.17%	157 416 035	57.69%
Public Companies	2	0.19%	56 244	0.02%
Retail Shareholders	841	77.87%	12 539 963	4.60%
Retirement Benefit Funds	33	3.06%	11 417 308	4.18%
Scrip Lending	1	0.09%	266 961	0.10%
Share Schemes	1	0.09%	3 548 449	1.30%
Sovereign Funds	2	0.19%	8 708 061	3.19%
Stockbrokers and Nominees	4	0.37%	21 677	0.01%
Treasury	1	0.09%	2 531 388	0.93%
Trusts	52	4.81%	4 344 720	1.59%
Total	1 080	100.0%	272 865 243	100%

SHAREHOLDER TYPE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDING	NUMBER OF SHARES	% OF ISSUED CAPITAL
Non-Public Shareholders	14	1.30%	179 061 260	65.62%
Directors and Associate	10	0.93%	5 544 387	2.03%
Beneficial holders greater than 10%	2	0.19%	167 437 036	61.36%
Share Schemes	1	0.09%	3 548 449	1.30%
Treasury	1	0.09%	2 531 388	0.93%
Public Shareholders	1 066	98.70%	93 803 983	34.38%
Total	1 080	100.00%	272 865 243	100.00%

Beneficial shareholders with a holding greater than 3% of the issued shares	NUMBER OF SHARES	% OF ISSUED CAPITAL
Newshelf 1411 (Pty) Ltd	138 040 333	50.59%
Government Employees Pension Fund	29 396 703	10.77%
36One	16 073 329	5.89%
Odin Investments (Pty) Ltd	12 307 692	4.51%
Total	195 818 057	71.76%

Fund managers with a holding of greater than 3% of the issued shares	NUMBER OF SHARES	% OF ISSUED CAPITAL
Public Investment Corporation	29 396 703	10.77%
36One Asset Management	19 946 004	7.31%
Visio Capital Management	15 995 884	5.86%
Kagiso Asset Management	9 130 315	3.35%
Total	74 468 906	27.29%
Total number of shareholdings		1 080
Total number of shares in issue		272 865 243

Share price performance	
Opening price 2 January 2018	R11.65
Closing price 31 December 2018	R13.75
Closing high for period	R15.40
Closing low for period	R11.50
Number of shares in issue	272 865 243
Volume traded during period	24 557 354
Ratio of volume traded to shares issued (%)	9.00%
Rand value traded during the period	R319 125 877
Price/earnings ratio as at 31 December 2018	14.06
Earnings yield as at 31 December 2018	7.11
Dividend yield as at 31 December 2018	1.80
Market capitalisation at 31 December 2018	R3 751 897 091

NOTICE OF ANNUAL GENERAL MEETING

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2008/001066/06)
JSE share code: SHG
ISIN number: ZAE000240198
(**"Sea Harvest"** or **"the Company"**)

We have pleasure in enclosing the notice of Annual General Meeting and Form of Proxy for the Sea Harvest Group Limited's Annual General Meeting of shareholders to be held at 10h00 on Monday, 27 May 2019, at the Vineyard Hotel, Colinton Road, Newlands, Cape Town.

The Integrated Report and the Audited Annual Financial Statements for the year ended 31 December 2018 are available for viewing and downloading on Sea Harvest's website: www.seaharvest.co.za.

Yours faithfully

Nana Aston
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("**AGM**") of the shareholders of Sea Harvest Group Limited ("**shareholders**") for the year ended 31 December 2018 will be held at the Vineyard Hotel, Colinton Road, Newlands, Cape Town, on Monday, 27 May 2019, at 10h00.

The Board of Directors of the Company (the "**Board**" or "**directors**") has determined that the record date, for purposes of determining which shareholders are entitled to participate in and vote at this AGM is Friday, 17 May 2019. The last date to trade in the shares of the Company in order to be eligible to participate and vote is Tuesday, 14 May 2019. Registration will start at 09h00 on Monday, 27 May 2019. This notice of AGM is available in English at the registered office of the Company at 1st Floor Block C, Boulevard Office Park, Searle Street, Woodstock, Cape Town.

1. PURPOSE

The purpose of the AGM is to:

- Present the Annual Financial Statements (the "**AFS**"), consider and adopt the Directors Report, the Audit and Risk Committee Report, the Social, Ethics and Sustainability Committee Report, the Nomination and Remuneration Committee Report and the Implementation Report for the year ended 31 December 2018 as contained in the Company's Integrated Report;
- Consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions of shareholders set out hereunder, in the manner required by the Companies Act, 71 of 2008 as amended (the "**Companies Act**") and the Company's memorandum of incorporation ("**Memorandum of Incorporation**"), as read with the Listings Requirements of the exchange operated by the JSE Limited ("**JSE Listings Requirements**") on which the Company's securities are listed; and
- Deal with such business as may lawfully be dealt with at the AGM.

2. IDENTIFICATION

In terms of Section 63(1) of the Companies Act, a person wishing to participate in the AGM (including proxies) will be required to provide reasonably satisfactory proof of identification before being entitled to attend, participate and vote at the meeting. Forms of identification include a valid identity document, driver's licence or passport.

In terms of Section 62(3)(e) of the Companies Act, a shareholder who is entitled to participate and vote at the AGM is entitled to appoint a proxy/s, to participate in and vote at the AGM in place of the shareholder, by completing the form of proxy in accordance with the instructions contained therein. A proxy need not be a shareholder in the Company.

3. PROPOSED RESOLUTIONS

The purpose of the AGM is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions. In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the Audit and Risk Committee Report, the Directors' Report and the Social, Ethics and Transformation Committee Report at the AGM.

The Directors' Report and the Audit & Risk Committee Report are set out on pages 69 to 71 of the Company's AFS for the year ended 31 December 2018, which can be found on the Company's website. A copy of the complete AFS will be presented at the AGM. The Social, Ethics and Sustainability Committee Report, the Nomination and Remuneration Committee Report and the Implementation is set out on pages 76 to 86 of the Company's Integrated Report.

The following reports will be presented and dealt with at the AGM in terms of the Companies Act:

- Presentation of the Audited AFS;
- Presentation of the Audit and Risk Committee Report;
- Presentation of the Social, Ethics and Sustainability Committee Report;
- Presentation of the Nomination and Remuneration Committee Report;
- Presentation and approval of the Remuneration Policy and Implementation Report.

The ordinary and special resolutions set out below will be proposed, considered, and if deemed fit, passed with or without amendment at the AGM or at any postponement or adjournment of the AGM.

ORDINARY RESOLUTIONS 1.1 TO 1.6: RE-ELECTION AND ELECTION OF NON-EXECUTIVE DIRECTORS

Shareholders are requested to consider and, if deemed fit, elect the non-executive directors named below by way of passing the separate ordinary resolutions set out below.

Explanatory note:

The elections will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for election as director are available on the Company's website. The Board has considered the performance of the directors standing for re-election and supports their reappointment. The effect of passing the above ordinary resolutions will be to re-elect the persons concerned as non-executive directors to the Board with effect from the date of the AGM.

ORDINARY RESOLUTION 1.1: RE-ELECTION OF BAHLELI MARSHALL RAPIYA AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Bahleli Marshall Rapiya, being eligible and available for re-election following his retirement in accordance with the Memorandum of Incorporation, be and is hereby re-elected as a director of the company with effect from the passing of this resolution."

ORDINARY RESOLUTION 1.2: RE-ELECTION OF WOUTER ANDRE HANEKOM AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Wouter Andre Hanekom, being eligible and available for re-election following his retirement in accordance with the Memorandum of Incorporation, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution."

ORDINARY RESOLUTION 1.3: RE-ELECTION OF MOHAMED IQBAL KHAN AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Mohamed Iqbal Khan, being eligible and available for re-election following his retirement in accordance with the Memorandum of Incorporation, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution."

ORDINARY RESOLUTION 1.4: ELECTION OF CAROL KHOLEKA ZAMA AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Carol Kholeka Zama, being eligible and available for election in accordance with the Memorandum of Incorporation, be and is hereby elected as a director of the Company with effect from the passing of this resolution."

ORDINARY RESOLUTION 1.5: ELECTION OF KARI ANN LAGLER AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Kari Ann Lagler, being eligible and available for election in accordance with the Memorandum of Incorporation, be and is hereby elected as a director of the Company with effect from the passing of this resolution."

ORDINARY RESOLUTION 1.6: ELECTION OF TILOSHANI MOODLEY AS NON-EXECUTIVE DIRECTOR

"RESOLVED THAT, Tiloshani Moodley, being eligible and available for election in accordance with the Memorandum of Incorporation, be and is hereby elected as a director of the Company with effect from the passing of this resolution."

ORDINARY RESOLUTION 2: ADOPTION OF AUDITED ANNUAL FINANCIAL STATEMENTS

To receive and consider for adoption the Audited AFS incorporating the Directors' Report, the Audit and Risk Committee Report and the Independent Auditor's Report for the year ended 31 December 2018.

"RESOLVED THAT the Audited AFS of the Company incorporating the Directors' Report, the Audit and Risk Committee Report and the Independent Auditor's Report for the year ended 31 December 2018 be accepted and adopted."

ORDINARY RESOLUTION 3: RE-APPOINTMENT OF DELOITTE & TOUCHE AS EXTERNAL AUDITOR

To approve the re-appointment of Deloitte & Touche as external auditor of the Company for the ensuing financial year and to note that the individual registered auditor who will undertake the audit is Michael van Wyk. The Audit and Risk Committee has recommended that the firm and the designated auditor be appointed for the ensuing financial period.

Explanatory note:

The effect of passing this resolution will be to re-appoint Deloitte & Touche as the Company's external auditor and Michael van Wyk as the individual audit partner until the date of the next AGM.

"RESOLVED THAT Deloitte & Touche be and is hereby re-appointed as the auditor of the company and that Michael van Wyk be and is hereby appointed as the designated auditor of the company for the ensuing financial year."

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

ORDINARY RESOLUTIONS 4.1 TO 4.4: RE-ELECTION AND ELECTION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

To elect an Audit & Risk Committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Explanatory note:

In terms of Section 94(2) of the Companies Act, a public company, at each AGM, must elect an audit committee comprising at least three members who are all independent non-executive directors.

The effect of passing these resolutions will be to elect the persons listed below as members of the Company's Audit and Risk Committee, subject to each person's appointment as director. Brief curricula vitae of the candidates for election to the Audit & Risk Committee are available on the Company's website.

ORDINARY RESOLUTION 4.1: ELECTION OF KARI ANN LAGLER AS MEMBER

"RESOLVED THAT, Kari Ann Lagler be and is hereby elected as chairperson of the Audit and Risk Committee."

ORDINARY RESOLUTION 4.2: RE-ELECTION OF BAHLELI MARSHALL RAPIYA AS MEMBER

"RESOLVED THAT, Bahleli Marshall Rapiya be and is hereby re-elected as a member of the Audit and Risk Committee."

ORDINARY RESOLUTION 4.3: RE-ELECTION OF WOUTER ANDRE HANEKOM AS MEMBER

"RESOLVED THAT, Wouter Andre Hanekom be and is hereby re-elected as a member of the Audit and Risk Committee."

ORDINARY RESOLUTION 4.4: ELECTION OF CAROL KHOLEKA ZAMA AS MEMBER

"RESOLVED THAT, Carol Kholeka Zama be and is hereby elected as a member of the Audit and Risk Committee."

Non-binding Advisory Vote 1 and 2: Approval of the Company's Remuneration Policy and the Implementation Report

Explanatory note:

In terms of principle 14 of the King IV™ and paragraph 3.84(k) of the JSE Listings Requirements, the Company's Remuneration Policy and Implementation Report should be tabled to the shareholders for separate non-binding advisory votes at the AGM. Accordingly, the shareholders are requested to endorse the company's Remuneration Policy and Implementation Report respectively, by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

The approval of the Remuneration Policy and Implementation Report is not a matter that is required to be resolved or approved by shareholders and therefore no minimum voting threshold is required for the non-binding advisory votes.

Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the Remuneration Policy and the Implementation Report is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

The Remuneration Policy and the Implementation Report of the Company are available on the Company's website.

NON-BINDING ADVISORY VOTE 1: APPROVAL OF THE REMUNERATION POLICY

"RESOLVED as a non-binding advisory vote that the Company's Remuneration Policy contained in the Integrated Report be accepted and approved in terms of King IV™ and the JSE Listings Requirements."

NON-BINDING ADVISORY VOTE 2: APPROVAL OF THE IMPLEMENTATION REPORT

"RESOLVED as a non-binding advisory vote that the Company's Implementation Report, contained in the Integrated Report be accepted and approved in terms of King IV™ and the JSE Listings Requirements."

ORDINARY RESOLUTION 5: GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

Explanatory note:

The reason and effect of ordinary resolution 5 is to authorise the directors of the Company to allot and issue ordinary shares in the capital of the Company for cash. In accordance with the JSE Listings Requirements, this resolution requires the approval of at least 75% (seventy five percent) of the voting rights of shareholders exercised on the resolution.

"RESOLVED THAT, the directors of the Company be and are hereby authorised (and without thereby limiting any other authority conferred upon the directors in terms of any other resolution included in this notice) by way of a general authority, to allot and issue ordinary shares in the capital of the Company for cash, including within the scope of such authority the ability to issue options and securities (including any convertible preference shares in the authorised capital of the company) that are convertible into ordinary shares, subject to the limitations as set out in the Memorandum of Incorporation and the provisions of the Companies Act and the JSE Listings Requirements from time to time, on the following basis (or such other basis as may be required by the JSE Listings Requirements from time to time):

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class of shares already in issue;
- there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Listings Requirements) and not to related parties (as defined by the JSE Listings Requirements);

- the total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed 14 714 690, being 5% (five percent) of the aggregate number of ordinary shares (294 293 814) listed as at the date of this notice;
- any securities issued in terms of this general authority must be deducted from the initial number of securities available under this general authority;
- in the event of sub-division or consolidation prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- this authority shall be valid until the Company's next AGM or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 months from the date that this authority is given;
- the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to between the Company and the party/ies subscribing for the shares. The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 (thirty) business day period; and
- upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute 5% (five percent) or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details hereof, including (i) the number of ordinary shares issued, (ii) the average discount to weighted average traded price of the ordinary shares over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and, (iii) in respect of the issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or (iv) in respect of an issue of shares for cash, an explanation including supporting information (if any), of the intended use of funds.

SPECIAL RESOLUTION 1: GENERAL AUTHORITY TO REPURCHASE THE COMPANY'S SHARES

To consider and, if deemed fit, to pass, with or without modification, the general authority for the acquisition by the Company or any of its subsidiaries of shares issued by the Company.

Explanatory note:

The reason for this special resolution is to grant the Company and subsidiaries of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements to acquire the Company's ordinary shares, which authority shall be valid until the next AGM or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM.

The directors require such general authority to be implemented in order to facilitate the repurchase of the Company's ordinary shares.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the directors consider that such repurchase or purchase, will be in the best interests of the Company and its shareholders.

"RESOLVED THAT the Company hereby approves, as a general authority contemplated in the JSE Listings Requirements, the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the Memorandum of Incorporation, the provisions of section 46 and 48 of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time. The applicable JSE Listings Requirements, being, as at the date of this resolution, that:

- any acquisition of ordinary shares shall be purchased through the order book of the trading system of the JSE, and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- the general re-purchase by the Company, and by its subsidiaries, of the Company's ordinary shares is authorised by its Memorandum of Incorporation;
- this general authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date of adoption of this special resolution, whichever period is shorter;
- repurchases of shares in aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary share capital as at the date of adoption of this special resolution;
- repurchases must not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected and the JSE should be consulted for a ruling if the applicant's securities have not traded in such 5 (five) business day period;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- the passing of a resolution by the Board authorising the repurchase, that the Company and its subsidiaries passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company;
- subject to the exceptions contained in the JSE Listings Requirements, the Company and the relevant subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period; and

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- an announcement complying with paragraph 11.27 of the JSE Listings Requirements will be published by the Company or its subsidiary (i) when the Company and/or its subsidiary/ies have cumulatively repurchased 3% (three percent) of the ordinary shares in issue as at the time that the general authority to repurchase shares was granted by the shareholders ("**the initial number**") and (ii) for each 3% (three percent) in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries.
- In accordance with the JSE Listings Requirements the directors record that although there is no immediate intention to effect a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.
- The directors, after considering the effect of the maximum repurchase, are of the opinion that for a period of 12 months after the date of this notice:
  - the Company and the Group will, in the ordinary course of business, be able to pay its debts;
  - the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards will be in excess of the liabilities of the Company and the Group;
  - the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
  - the working capital of the Company and the Group will be adequate for ordinary business purposes.

The following additional information, which appears in the Sea Harvest Integrated Report, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Major shareholders (including beneficial shareholders) on page 108; and
- The authorised and issued shares of the Company on page 120.

DIRECTOR'S RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 14 and 15 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all required information.

MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Company and its subsidiaries between 31 December 2018 and the date of this notice.

SPECIAL RESOLUTION 2: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION

To approve the annual remuneration of the non-executive directors of the Company to be paid for their services in their capacity as directors, for the period from 1 July 2019 to 30 June 2020.

Explanatory note:

In terms of section 66(8) of the Companies Act the Company may pay remuneration to its directors for their service as directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by shareholders within the previous two years.

"RESOLVED THAT the remuneration of the non-executive directors of the Company as reflected below are hereby approved for the period from 1 July 2019 to 30 June 2020. The fees quoted are VAT exclusive.

NON-EXECUTIVE DIRECTORS' FEES

Sea Harvest Group Limited Board of Directors	R (excl. VAT)
Chairperson	636,045
Lead Independent Director	284,888
Members	227,910
Audit and Risk Committee	
Chairperson	148,142
Members	78,810
Remuneration and Nominations Committee	
Chairperson	113,955
Members	56,978
Social, Ethics and Sustainability Committee	
Chairperson	113,955
Members	56,978
Investment and Hedging Committee	
Chairperson	113,955
Members	Nil

SPECIAL RESOLUTION 3: GENERAL APPROVAL TO PROVIDE FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES AND OTHERS

Explanatory note:

The reason for this special resolution is for the shareholders of the company to provide general authority for the company to provide direct or indirect financial assistance to a related or interrelated company or corporation, subject to sub-sections 45(3) and 45(4) of the Companies Act.

Section 45 of the Companies Act provides, inter alia, that any direct or indirect financial assistance to a related or interrelated company or corporation must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board of Directors must be satisfied that:

- *Immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that;*
- *The terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.*

The company, when the need arises, inter alia, provides loans to and/or guarantees repayment or other obligations of subsidiaries or related or interrelated companies. The company requires the ability to continue providing financial assistance, if and when necessary, to its current and future subsidiaries and/or any other company or corporation that is or becomes related or interrelated, in accordance with section 45 of the Company's Act

In the circumstances and in order to, inter alia, ensure that the company's subsidiaries and other related and interrelated companies and/ or corporations have access to financing and/or financial backing from the company, it is necessary to obtain the approval of shareholders, as set out in this special resolution.

The passing of this special resolution will have the effect of allowing the directors of the company the necessary authority to provide such financial assistance to a related or inter-related company or corporation and/or to any persons related to any such companies, corporations, or members, as and when required to do so.

"RESOLVED THAT, in terms of section 45(3) of the Companies Act, and subject to compliance with the requirements of the company's Memorandum of Incorporation, and the applicable provisions of the Companies Act, including but not limited to, the Board being satisfied that immediately after providing the financial assistance the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company, and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the Company be and is hereby authorised to provide direct or indirect financial assistance as contemplated in the Companies Act, to any related or inter-related company, or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member. The financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending 2 (two) years after such date.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

SPECIAL RESOLUTION NUMBER 4: APPROVAL OF PROVISION OF FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES

Explanatory note:

In terms of section 44(3) (a) (ii) of the Companies Act the Board of Directors of a company may not authorise any financial assistance unless pursuant to a special resolution of the shareholders adopted within the previous two years, either as a general or specific authority, the shareholders of the Company have approved such financial assistance.

The reason for and effect of special resolution 4 is to grant the Board of Directors of the Company the general authority to provide such direct or indirect financial assistance. This authority will be in place for a period of 2 (two) years from the date of adoption of this resolution. This resolution requires the approval of at least 75% (seventy five percent) of the voting rights of shareholders exercised on the resolution.

"RESOLVED THAT, in terms of section 44(3) of the Companies Act, subject to the requirements of the Company's Memorandum of Incorporation, the Company be and is hereby authorised, at any time and from time to time during the period of 2 (two) years commencing on the date of adoption of this special resolution, to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that

- the recipient or recipients of such financial assistance, and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board of Directors of the Company from time to time; and
- the board is satisfied that that immediately after providing the financial assistance the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

ORDINARY RESOLUTION 6: AUTHORISATION OF DIRECTORS AND COMPANY SECRETARY

Explanatory note:

The purpose of the resolution is to authorise the directors and Company Secretary to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this AGM notice.

"RESOLVED THAT, any director of the Company or the Company Secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary and special resolutions passed by the shareholders at the AGM."

OTHER BUSINESS

The shareholders are authorised to transact any other business as may be transacted at the AGM.

The percentage of voting rights of the votes, present in person, represented or by proxy at the AGM, required for the passing of each special resolution proposed above is at least 75% (seventy five per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

GENERAL INSTRUCTIONS AND INFORMATION

All shareholders are encouraged to attend, speak and vote at the AGM and are entitled to appoint a proxy to attend, participate in and vote at the AGM in the place of the shareholder, or to appoint a proxy or proxies. The proxy duly appointed to act on behalf of a shareholder need not be a shareholder of the Company.

On a show of hands, every shareholder present in person or represented shall have 1 (one) vote only. On a poll, every shareholder present in person, by proxy or represented shall have 1 (one) vote for every share held.

A shareholder who wishes to appoint a proxy to represent him/her at the AGM, is required to:

- complete the attached form of proxy;
- lodge the completed form of proxy with the Company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107, not later than 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays).

Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act.

Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the AGM and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such AGM or any adjournment or postponement thereof.

Please note that if you are the owner of dematerialised shares held through a Central Securities Depository Participants (CSDP) or broker and are not registered as an "own name" dematerialised shareholder, you are not a registered shareholder of the Company, but appear on the sub-register of the Company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the AGM but wish to be represented at the AGM, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must not complete the attached form of proxy.

The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/ beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, may vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and, for administrative reasons, returning it to the Company Secretary not less than 24 hours before the AGM.

You will also be required to furnish a copy of such form of proxy to the chairman of the AGM or his/her nominee before the appointed proxy exercises any of your Shareholder rights at the AGM (or any postponement or adjournment of the AGM).

Note that voting will be performed by way of a poll so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them. Shareholders which are companies and wish to participate in the AGM may authorise any person to act as their representation at the AGM.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

ELECTRONIC PARTICIPATION

Shareholders may participate (but not vote) electronically in the AGM, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company Secretary at the Company's business address at 1st Floor Block C, Boulevard Office Park, Searle Street, Woodstock, Cape Town, 7925 or by email to the Company Secretary on nanaa@seaharvest.co.za by no later than 15:00 on Wednesday, 22 May 2019 that they wish to participate via electronic communication at the AGM ("**Electronic Notice**").

Teleconference facilities will be made available for this purpose and may be accessed at the shareholder's cost. In order for the Electronic Notice to be valid it must contain:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- a valid email address, telephone number and/or facsimile number ("**the contact address/number**").

The Company shall use its reasonable endeavors on or before 15:00 on Friday, 24 May 2019, to notify each shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication. Such shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable,

- complete and submit the form of proxy; or
- contact their CSDP or broker, in both instances, as set out above.

CROSS REFERENCE TABLE

The documentation listed below has been incorporated by reference in this notice. Such documentation shall be available for inspection at no charge and during business hours, at the Company's registered office from the date of this Notice until 31 December 2019. Such documentation can also be accessed on the website: **www.seaharvest.co.za/investors/integrated-reports/**

- Sea Harvest Group Limited AFS 2018;
- Integrated Report;
- Brief curricula vitae of the candidates for election or re-election as directors;
- Brief curricula vitae of the candidates for the Audit and Risk Committee;
- Director's Report;
- Audit and Risk Committee Report;
- Social, Ethics and Sustainability Committee Report;
- Remuneration Policy; and
- Implementation Report.

By order of the Board

SEA HARVEST GROUP LIMITED

Per: Nana Aston

Company Secretary

26 April 2019 (date of posting the IR)

FORM OF PROXY

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2008/001066/06)
JSE share code: SHG
ISIN number: ZAE000240198
("**Sea Harvest**" or "**the Company**")

For use at the Annual General Meeting (the "**AGM**") of shareholders of the Company (the "**shareholders**") to be held at the Vineyard Hotel, Colinton Road, Newlands, Cape Town, on Monday 27 May 2019, at 10h00 and at any adjournment or postponement thereof.

Not to be used by beneficial owners of shares who have dematerialised their shares ("**dematerialised shares**") through a Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, unless they are recorded on the sub register as "own-name" dematerialised shareholders ("**own-name dematerialised shareholders**").

Generally, a Shareholder will not be an own name dematerialised shareholder unless the shareholder has specifically requested the CSDP to record the shareholder as the holder of the shares in the shareholder's own name in the Company's sub-register.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (none of whom need be a shareholder) to attend, speak and vote in place of that shareholder at the AGM and any adjournment or postponement thereof.

Please note the following:

- The appointment of a proxy will be suspended at any time and to the extent that a shareholder chooses to act directly and in person in the exercise of his/her rights as a shareholder at the AGM;
- The appointment of the proxy is revocable; and
- A shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company; and
- Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the AGM and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such AGM or any adjournment or postponement thereof.

Please note that any shareholder of the Company may authorise any person to act as its representative at the AGM.

Section 63(1) of the Companies Act, 71 of 2008, as amended ("**Companies Act**") requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate.

Voting will be performed by way of a poll so that each shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my behalf at the AGM, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the AGM to a director of the Company;
- provides written notification to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the AGM by no later than 10h00 on Friday, 24 May 2019, being 24 hours before the AGM to be held at 10h00 on Monday, 27 May 2019; and
- provides his/her delegate a copy of his/her authority to delegate his/her authority to act on my behalf at the AGM.

Refer to notes that follow the resolutions.

To be returned to the transfer secretaries of Sea Harvest Group Limited, namely:

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue

Rosebank, 2196

as soon as possible to be received, for administrative reasons, not later than 24 hours before the AGM.

FORM OF PROXY CONTINUED

I/we (full names) _____

Of (address) _____

Telephone: _____

Cell: _____

being a shareholder(s) of the Company, holding _____ shares in the Company hereby appoint (refer note 1):

_____ or failing him/her,

_____ or failing him/her,

or failing him/her the chairman of the AGM as my/our proxy to act for me/us on my/our behalf at the aforementioned AGM of shareholders which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the AGM or to abstain from voting, in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the following instructions:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of shares in respect of which you desire to vote. Unless otherwise instructed.

My/our proxy can vote as he/she deems fit.

	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	**Ordinary Resolution 1.1:** Re-election of Bahleli Marshall Rapiya as director			
2.	**Ordinary Resolution 1.2:** Re-election of Wouter Andre Hanekom as director			
3.	**Ordinary Resolution 1.3:** Re-election of Mohamed Iqbal Khan as director			
4.	**Ordinary Resolution 1.4:** Election of Carol Kholeka Zama as director			
5.	**Ordinary Resolution 1.5:** Election of Kari Ann Lagler as director			
6.	**Ordinary Resolution 1.6:** Election of Tiloshani Moodley as director			
7.	**Ordinary resolution 2:** Adoption of Audited Annual Financial Statements			
8.	**Ordinary resolution 3:** Re-appointment of Deloitte & Touché as external auditor and re-appointment of Michael van Wyk as external audit partner			
9.	**Ordinary Resolution 4.1:** Election of Kari Ann Lagler as chairperson of the Audit and Risk Committee			
10.	**Ordinary Resolution 4.2:** Re-election of Bahleli Marshall Rapiya as member of the Audit and Risk Committee			
11.	**Ordinary Resolution 4.3:** Re-election of Wouter Andre Hanekom as member of the Audit and Risk Committee			
12.	**Ordinary Resolution 4.4:** Election of Carol Kholeka Zama as member of the Audit and Risk Committee			
13.	**Ordinary Resolution 5:** General authority to issue shares for cash			
14.	**Non-binding advisory vote 1:** Approval of the Remuneration Policy			
15.	**Non-binding advisory vote 2:** Approval of the Implementation Report			
16.	**Special Resolution 1:** General authority to repurchase the Company's shares			
17.	**Special Resolution 2:** Approval of non-executive director's remuneration			
18.	**Special Resolution 3:** General approval to provide financial assistance to related or inter-related companies and others			
19.	**Special Resolution 4:** General approval of provision of financial assistance for the acquisition of shares			
20.	**Ordinary resolution 6:** Authorisation of directors and Company Secretary			

Signed at _____ on this _____ day of _____ 2019

_____

Signature _____

Assisted by (where applicable) signature _____

Name of signatory _____

Name of assistant _____

Capacity _____

(Authority of signatory to be attached if applicable)

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT.

Please note that in terms of section 58 of the Companies Act:

- This proxy form must be dated and signed by the shareholder appointing the proxy;
- You may appoint an individual as a proxy, including an individual who is not a shareholder, to participate in and speak and vote at the AGM, on your behalf and may appoint more than one proxy to exercise voting rights attached to shares held by you;
- Your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- This proxy form must be delivered to the Company (at the venue of the AGM), or (by the time specified in this proxy form) to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the AGM.
- The appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the AGM;
- The appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- As the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- Your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the AGM, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the AGM or any adjournment or postponement, thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then.
- The proxy form shall be valid and shall apply to any adjournment or postponement of the AGM to which it relates and shall apply to any resolution proposed at the AGM to which it relates and to such resolution as modified or amendment including any such modified or amended resolution to be voted on or at any adjourned or postponed meeting of the AGM to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

NOTES RELATING TO FORM OF PROXY

1. A certificated or own-name dematerialised shareholder or nominee of a CSDP or broker registered as a shareholder in the Company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialed by the shareholder. The person whose name stands first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy.

2. A shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.

3. Proxy forms should be lodged with the Company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy should, for administrative reasons, be received by or lodged with the Company's transfer secretaries by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the AGM (i.e. by 14:00 on Friday 24 May 2019) but may be furnished to the chairman of the AGM or his, nominee at the time and venue of the AGM (or any postponement or adjournment thereof) before your proxy exercises any of your shareholder rights at such AGM.

4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the AGM (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.

5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted.

6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's transfer secretaries or waived by the chairman of the AGM if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered as shareholders in the Company's sub-register voting on instructions from owners of shares registered in the Company's sub-register, are requested to identify the owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company's transfer secretaries together with this form of proxy.

7. Any alteration or correction made to this proxy form must be initialed by the signatory/ies but will only be validly made if such alteration or correction is accepted by the chairman of the AGM.

8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's transfer secretaries.

9. Certificated shareholders which are a company or body corporate may by resolution of their directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.

10. The chairman of the AGM may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.

11. If required, additional forms of proxy are available from the Company's transfer secretaries or the registered office of the Company.

12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised shareholder, then you are not a shareholder of the Company, but appear as the holder of a beneficial interest on the relevant sub-register of the Company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:

    - if you wish to attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
    - if you are unable to attend the AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the Company's transfer secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays.

GLOSSARY

ACI	African, Coloured and Indian
AFS	Annual Financial Statements
ASX	Australian Securities Exchange
B-BBEE	Broad-Based Black Economic Empowerment
Board	Sea Harvest Group's Board of Directors
Brimstone	Brimstone Investment Corporation Limited
Cape Harvest Foods Group	Cape Harvest Foods Group Proprietary Limited
CCI	Consumer Confidence Index
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
Companies Act	Companies Act, No 71 of 2008
CSDP	Central Securities Depositary Participants
CSI	Corporate Social Investment
DAFF	Department of Agriculture, Forestry and Fisheries
DCA	Diamond Coast Aquaculture
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EWP	Employee Wellness Programme
Foundation	Sea Harvest Foundation Not-for-Profit Company
FMCG	Fast Moving Consumer Goods
FRAP	Fishing Rights Application Process
Fund	South African Fisheries Development Fund
GDP	Gross Domestic Product
Group	Sea Harvest Group Limited
HEPS	Headline Earnings Per Share
HOD	Head of Department
ICS	Imperial Cold Storage
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IR	Integrated Report
IT	Information Technology
JSE	Johannesburg Stock Exchange
King IV™	King IV™ Report on Corporate Governance™
Ladismith Cheese	Ladismith Cheese Company Proprietary Limited
L&D	Learning and Development
LTI	Long-term incentive
Mareterram	Mareterram Limited
MSC	Marine Stewardship Council
MSY	Maximum Sustainable Yield
Nalitha	Nalitha Investments Proprietary Limited
NCI	Non-controlling interest
NGO's	Non- Governmental Organisations
PTY LTD	Proprietary Limited
RFA	Responsible Fisheries Alliance
ROCE	Return on capital employed
ROI	Return on Investment
SADSTIA	South African Deep-Sea Trawling Industry Association
SAFEC	South African Fishing Empowerment Corporation
SAICA	South African Institute of Chartered Accountants
SAMSA	South African Maritime Safety Authority
Sea Harvest Corporation	Sea Harvest Corporation Proprietary Limited
SED	Socio Economic Development
SENS	Stock Exchange News Service
SMME	Small, Medium and Micro-sized Enterprises
STI	Short-term incentive
TAC	Total Allowable Catch
TETA	Transport, Education and Training Authority
US	United States of America
USD	US Dollar
VAT	Value added tax
Viking Fishing	Viking Fishing Group of Companies
WANOS	Weighted Number of Shares
WWF-SA	World Wildlife Fund South Africa

CORPORATE INFORMATION

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 2008/001066/06
JSE code: SHG
ISIN: ZAE00240198
"Sea Harvest"or "the Company"or "the Group"

Registered address:	The Boulevard Office Park 1st Floor, Block C Searle Street Cape Town 7925 South Africa
Directors:	F Robertson* (Chairman) BM Rapiya** WA Hanekom*** MI Khan* L Penzhorn*** (Retired 2 July 2018) T Moodley* (Appointed 2 July 2018) KA Lagler*** (Appointed 2 July 2018) CK Zama*** (Appointed 2 July 2018) F Ratheb (Chief Executive Officer) JP de Freitas (Chief Financial Officer) M Brey (Chief Investment Officer) ** Non-executive Director* *** Lead Independent Non-executive Director* **** Independent Non-executive Director*
Company Secretary:	N Aston
Transfer Secretary:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Sponsor:	The Standard Bank of South Africa Limited
Auditors:	Deloitte & Touche

NOTES

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