

BIDVESTCO LIMITED

BOARD CHARTER, NOMINATION POLICY AND CODE OF CONDUCT

INTRODUCTION

The board of directors of Bidvestco Limited (Reg no: 1966/011512/06) (“Bidvestco” or the “Company”) acknowledges the need for a Board Charter as recommended in the King IV Code on Corporate Governance (“King IV”). This Board Charter (“Charter”) is subject to the provisions of the Companies Act, its Memorandum of Incorporation, the JSE Debt Listings Requirements and any other applicable law or regulatory provision.

PURPOSE

The purpose of this Charter and code of conduct is to set out how the business of the Company is to be conducted by the board of directors of Bidvestco (the “Board”) in accordance with the principles of good governance, to reflect the Board’s values and ethical principles and the standard of behaviour. The Charter sets out the specific responsibilities of Board Members collectively and individually. The fundamental principle is that the Board should act at all times and in all matters with the utmost good faith towards the company.

CODE OF CONDUCT OBJECTIVES

The objectives of this Charter and code of conduct are to ensure that the Board members are aware of their duties and responsibilities, legislation and regulations that affect their conduct and to ensure that the principles of good governance are applied in all their dealings in respect of and on behalf of the Company.

THE BOARD

The board of directors of Bidvestco (“Bidvestco Board”) comprises at least three executive directors.

The Group Financial Director of The Bidvest Group Limited (“Bidvest” or the “Group”) is the chairman of the Bidvestco Board.

1.1 Nomination of Board members:

Nominations of Board members will be considered and approved by the Bidvest board of directors (“Bidvest Board”) after giving due consideration to the knowledge, skills and experience of the candidate.

Factors that are considered prior to nominating a candidate for election as a director of the Bidvestco Board includes, but is not limited to, the following:

- The skills, knowledge and experience of the candidate considered in conjunction with the collective skills, knowledge and experience required on the Bidvestco Board;
- The ability of the candidate to commit the necessary time, interest and attention to discharging his/her duties as a director;
- The integrity, commitment to ethics and reputation of the candidate;
- Details of the candidate’s current and past directorships;
- The existence of any actual or perceived conflicts of interest;
- Ability to develop a working relationship with other Bidvestco Board members and contribute to the Bidvestco Board’s working relationship with management;
- any other relevant factors as may be determined by the Bidvest Board from time to time; and

- In the event that the proposed candidate is a Domestic Prominent Influential Person, as defined in the Financial Intelligence Centre Act, the Bidvest Board shall obtain the services of external consultants to perform the necessary background and media checks to mitigate the potential for reputation damage to the Company.

1.2 Qualities of a good Board Member

Board members should be persons of integrity. This implies that they should be honest, law-abiding and free from corruption. Persons who behave, or have in the past behaved, in a manner contrary to these standards, will not be permitted to become or remain Board members.

Board members should be persons of good reputation, insight, diligence, high calibre, credibility, skill and experience. For this reason, appropriate terms of office, training and succession planning should take place.

The composition of the Bidvestco Board should be reviewed from time to time to ensure that it has the requisite skills for the effective management of the Company.

1.3 Role and responsibilities of the Board

Ensure the Company complies with applicable legislation and other law and considers adherence to non-binding rules, codes and standards.

Act as the focal point for, and custodian of, corporate governance by managing its relationship with management and the stakeholders of the Company along sound corporate governance principles.

Observe the utmost good faith and exercise proper and due care and diligence.

To avoid conflicts of interest and where they can't be avoided resolve them. The procedures to be followed in relation to any perceived or actual conflict of interest are as follows:

- If a director of the Company has a personal financial interest in respect of a matter to be considered at a meeting of the Bidvestco Board, or knows that a related person has a personal financial interest in the matter, the director must disclose the interest and must not take part in the consideration of the matter.
- A register of declarations of personal financial interests shall be kept and all directors shall be required to confirm or amend the register at the commencement of each scheduled Bidvestco Board meeting. The register of any conflicts of interest and / or personal financial interest will be published when the annual financial statements are published.
- Every conflict of interest will be fully recorded in the Bidvestco Board minutes as well as how the Board has resolved the matter.
- Board members must distinguish between their role as director and that of manager. Should they be unable to reconcile the two roles they should withdraw from the discussion and voting.

The Bidvestco Board must manage the business of the Company. It should ensure that proper control systems and procedures as well as financial records and accounting are in place to protect the Company's financial integrity and reputation.

Board members may not accept, either directly or indirectly, payment of any kind from service providers where the purpose of such is to induce the Board member to make a decision which may favour the particular service provider. The materiality and the relevance of the gift or courtesy should be considered.

RELATED PARTY TRANSACTIONS

In accordance with the IFRS reporting standards, all directors, officers and executive management shall not receive any discounts that are not commercially acceptable and shall not enter into any transactions with any Group company, either personally or via any member of their direct family that is not at armslength, unless such transaction is reported to the Bidvestco Board and the Bidvest Board as a related party transaction.

RATIFICATION

Given the 100% ownership of the Company by Bidvest, its function in the Group corporate structure and the positions held by executive directors across the corporate structure, The Bidvest Board ratifies:

- any resolutions or agreements of executive directors and prescribed offers of the Company in contravention of section 75 of the Companies Act, but only to the extent of such individuals being deemed a related person; and
- any personal financial interest in the form of direct or indirect ownership of Bidvest shares listed on the JSE.

EVALUATION

The evaluation of the Bidvestco Board, individual directors and the Chairman, is performed annually in accordance with the Group policy.

BREACH OF CODE OF CONDUCT

If any Board Member breaches this code or acts in contravention of any of the responsibilities imposed on them, the remaining Board members may after consideration of any argument in defence of the Board member concerned:

- declare that such Board member ceases to occupy office as a Board member; or
- suspend such Board member from office for such period or in respect of such function as the Board members may decide, and subject to such terms or conditions as the Board members may decide (including any term or condition relating to remuneration as a Board member); or
- take such other course of action as the Board members may decide.

Such action by the other Board members should be understood as a mechanism to protect the Company from the conduct of such Board member whose actions may cause prejudice, whether financial or not, to the Company or any stakeholder.

APPROVAL OF THIS CHARTER AND CODE OF CONDUCT

On an annual basis this charter is reviewed and recommended to the Bidvest Board and is approved and signed on Bidvestco's behalf by the Chairman of the Bidvest Board.