

SABVEST CAPITAL LIMITED

GOVERNANCE CHARTER

The Board of directors (“the Board”) of Sabvest Capital Limited (“the Company”) is responsible for the corporate governance framework and the Company and its subsidiaries and is accountable to stakeholders for the performance, activities and control of the Company.

KING IV

The King IV Report on Corporate Governance for South Africa was released in November 2016 with early adoption being encouraged by the Johannesburg Stock Exchange (“the JSE”). King IV advocates an outcome-based approach and defines corporate governance as the exercise of ethical and effective leadership towards achieving the following governance outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

The Company has set out its governance structures in line with the 16 principles of King IV on an apply and explain basis. The application of recommended practices has been adopted and reported on as appropriate for an investment holding Company.

The Board is committed to complying with legislation, regulations, best practices and governance standards relevant to the Company in alignment with the aspirational nature of King IV principles.

PRINCIPLE 1:

The governing body should lead ethically and effectively.

The Board maintains a high level of individual and collective responsibilities, accountability, fairness and transparency, which together drive a culture of risk awareness, ethical behavior and value creation.

The Board is responsible for the strategic direction of the Company which it considers in conjunction with the Company's ethics charter which is the basis for deliberations, decisions and actions of the Board. The Board endorses and accepts responsibility for achieving the values underpinning good governance, namely, integrity, competence, fairness, responsibility, transparency and accountability.

The Board provides effective and responsible leadership in a way that supports sustainable business and in consideration of the impacts on society, the environment, stakeholders and sustainability.

The Board acts as the custodian of governance and has approved the formal charter that sets out its responsibilities. The Board is responsible for appointing the CEO and for monitoring his management of the performance of the Company's assets against strategic and financial objectives.

The Board delegates specific responsibility to appropriately mandated and constituted committees. The Audit & Risk Committee and the Social & Ethics Committee fulfil the statutory governance requirements for the Company.

The Company follows a stakeholder inclusive approach as set out in Principle 16.

Directors are required to disclose in writing any conflicts of interest and shareholdings in the Company or in any other relevant stakeholders between and at Board and committee meetings, as appropriate.

PRINCIPLE 2:

The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture.

The Company is committed to achieving the highest standards of ethical behavior in compliance with its code of ethical conduct. The Board, through the Social and Ethics Committee, has approved a code of ethical conduct which is published on its website and communicated to its employees. It maintains a high awareness of the South African Constitution and Bill of Rights. It also endeavours to ensure that the highest ethical behavior is followed by its investee companies.

The CEO is the custodian of the charter and is assisted by the Company's CFO in his function as ethics officer. The Board reviews the charter annually.

The setting of specific measurable metrics is not practical as the Company is an investment company with a small staff complement.

Adherence to the ethics charter is monitored by the Social and Ethics Committee.

PRINCIPLE 3:

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The Company itself and most of its investee companies have SRI programmes to facilitate its role as a responsible corporate citizen.

The Company invests between 0,5% and 1% of its own expected sustainable profit after tax directly (and indirectly through investees) in specific programmes encompassing bursaries for education, the funding of educational infrastructure and specific related projects.

The Company also encourages its investee companies to maintain and adhere to comprehensive sustainability policies as appropriate.

PRINCIPLE 4

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board has set out its strategy and associated risks in this integrated report and articulated its core values in alignment with its Ethics Charter. In directing strategy and pursuing investment opportunities, the Board considers the risks and opportunities in the environment in which the Company operates to create value for all stakeholders. The Board sets key performance criteria and targets for management to assess the implementation of Company strategy.

The Audit and Risk Committee assists the Board with governance and risks and both the Committee and the Board assess the viability of the Company relative to capital, solvency and liquidity on an ongoing basis.

In addition to the annual budget being considered and approved by the Board, the Board monitors the Company's three year rolling financial plan and execution of its strategy.

PRINCIPLE 5

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long term prospects.

Based on the recommendations of the Audit and Risk Committee, the Board approves the integrated annual report, the annual financial statements, the King IV compliance report and all other reports published by the Company in its integrated annual report, all of which are also available on the Company's website.

The Board considers the Company's business model and envisaged strategy and the interests of its key stakeholders in all its deliberations.

The Board also directs the Company to issue regular updates on its investment activities to shareholders through SENS announcements at and between scheduled reporting dates.

PRINCIPLE 6

The governing body should serve as the focal point and custodian of corporate governance in the organization

The Board is the focal point of the Company's corporate governance framework. The Company follows a stakeholder inclusive approach to governance with the Board being

ultimately responsible and accountable to stakeholders for the performance, activities and control of the Company.

This is achieved through the direction provided by the application of the Board charter, Memorandum of Incorporation (“the MOI”), the Board members’ letters of appointment, its application of the King Code IV of Corporate Governance and relevant legislation. The Board’s sub-committees play an integral role in ensuring corporate governance is achieved through the terms and mandates in their respective charters.

The Board Charter authorises Board members to obtain independent external professional advice, to have direct access to the executives, employees and company secretary for information and to meet without the executive directors, or with management, or with advisors when deemed appropriate or necessary. The Company bears the relevant expenses.

PRINCIPLE 7

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

THE BOARD AND ITS COMMITTEES

The continued independence of directors is assessed annually, with particular attention to those who have served on the Board for longer than nine years.

The roles of Chairman and CEO are separate. The Chairman is a non-executive director and does not chair the Remuneration Committee nor the Audit & Risk Committee, but is a member of both. The Chairman’s non-executive role encompasses the co-ordination of governance activities, the overseer of Board and committee performance and the guide to the Board in its principal functions of the keepers of strategy, the monitors of risk, the custodians of management excellence and the overseers of Company performance. A separate lead director has been appointed who is non-executive and independent.

The directors consider the mix of technical, entrepreneurial, financial and business skills of the directors to be balanced, thus ensuring the effectiveness of the Board. Board composition and the process of nominating directors to the Board is the function of the Nominations Committee. None of the directors has political connections of relevance to the Company or at all. The Board retains full and effective control over the Company and its subsidiaries and monitors the performance and decisions of executive management.

The Board has established gender and race policies relating to its composition. It targets a minimum of two female directors and at least 40% of non-executive directors to be black South Africans.

In addition, the Company is represented on the boards of all of its unlisted investees and certain of the directors are directors of most of its major listed investee companies. The Board fully respects the fiduciary duties of these directors to the respective companies and is cognizant of JSE rules and insider trading policies for those companies that are listed.

No external advisors are regular attendees at Board meetings.

Directors are subject to election by shareholders at the first opportunity following their appointment. Directors retire by rotation and stand for re-election by shareholders at least once every three years. In accordance with the Company's MOI, the Board also has the ability to remove directors without requiring shareholder approval.

The executive directors have six months' notice periods but no other contractual entitlements.

The Board meets at least twice annually. Additional meetings are held when non-scheduled matters arise. In addition, the Company has an effective Board memoranda process to facilitate consultation with all directors on an ongoing basis and management reports are circulated to the Board monthly as well. Additional scheduled meetings are not regarded as necessary due to this process and the limited movement in portfolio holdings.

The full responsibilities of the Board and of each committee are set out in written charters adopted by the Board and published on the Company's website.

Directors participate at meetings in person or by audio conference.

COMPANY SECRETARY

The role of the Company secretary is outsourced, which meets the requirements of the Companies Act and the JSE.

The duties of the Company secretary include:

- Providing counsel and guidance to the Board on their individual and collective powers and duties as required from time to time;

- Considering the regulatory universe prepared by internal audit and providing the Board with updates and proposed changes to laws and regulations affecting the Company;
- Reporting to the Board any non-compliance with the MOI or Companies Act;
- Maintaining proper minutes of shareholder, director and committee meetings;
- Certifying in the annual financial statements that the Company has filed the required notice and returns timeously in accordance with the Companies Act;
- Ensuring that the Company's annual financial statements are properly distributed;
- Carrying out the other functions required of a Company secretary by the Companies Act.

The Board has considered and satisfied itself of the competence, qualifications and experience of the Company secretary. More particularly, the Board is satisfied that the required duties have been carried out effectively.

The Board confirms that the Company Secretary has maintained an arms' length relationship with the Board, is not a director of the Company and performs no other functions on behalf of the Company or the Board.

AUDIT, GOVERNANCE AND RISK COMMITTEE

The Committee operates within defined terms of reference and authority granted to it by the Board in terms of a written charter. It meets at least twice a year, and the external auditors, Deloitte & Touche, and CFO attend as well. The Chief Executive may also attend by invitation from time to time. The external auditors have unrestricted access to the Committee.

Selected scope internal audit services are performed for the Company by KPMG for assurance purposes. KPMG reports to the Chairman of the Committee and administratively to the CEO.

The internal auditors attend when presenting their reports and opinions on internal financial and IT controls and other reviews which are done over a three year cycle.

There are no other regular invitees to Committee meetings.

The principle functions of the Committee are to review the interim and annual financial statements and accounting policies, monitor the effects of internal controls, assess the risks facing the business, assess the expertise and experience of the CFO, discuss the findings and recommendations of the auditors and review corporate governance procedures. The Audit Committee also has the responsibility for recommending the appointment of the external auditors and for ensuring that there is appropriate independence relating to non-audit services provided by the auditors. These non-audit services are presently taxation, corporate finance, technical accounting, risk and human resources.

The Committee regards the CFO as suitably qualified and experienced and the finance function to be operating effectively.

Due to the size of the Company, a separate risk committee is not regarded as necessary. The Audit Committee monitors the risk registers, risk control procedures and authorities framework of the Company.

The Committee regards the process resulting in the presentation of the Integrated Report to be satisfactory and that the level of combined assurance is appropriate relative to the scale of the Company and its identified risks and mitigating controls.

The Committee regards the relationship between the external assurance providers and the Company as sound and conducive to optimizing the level and quality of assurance and no separate external assurance is necessary on sustainability issues due to the limited size and focus of The Company's operations as an investment Company. The Committee does not regard the Company as having any current unmitigated risks arising from sustainability considerations. The Committee is of the view that it complied with all its legal, regulatory and governance responsibilities.

REMUNERATION AND NOMINATIONS COMMITTEES

The Remuneration and Nominations Committees operate within defined terms of reference and meet annually.

The Remuneration Committee determines executive remuneration and incentives, reviews staff costs and recommends non-executive directors' fees to shareholders. It conducts appropriate market reviews periodically relative to these assessments.

The Nominations Committee considers the composition and performance of the Board and its committees and makes recommendations on new appointments.

SUCCESSION PLANNING

The Nominations Committee is responsible for formulating and monitoring the succession plans of the Board, the CEO and CFO. The committee reviews the succession plan annually.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The committee has a written charter which meets all the requirements of the Companies Act in the scope of its functions. These included the Company's standing relative to the ten United Nations Global Compact Principles, the OECD recommendations regarding corruption, the Employment Equity Act and the BBBEE Act, good corporate citizenship including the Company's SRI programme, environmental and safety issues and labour relations. The Committee is satisfied that The Company has properly considered these issues and taken the appropriate measures to the extent applicable to the Company's activities.

PERFORMANCE ASSESSMENTS

The performances of the Board, the committees, directors, Chairman, CEO, CFO and Company secretary are subject to a 360° review annually. Appropriate feedback is given and discussions held by the Chairman, Committee Chairpersons or CEO as appropriate.

INVESTMENT COMMITTEE

The Investment Committee is an ad hoc committee activated as needed from time to time by the Board or by management.

The committee's responsibilities relate to investment policy and parameters, potential new investments or investment disposals, financial facilities and financing structures, relevant risks and corporate actions relating to the Company's shareholders.

Communications and decisions are via Board memoranda, telecons and informal meetings of which formal attendance is not an appropriate measure.

PRINCIPLE 8

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.

The Board has established a formal authorities matrix which delegates financial and strategic responsibilities to the executive directors for operational and investment purposes, requiring notifications to the Board below the stated limits and authority from the Board above the stated limits.

The governance functions of the Board committees are outlined in their respective approved committee terms of reference. The charters are reviewed and approved annually by the Board and the composition of the committees is also assessed annually.

PRINCIPLE 9

The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

Formal performance evaluations of the Board, its committees, the Company secretary, the CFO and finance function are conducted annually by means of questionnaires to review the mix of skills, performance during the year, contribution of independent individual directors, and the effectiveness of committees. Results of the evaluations are considered to determine any improvements or changes required for the following year.

The evaluations are considered by the Nominations Committee which makes recommendations to the Board as appropriate.

PRINCIPLE 10

The governing body should ensure that the appointment of and delegation to management contributes to role clarity and effective exercise of authority and responsibilities.

There is a formal delegation of authority matrix in place which is reviewed and updated by the Board annually and which sets the direction and parameters and limits which are reserved for the Board and those that are delegated to the executive directors including financial materiality thresholds.

The Board appoints the CEO who leads the implementation and execution of strategy and policy approved by the Board. The CEO is accountable to the Board which assesses his performance annually.

The Board approves the appointment of the Company Secretary. The function is currently outsourced and the scope of the Company Secretary duties, responsibilities and support functions to the Board are set out in principle 7.

Access to the Company Secretary and relevant independent advice is available to all Board members when required.

PRINCIPLE 11

The governing body should govern risk in a way that supports the organisation in setting and achieving its executive objectives.

The Company has a Board approved risk framework, policy, risk appetite and tolerance levels and a process of ongoing risk oversight and monitoring.

PRINCIPLE 12

The Board through the Audit & Risk Committee is accountable for governance of information technology.

As an investment company, the Company does not require a separate IT charter and policies and similarly no IT Steering Committee is required. The Board and Audit & Risk Committee monitor the effectiveness of the internal controls over the IT environment which are currently adequate for the Company's strategic plans and business model.

The design and maintenance of the Company's IT platform is managed effectively by an outside contractor.

The CFO has the role of Chief Information Officer, has responsibility for the management of IT and reports on IT matters to the Audit & Risk Committee and the Board.

The Company ensures that the integrity of the IT process is maintained, including information security privacy and IT laws, including POPI, that are applicable to the Company.

PRINCIPLE 13

The governing body should govern compliance with applicable laws and adopted standards in a way that supports the organisation being ethically and a good corporate citizen.

The Audit & Risk Committee takes responsibility for compliance oversight on behalf of the Board. The CFO has the role of Chief Compliance Officer and ensures that the investment and related activities of the Company are managed ethically, in compliance with legislative requirements and in line with best practice governance guidelines. The Company is assisted by KPMG in monitoring and updating its regulatory universe and assurance is also received from Deloitte & Touche in the course of their audit relating to compliance with applicable legislation and regulations.

The Board does not believe it is necessary for the Company as an investment company to adopt formal dispute resolution processes. External disputes are handled through the Company's attorneys and there have been no internal disputes requiring resolution.

The primary regulatory universe applicable to the Company comprises:

- Companies Act.
- Basic Conditions of Employment Act.
- JSE Listings Requirements including King IV.
- Labour Relations Act.
- Protection of Personal Information Act.
- Electronic Communications and Transactions Act.
- Broad Based Black Economic Empowerment Act.
- Employment Equity Act.
- Financial Markets Act.
- Tax Administration Act.
- Income Tax Act.
- Prevention and Combating of Corrupt Activities Act.
- National Environmental Act.
- Unemployment Insurance Act.
- Exchange Control Regulations.

PRINCIPLE 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Remuneration Committee is responsible for establishing and overseeing a remuneration policy that promotes the achievement of strategic objectives and encourages individual performance in the Company and recruit, retain and motivate the necessary skilled personnel to facilitate the achievement of the Company's strategic objectives in the long term and short and medium term operational requirements to meet those objectives.

The Company's remuneration report is presented in three sections:

- A background statement.
- An overview of the Company's remuneration philosophy and policy.
- An implementation report of the Company's remuneration policy during the period.

The remuneration policy and the implementation report is tabled at annual general meetings for two separate non-binding advisory votes. If 25% or more of the shareholders vote against either resolution the Board will invite dissenting shareholders to engage with the Remuneration Committee on their concerns.

In addition shareholder approval is obtained annually at the annual general meeting for the fees payable to non-executive directors.

PRINCIPLE 15

The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Audit & Risk Committee is responsible for monitoring the appropriateness of the combined assurance model to monitor and mitigate the risks in the Company and ensuring its effectiveness in order to place continued reliance thereon. The committee oversees the internal audit services provided to the Company by KPMG and the external audit function undertaken by Deloitte & Touche. The committee is satisfied that the external auditor remains independent and that the policy in place to address the provision of non-audit services by the external auditor is appropriate.

The committee considers the financial reporting procedures that are in place and whether these procedures are operating effectively. It also monitors and ensures the integrity of information and external reports. These are also reviewed by the Company's external auditors, attorneys, JSE Sponsor and bank advisors as appropriate or needed.

PRINCIPLE 16

In the execution of its governance role and responsibilities, the governing body should adopt a shareholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The Board has responsibility for directing how the relationships with stakeholders in the Company should be conducted. As an investment holding company, the Company has one policy approach as a single entity and ensures that this framework is in harmony with other applicable requirements and constraints, for example the MOI, authorities framework, investee shareholder agreements, Board and committee charters and regulatory requirements.

The Company's external relationships with stakeholders are primarily with its shareholders, financiers, the boards of its listed and unlisted investee companies and their committees. These relationships are actively managed by the executive directors as follows:

- Shareholders
Through the website, SENS and press announcements, annual reports and general meetings.
- Financiers
Through regular meetings and submissions.
- Unlisted Investees
Through shareholder agreements, board and committee representation and on-site visits.
- Major Listed Investees
Through board and committee representation, on-site visits and liaison with other material shareholders.
- Community
Through the Company's code of ethics and SRI programme.

If meetings are held with shareholders or analysts, it is Company policy that they should be attended by at least two Company representatives and notes are made of the meetings.

A stakeholder engagement report may be made available annually to the Board. With regard to the annual general meeting, all directors are expected to attend and be available to deal with shareholder queries, and the designated partner of Deloitte & Touche is also present. The minutes of prior annual general meetings are tabled for information and queries.

The results of the annual general meeting, including percentage votes for each resolution, are announced at the annual general meeting and released on SENS.