OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

3 IMPLEMENTATION REPORT

BACKGROUND

The implementation of the Remuneration Policy in the 2023 financial year is to be tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders.

The Committee has monitored the implementation of the Remuneration Policy during the financial year and is of the view that the Group's compliance with the policy has been satisfactory. This Implementation Report discloses the detailed information and figures pertaining to the application of the Remuneration Policy in relation to the relevant executive and non-executive directors. The Committee is satisfied that variable pay outcomes for the 2023 financial year are aligned with the Group's financial performance for the 2023 financial year (as contextualised in the CEO's Report).

The graph on **page 126** compares the Group's STI paid to its operating profit. Based on the challenging 2023 financial year arising from the 9% lower volumes, significant decline in prawn prices, and load shedding resulting in a contraction of the Group operating profit margin to 7% and compounded by interest rates 79% higher, a minimal level of STI was paid to performing segments of the business.

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

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

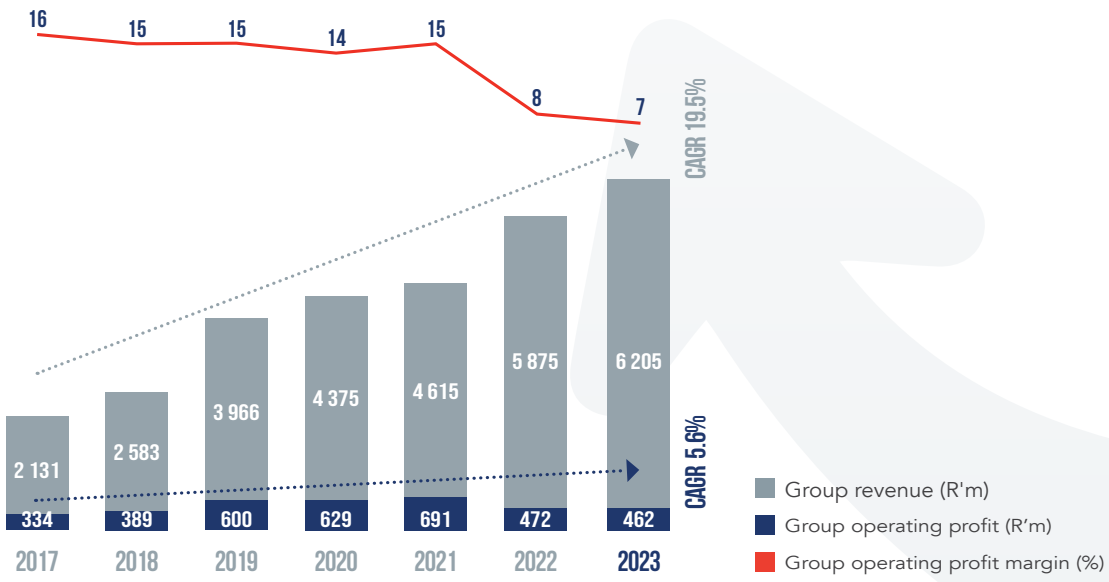
- the Marel factory implementation;
- the acquisition of the *Atlantic Peace* and *Harvest Mzansi* freezer trawlers;
- the completion of the third powder factory and butter plant at Ladismith;
- the installation of the reverse osmosis plant at Saldanha;
- the installation of wind turbines at Buffeljags; and
- the factory upgrade at Mooivallei.

The Group is currently completing a solar PV installation and a roller drier powder plant at Ladismith.

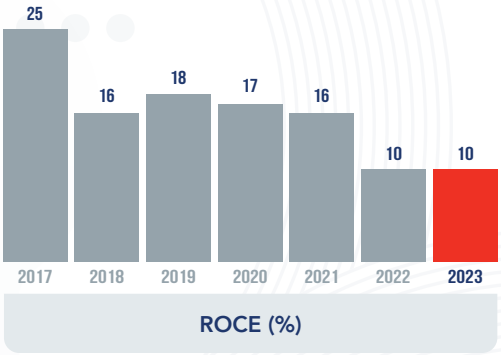
From an acquisitive growth perspective, the Group has executed on

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

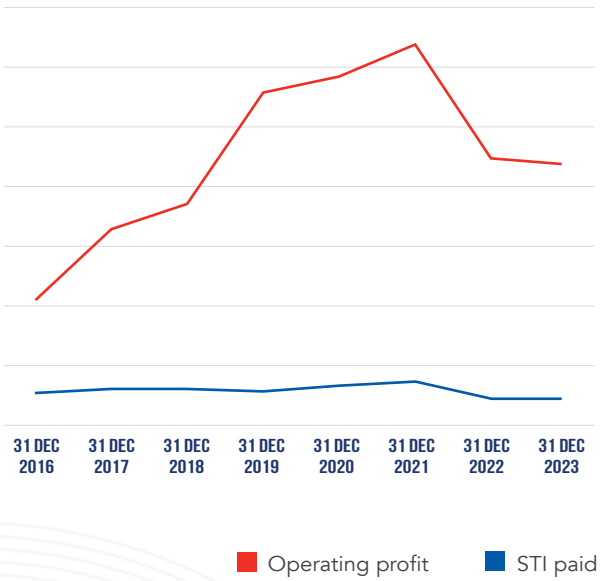
The Group is currently completing the acquisition of (i) the Terrasan pelagics business (Saldanha), thereby rounding out Sea Harvest's exposure to all material wild-caught fisheries in South African and (ii) the Terrasan abalone aquaculture business (Aqunion), thereby doubling the size of the abalone business.







STI paid vs operating profit



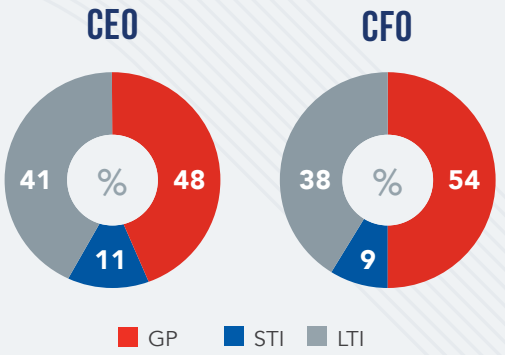
ACTUAL PAY MIX

The actual pay mix graph has been prepared on the same basis as the chart on **page 121** that refers to pay mix, which represents GP, STI and LTI, and shows the actual mix achieved for the year ended 31 December 2023.

The actual pay mix for the Group CEO and Group CFO for the 2023 financial year is set out to the right.

The STI relates to the 2022 financial year, paid in February 2023 when the executives became unconditionally entitled to the bonus.

For the 2023 financial year, paid in February 2024, M Brey received R1.9 million and F Ratheb received R4.4 million in STI, which related to functional targets achieved.



BENCHMARKING

Following the comprehensive benchmarking of executive directors and senior executives' STI and LTI measures and hurdles undertaken in 2022, no further benchmarking was undertaken in 2023.

GUARANTEED PAY

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

SEA HARVEST CORPORATION	DECEMBER 2023 NUMBER OF EMPLOYEES	2023 ANNUAL INCREASE IN GUARANTEED PAY* %
Group CEO, executive team and senior management	136	5.7
Junior management	472	5.7
Salaried staff	239	5.7
Factory-waged staff	1 421	6.0
Fleet-waged staff	991	7.0

**Salary increases are for January 2023.*

OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

SHORT-TERM INCENTIVE

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

For the 2023 financial year, dual financial targets, being EBIT and HEPS, were used for executive directors, while EBIT was used for senior management.

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

The functional targets for the executive directors for 2023 encompassed transformation, retention of fishing rights, efficiency initiatives, cash management, organic and acquisitive growth, and building organisational capacity.

In line with the Group's performance in the challenging 2023 financial year, 14% of the total possible 2023 STI was achieved during 2023.

LONG-TERM INCENTIVE

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

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

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

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

The fourth tranche of performance shares, qualifying for vesting during 2023, vested in full.

In addition, in line with the recommendation of King IV™, included is an indicative value of the unvested instruments as at 31 December 2023. For the bonus shares and retention shares, the indicative value is calculated as the number of instruments multiplied by the share price of R9.45 at year end. For the performance shares, a valuation was performed based on assumptions as at 31 December 2023.


Sea Harvest fish nuggets

DATE OF AWARD	TYPE OF INSTRUMENT	NUMBER OF INSTRUMENTS AWARDED	SHARE PRICE ON DATE OF GRANT R	VESTING DATE	NUMBER OF INSTRUMENTS VESTED	NUMBER OF INSTRUMENTS LAPSED	CLOSING NUMBER OF UNVESTED INSTRUMENTS	INDICATIVE VALUE OF UNVESTED INSTRUMENTS R
		A	B		C	D	E=A-C-D	F
FELIX RATHEB								
Thursday, 18 March 2021	Performance shares	342 241	15.01	Sunday, 17 March 2024	–	–	342 241	3 032 255
Wednesday, 23 March 2022	Performance shares	391 627	13.70	Saturday, 22 March 2025	–	–	391 627	3 195 676
Wednesday, 13 March 2024	Performance shares	610 819	9.92	Thursday, 12 March 2026	–	–	610 819	4 703 306
Thursday, 18 March 2021	Bonus shares	205 344	15.01	Sunday, 17 March 2024	–	–	205 344	1 940 501
Wednesday, 23 March 2022	Bonus shares	228 256	13.70	Saturday, 22 March 2025	–	–	228 256	2 157 019
Wednesday, 13 March 2024	Bonus shares	52 320	9.92	Thursday, 12 March 2026	–	–	52 320	494 424
Wednesday, 1 December 2021	Retention shares**	1 250 436	13.05	30 Nov 2024, 30 Nov 2025, 30 Nov 2026	–	–	1 250 436	11 816 620
MUHAMMAD BREY								
Tuesday, 18 March 2021	Performance shares	181 590	15.01	Sunday, 17 March 2024	–	–	181 590	1 608 887
Wednesday, 23 March 2022	Performance shares	207 760	13.70	Saturday, 22 March 2025	–	–	207 760	1 695 322
Wednesday, 13 March 2024	Performance shares	302 849	9.92	Thursday, 12 March 2026	–	–	302 849	2 331 937
Thursday, 18 March 2021	Bonus shares	106 775	15.01	Sunday, 17 March 2024	–	–	106 775	1 009 024
Wednesday, 23 March 2022	Bonus shares	118 423	13.70	Saturday, 22 March 2025	–	–	118 423	1 119 097
Wednesday, 13 March 2024	Bonus shares	29 793	9.92	Thursday, 12 March 2026	–	–	29 793	281 544
Wednesday, 1 December 2021	Retention shares**	776 781	13.05	30 Nov 2024, 30 Nov 2025, 30 Nov 2026	–	–	776 781	7 340 580

*** Vest equally on 30 November 2024, 30 November 2025 and 30 November 2026*

EXECUTIVE REMUNERATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Remuneration of executive directors and prescribed officers is set out in full in **note 37** of the AFS.

DIVERSITY TARGETS

The Committee set the following diversity targets during the 2017 financial year and reviewed these targets during the 2023 financial year.

Transformation – ACI targets

The Committee agreed that 70% of the Board composition should be made up of ACI designated groups within a period of three years and achieved a score of 67% at the end of the 2023 financial year.

Gender – female targets

The Committee agreed that 30% of the Board composition should be female within a period of three years, with the Board exceeding this target and achieving a score of 33% at the end of the 2023 financial year.

APPROVAL

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

April 2024

ANDRÉ HANEKOM

Chairperson of the Nomination and Remuneration Committees