



## CORPORATE GOVERNANCE REPORT

The Senwes Group (“the group”) and the board of directors (“the board”) of Senwes and its related parties conduct business according to the highest standards of corporate governance and in the interest of all its stakeholders.

Senwes is committed to the highest standards of governance, ethics and integrity. Senwes embraces best practices and robust institutional governance and risk frameworks to ensure its sustainability. The board constantly reviews these practices and frameworks, being mindful of the dynamic landscape, influenced by, among other factors, climate change, future trends in agricultural developments, cultural shifts in the workplace, geopolitics, data safety and security requirements.

Senwes is expected to adapt to regulatory and environmental changes and challenges promptly and with agility, which means it has to entrench good governance practices, while retaining the flexibility to respond proactively to the fast-changing business and regulatory environment. However, governance within the group entails far more than legislative compliance and best-practice principles.

We believe that good governance can contribute to living our values through enhanced accountability, strong risk and performance management, transparency and effective leadership.

### VALUES AND ETHICS PRINCIPLES FOUNDED ON KING IV IV

The board’s governance oversight is guided by its commitment to its responsibilities and governance objectives. The objectives provide a mechanism to measure and evaluate performance in applying the King IV principles and outcomes.

#### Leadership, ethics and corporate citizenship

The board sets the tone and leads the group in an ethical, effective and responsible manner. This means that, in decision-making, individual board members act with

“ We believe that good governance can contribute to living our values through enhanced accountability, strong risk and performance management, transparency and effective leadership. ”

independence, competence, diligence and courage, and with the necessary awareness, insight and information. The board ensures that the group plays a key role in society and the communities in which it operates as an employer, skills provider and facilitator of economic growth, to name but a few (Principles 1 to 3).

**Strategy, performance and reporting**

The board takes accountability for the performance of the group. In doing so, the board supports the group in setting its purpose and achieving its strategic objectives. Information related to required disclosures will be contained in, amongst others, this integrated report and the supplementary reports, available at [www.senwes.co.za](http://www.senwes.co.za) (Principles 4 and 5).

**Governing structures and delegation**

The board provides guidance and oversight to the group on the management of compliance risk, remuneration governance, as well as the enterprise-wide risk management function, which fully support good governance practices. Unified communication strategies are in place, ensuring appropriate governance structures for IT (Principles 6 to 10).

**Governance of functional areas**

The board provides leadership and vision to the group. It ensures sustainable growth and delivery on our purpose for the benefit of all stakeholders of the group (Principles 11 to 15).

**Stakeholder relationships**

The board ensures a stakeholder-inclusive approach (Principles 16 and 17).

The principles of King IV have been adopted as far as practically possible. The group’s corporate administration and governance best practices are therefore at mature levels. The group supports the high levels of ethical conduct and sustainability at all levels. A web-based sustainability report is available separately on Senwes’ website and explains these aspects more comprehensively.

IV

**The company does not apply certain principles of King IV, given the current shareholder structure:**

- The non-executive chair of the board is not an independent director, but is supported by a duly elected and experienced independent non-executive vice-chair, who is also the lead independent director (Principle 8);
- The board does not comprise a majority of independent directors, although the independence has been enhanced substantially during the year under review with the appointment of an additional independent non-executive director (Principle 7);
- The chair of the board is also the chair of the Nomination Committee (Principle 8); and
- The chair of the Remuneration Committee is not independent but is a non-executive director (Principle 8).

The majority shareholder, Agribel Holdings (“Agribel”) has long-term strategic plans for the group as the holding company and control structure of Senwes. Since the board is elected from the commercial producer client base, the Agribel directors have majority representation on the Senwes board as this is a statutory arrangement in the Memorandum of Incorporation (MOI) of Agribel.

Agribel fully supports the strategy of Senwes and in certain instances actively assists with the facilitation of the strategy of growth, diversification and consolidation. During the year under review the Suidwes merger was implemented and Senwes and Agribel concluded an implementation agreement and a scheme of arrangement (“the Scheme”) with Suidwes Holdings (RF) (Pty) Limited (hereinafter referred to as “Suidwes”). Accordingly, effective from 31 October 2020, after implementation of the Scheme in terms of section 114 of the Companies Act, 2008, Senwes owns 100% of the share capital of Suidwes. Suidwes is the holding company of Suidwes Investments (Pty) Limited, which in turn holds the shareholding in Suidwes Agriculture (Pty) Limited, Africum Limited and its subsidiary companies, including, inter alia, Agrinet.

The Suidwes shareholders responded favourably to the offer made in terms of the Scheme and 37,1% of Suidwes shares were elected to be exchanged for Agribel shares. The remainder of the Suidwes shareholders have been paid in cash for their shares.

The integration of the Suidwes business in the group is elaborated on in the CEO’s report.

During the year under review, Grindrod sold its 21% shareholding in Senwes to Agribel. Agribel, the holding company, currently holds 74% of the issued shares in the company.

**SHAREHOLDER STRUCTURE**

SHAREHOLDERS				
Agribel Holdings Limited	Senwes Share Incentive Scheme Trust	Senwes Capital (Pty) Ltd	Producers	Public
74,37%	3,09%	1,76%	11,74%	9,04%
NUMBER OF SHARES				
134 450 748	5 585 968	3 177 970	21 223 349	16 351 273
<b>180 789 308</b>				



## THE BOARD

### MANDATE OF THE BOARD:

The board acts as a unitary governance structure and, in terms of King IV, collectively ensures that it:

- guides strategic direction: Consider and review the 10-year rolling strategy of the company presented by management and the budgets necessary for the implementation of the approved strategy,
- approves policy and planning,
- provides oversight and monitoring,
- ensures accountability, and
- approves and implements formal reservation (board) and delegation of authority (CEO and below) policies.

In doing so, the board is committed to fulfil the following responsibilities:

- Delegates the management of the group to a competent executive management team.
- Ensures that a robust strategy process is defined, resourced and executed by management.
- Ensures compliance with appropriate legislation (including regulations), governance codes and appropriate best practices.
- Governs disclosures so that stakeholders can effectively assess the performance of the group.
- Protects the interests of the group's stakeholders and ensures fair, responsible and transparent people practices.

- Oversees the risk management function and ensures that it informs management's development and implementation of the strategy.
- Ensures that the board remains independent in discharging its duties.
- Adopts a fair and responsible remuneration policy.

### The composition of the board

During the year under review and following the Suidwes merger, the board composition changed and three new non-executive directors were appointed. The board comprises 16 members as indicated below:

Shareholder:	Board members
Agribel	7
Together with:	
Independent non-executive directors	7
Executive directors	2

With seven independent non-executive directors on the board and an experienced executive team, no single individual can exercise undue influence on the decision-making processes of the board.

Directors are nominated and elected by shareholders and provision has been made for rotation in the form of a staggered rotation programme, in terms of which no board member's term of office may exceed

three years. Directors are appointed, subject to re-election, by the shareholders in accordance with the Companies Act and the MOI.

Once a director has served for a period of more than nine years, best practice requires the board to consider whether that director continues to be independent in executing his fiduciary duties. The board, upon recommendation by the Nomination Committee, has adopted the policy of annually reviewing directors' independence if their tenure has reached nine years or more.

Based on the results of the evaluation, the board will consider whether there is any evidence of any circumstance and/or relationship that would impair their judgement, to the extent that their independence is compromised. The process to evaluate the independence of one director appointed to the board in 2009, was undertaken in August 2020, prior to the annual general meeting (AGM). This director, Dr Booysen, was re-elected and accordingly the independence evaluation will reoccur.

The composition and the performance of the board, individual directors and committees are carefully scrutinised by the Nomination Committee. Shareholders are provided with information about directors to enable them to make informed decisions regarding the election of such directors. The reappointment of non-executive directors is not an automatic process and through the Nomination

Committee, the board conducts a screening process to ensure that proposed board candidates are “fit and proper” to serve as board members. The succession plan for the chairman and vice-chairman has also been approved by this committee.

The board continuously evaluates itself in terms of board composition, diversity and ethics and abilities. Upon the recommendation of the Nomination Committee and as a result of recent appointments to the board, as well as Covid-19, the board resolved that the standing bi-annual review of the performance of the board and its committees be postponed to 2022.

The board committees contribute significantly to the effectiveness of the board by ensuring that detailed oversight and reporting take place. The chairmen of the board committees report comprehensively in writing to the board to ensure that the functions of the committees are executed in accordance with the written mandates.

Written mandates and authorities have been put in place by the board for itself in the board charter in terms of which certain powers have been reserved for the board only as the highest decision-making authority, ensuring thereby that the board addresses all its responsibilities.

### The board charter

The board charter regulates the parameters within which the board operates and ensures the application of the principles of good corporate governance in all its dealings. Furthermore, the board charter sets out the roles and responsibilities of the board and individual directors, including the composition and relevant procedures of the board. The board charter is reviewed annually and is aligned with the provisions of all relevant statutory and regulatory requirements, including, amongst others, the Companies Act No 71 of 2008, as amended (the Companies Act), the ZAR X listing requirements, King IV and the company's MOL.

## BOARD MEETINGS AND ATTENDANCE OF BOARD MEETINGS

The board meets quarterly and during the year under review meetings were well attended, as can be seen from the following table:

Director	Board *	Audit Committee	Risk Committee	Remco	Nomco	Investment Committee	Social and Ethics Committee
<b>Number of meetings</b>	7	3	3	2	3	3	1
<b>Non-executive</b>							
<b>JDM Minnaar (Chair) #</b>	7/7	3/3	3/3	2/2	3/3	3/3	1/1
<b>SF Booysen (Vice-Chair)</b>	7/7	3/3	-	2/2	3/3	3/3	-
<b>VJ Klein</b>	7/7	-	3/3	-	-	-	-
<b>AJ Kruger</b>	7/7	3/3	-	-	3/3	3/3	-
<b>NDP Liebenberg</b>	7/7	3/3	3/3	2/2	-	-	-
<b>G Malherbe (new appointment 12-10-2020)</b>	3/3	-	1/1	-	-	-	-
<b>JS Marais</b>	7/7	-	-	-	-	-	1/1
<b>F Marx (new appointment 12-10-2020)</b>	3/3	-	-	-	-	-	0/0
<b>JJ Minnaar</b>	7/7	-	3/3	2/2	-	-	-
<b>SM Mohapi</b>	7/7	3/3	-	-	-	-	1/1
<b>JPN Stander</b>	7/7	3/3	-	-	-	-	-
<b>TF van Rooyen (retired 27-08-2020)</b>	1/1	-	1/1	-	-	-	1/1
<b>WH van Zyl</b>	7/7	-	3/3	2/2	-	-	-
<b>AG Waller</b>	7/7	-	-	-	-	3/3	-
<b>JJ Viljoen (new appointment 12-10-2020)</b>	3/3	-	0/1	-	-	-	-
<b>Executive ##</b>							
<b>F Strydom</b>	7/7	3/3	3/3	2/2	3/3	3/3	1/1
<b>CF Kruger</b>	7/7	3/3	3/3	2/2	-	3/3	1/1

\* Including strategic sessions.

# Ex-officio member to all committee meetings.

## Except for the Risk Committee – not members of the other board committees, but attend upon invitation.

### The role and function of the chair

The chair is a non-executive director who is appointed by the board on an annual basis. The positions of the chair and the chief executive officer are separate with segregated duties.

Although not an independent chair as defined in King IV, the board is collectively of the view that, given the shareholder structure and the

chair's experience in the commercial agricultural sector, it is appropriate for him to chair the board.

The chair is supported by an independent vice-chair and lead independent director, who is also the chair of the Audit and Investment Committees.

**THE ROLE AND FUNCTION OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE (“EXCO”)**

The company’s daily corporate and management functions are dealt with by the chief executive officer and he is supported by a management team comprising the following:

**SENWES GROUP 2021**



## GROUP EXECUTIVE LEADERSHIP

Although the board maintains its independence, it is important for it to have a deep understanding of the business by investigating, monitoring and engaging with management on multiple levels.

In addition to the two executive board members, the other Exco members, with the board, serve on various subsidiary boards and board committees and engage in strategy. The Executive Committee comprises the heads of all business and corporate units. Particulars of the leadership team are shown on p.65.

Following the annual strategic planning session of the board and the Exco, the board debates and approves the strategy. Key drivers include diversification, consolidation, restructuring of business models and client integration.

The monthly abridged management report provides the board with comprehensive feedback on the performance of the business across various disciplines, including the operational reviews, financial results, strategic progress, risk management and stakeholder performance.

Besides the Exco, which was combined with the Financial and IT Steering Committee during the year under review, various other management committees have been constituted throughout the group and material matters are afforded focused attention. These are the Compliance Committee, Ethics Committee and Employment Equity Committee.

During the year under review, in order to address and mitigate the impact of the Covid-19 pandemic on the Senwes Group, a Covid-19 Crisis Committee was established that assisted in managing this challenging time.

### Declaration of and dealing with personal interests

The personal interests of directors are monitored comprehensively and reported continuously in terms of the embedded governance practices. Taking into account the above provisions, the MOI and the Board Charter, Senwes has, over an extensive period of time, established the following governance practices:

### Governance practices and controls:

1. Annual declaration of other interests by each board member in the Register of Interests kept at the registered office and available for inspection.
2. Annual declaration of other directorships (including trusts, professional capacities such as trustee and auditor).
3. Disclosure and tabling of an extract of the above register at the first board meeting of the calendar year.
4. Declaration of potential conflicts in the register during the course of the year.
5. Minuting of potential conflicts of interest at board meetings.
6. It became a requirement in June 2013 that, prior to the commencement of a scheduled board meeting, directors have to declare potential conflicts or other interests which could flow from agenda items.
7. Evaluation of board and board members' performance by Nomco which includes review of conduct.
8. Individual guidance and declaration as well as procuring of advice in the event of a potential conflict.
9. Public declaration, real-time disclosure and reporting of all share transactions (ZAPS/annual report).
10. Verification and monthly scrutiny of directors' accounts to ensure that these are conducted properly and at arm's length within the ordinary course of business.
11. Detailed operational information and resolutions related thereto are not tabled or presented at board level and have been delegated to management. These are for example fees, stock management, decisions relating to the extension of credit, etc.

**Therefore: All board members are required to declare and disclose their shareholding in Senwes/Agribel Holdings, other directorships, and any potential conflicts of interest and may not participate in any discussions and decisions on matters in which they have a conflicting interest.**

The shareholding of the board is indicated on the next page.

Directors have unrestricted access to the company secretary, who provides guidance and advice in relevant circumstances and may also seek independent advice in terms of the protocol for the procurement of independent external advice, regarding the business of the group, at the cost of the company.

Share trading by directors and management takes place in terms of a formal Code of Conduct for Personal Trading of Shares and Positions in the Group. Directors' dealings are disclosed on ZAPS within 48 hours of a trade occurring.

During the year under review, share trading was conducted during the open periods listed below, while trading during closed periods or after a cautionary announcement was prohibited:

Date 2020/2021	Status of trading	Reason
30 April	Closed	Preparation of the annual financial statements
3 July	Open	Publication of annual financial statements and dividend announcements
31 October	Closed	Preparation of the interim financial statements
4 December	Open	Announcement of the interim financial results
30 April	Closed	Preparation of the annual financial statements

The personal interests of the current board members in the group are disclosed in the table below:

Name	SENWES SHARES	Direct %	AGRIBEL SHARES	*Indirect %
<b>Non-executive:</b>				
<b>AJ Kruger &amp; related parties</b>	142 386	0,08%	1 051 071	0,85%
AJ Kruger	132 386	0,07%	432 246	0,35%
Eldrie Trust	-	0,00%	618 825	0,50%
Kingston Boerdery CC	10 000	0,01%	-	0,00%
<b>NDP Liebenberg &amp; related parties</b>	-	0,00%	1 019 000	0,83%
NDP Liebenberg	-	0,00%	662 350	0,54%
Annatjie Liebenberg Lewende Trust	-	0,00%	356 650	0,29%
<b>JDM Minnaar &amp; related parties</b>	20 129	0,01%	14 562 779	11,79%
JDM Minnaar	7 019	0,00%	-	0,00%
Robyn Trust	823	0,00%	5 095 000	4,13%
Lerna Boerdery CC	1 140	0,00%	4 728 779	3,83%
JDM Boerdery (Pty) Ltd	11 147	0,01%	4 739 000	3,84%
<b>JJ Minnaar &amp; related parties</b>	15 198	0,01%	4 450 765	3,60%
JJ Minnaar	-	0,00%	-	0,00%
Uitsny Boerdery 999 (Pty) Ltd	15 198	0,01%	4 450 765	3,60%
<b>WH van Zyl &amp; related parties</b>	400 000	0,22%	8 622 435	6,98%
Van Zyl Beleggings Trust	-	0,00%	3 289 662	2,66%
Thuso Graan (Pty) Ltd	-	0,00%	2 024 913	1,64%
Thabo Familie Trust	-	0,00%	117 000	0,09%
WH van Zyl Snr	400 000	0,22%	3 190 860	2,58%
<b>JJ Viljoen &amp; related parties</b>	40 299	0,02%	479 518	0,39%
JH Viljoen	40 299	0,02%	59 170	0,05%
Boetie Viljoen (Pty) Ltd	-	0,00%	420 348	0,34%
<b>FE Marx &amp; related parties</b>	-	0,00%	96 762	0,08%
FE Marx	-	0,00%	18 145	0,01%
Lerinarus Trust	-	0,00%	37 568	0,03%
Marfra Farming (Pty) Ltd	-	0,00%	41 049	0,03%
<b>GL Malherbe &amp; related parties</b>	11 490	0,01%	98 416	0,08%
GL Malherbe	9 594	0,01%	39 458	0,03%
Gert Malherbe Boerdery Trust	1 708	0,00%	32 290	0,03%
RC Malherbe Trust	94	0,00%	13 334	0,01%
Andre Malherbe Trust	94	0,00%	13 334	0,01%
<b>SF Booyesen</b>	-	0,00%	688 413	0,56%
<b>JS Marais</b>	22 500	0,01%	-	0,00%
<b>Executive:</b>				
<b>F Strydom</b>	1 351 721	0,75%	3 016 275	2,44%
<b>CF Kruger &amp; related parties</b>	424 295	0,23%	2 731 579	2,21%
CF Kruger	204 295	0,11%	-	0,00%
CF Kruger Investment Holdings (Pty) Ltd	-	0,00%	2 731 579	2,21%
K Kruger	60 000	0,03%	-	0,00%
D Kruger	80 000	0,04%	-	0,00%
C Kruger	80 000	0,04%	-	0,00%
<b>Subtotal of directors</b>	<b>2 428 018</b>	<b>1,34%</b>	<b>36 817 013</b>	<b>29,82%</b>
<b>Other shareholders</b>	<b>178 361 290</b>	<b>98,66%</b>	<b>86 653 519</b>	<b>70,18%</b>
<b>TOTAL</b>	<b>180 789 308</b>	<b>100,00%</b>	<b>123 470 532</b>	<b>100,00%</b>

\* Indirect interest is based on the percentage of the shareholding of the entity in Senwes, multiplied by the percentage interest held by the individual.

## OUR EXECUTIVE COMMITTEE

The company's daily corporate and management functions are dealt with by the chief executive officer, supported by a management team, comprising the heads of all business and corporate units.

Exco Member	Position as at 30 April 2021	Joint Venture/Subsidiary Director																					
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
<b>F Strydom</b>	Group Chief Executive Officer																						
<b>CF Kruger</b>	Group Chief Financial Officer																						
<b>LA Grobler</b>	Group Executive: Group Finance and Grain Market Intelligence																						
<b>EM Joynt</b>	Company Secretary and Chief Legal Counsel																						
<b>JJ Le Grange</b>	Group Executive: Corporate Finance																						
<b>PJ Malan</b>	Managing Executive: Grainlink Industry																						
<b>DJ Opperman</b>	Group Executive: Internal Audit, Assurance and SHEQ																						
<b>F Pieterse</b>	Managing Director: Senwes Equipment																						
<b>F de Kock</b>	Managing Director: Agri Credit Solutions																						
<b>AJ White</b>	Group Executive: Information Technology																						
<b>H van Schalkwyk</b>	Managing Director: Hinterland																						
<b>DD Hugo</b>	Managing Director: Certisure																						
<b>E Schoeman</b>	Managing Director: Bastion Lime																						
<b>M Coetzee</b>	Managing Director: Staalmeester and Falcon																						

- 1 Agri Credit Solutions (Pty) Ltd
- 2 Agrinet (Pty) Ltd
- 3 Bastion Lime (Pty) Ltd
- 4 Certisure Brokers (Pty) Ltd
- 5 Silocerts (Pty) Ltd
- 6 Falcon Agricultural Equipment (Pty) Ltd
- 7 Grainovation (Pty) Ltd
- 8 Hinterland Fuels (Pty) Ltd
- 9 Hinterland Holdings (Pty) Ltd
- 10 JD Implemente (Pty) Ltd
- 11 KLK Landbou Ltd
- 12 Molemi Sele Management (Pty) Ltd
- 13 Oos-Transvaal Kalkverskaffers (Pty) Ltd
- 14 Pelelani (Pty) Ltd
- 15 Protek (Pty) Ltd
- 16 Raddix Group
- 17 Senwes Ltd
- 18 Agrifriend Equipment (Pty) Ltd
- 19 Staalmeester Agricultural Equipment (Pty) Ltd
- 20 Suidwes Holdings (Pty) Ltd
- 21 Thobo Trust
- 22 Univision Broker Services (Pty) Ltd

## BOARD COMMITTEES

### Functions and mandates

The board established a number of committees to facilitate effective decision-making and to assist the board in the execution of its duties and powers, whilst still reserving the material decisions for itself in terms of the "Reservation of Authority".

The powers and execution of the responsibilities of each committee are arranged by means of formal, written mandates, which are reviewed and approved by the board on an annual basis.

Board committees serve a useful purpose by focusing on clearly defined issues in greater depth than the main board. The group makes use of these board committee structures to ensure that the onerous work of the board is being attended to properly.

These committees meet regularly in terms of the board's annual work plan and annually review their mandates, after which such mandates are presented to the board for approval.

After each meeting the chairmen of the board committees report on the activities of the committees to the main board, as the board is

required to ensure that the committees act within their mandates and have done the work they are required to do.

The main board will rely on these committees to provide certain safeguards as per the mandates of the committees, such as recognition of risks, fair remuneration of management, strong internal controls, sound investment decisions and good communication with stakeholders.

The board will thus expect each governance committee to inform it of any risks or other issues of strategic importance, which it has discovered during the execution of its mandate.

The board will also expect to be given the assurance that, apart from the risks or issues specifically reported on, the committee has carried out all the functions required of it in a satisfactory manner and that no additional issues have come to its attention, which the board needs to consider.

Overall the board has expressed satisfaction with the active role played by each board committee in ensuring that the onerous responsibilities of the board are properly executed and addressed.

## THE AUDIT COMMITTEE

The board is satisfied that it has an independent Audit Committee.

This committee comprises a majority of independent, non-executive directors and is chaired by Steve Booysen. The Group Chief Executive Officer, Group Chief Financial Officer and major financial and corporate disciplines throughout the group also attend committee meetings.

The Audit Committee met three times during the year under review. In terms of the provisions of the Companies Act and its mandate, the committee attends to the following:

- Annual internal and external audit planning and budgets;
- Internal and external audit reporting;
- Integrated reporting;
- Integrity of controls and financial disclosure;
- Appointment of external auditors and verification of independence;
- Approval and recommendation of the annual financial reports, distribution to shareholders, liquidity and solvency tests and compliance assurance in terms of the Companies Act, IFRS and accounting policies;
- Governance frameworks;
- Tax strategy and risk; and
- Combined assurance in terms of risk, audit and compliance.

It ensures appropriate reporting of the going concern recommendations and supports the board actively in ensuring that appropriate corporate governance and information technology frameworks are in place and are being maintained as such.

The Audit Committee annually considers the major tax strategies and risks in terms of legislation, structuring of proposed transactions and prevailing tax issues affecting the group via the Tax Risk Committee.

## THE INVESTMENT COMMITTEE

The Investment Committee comprises non-executive directors only. The executive directors attend the meetings as well. This committee met three times during the year under the guidance of its chair, Steve Booysen. This committee is responsible for various matters and its mandate has been expanded to include the management of liabilities as well. The committee attends to:

- Investment philosophy and investment management;
- Growth transactions and joint venture partnerships;
- Investment performance;
- Funding requirements and equity structuring;
- Liability management; and
- Review of post-implementation audit reports of investments made.

During the year under review, the committee guided the merger between Senwes and the Suidwes Group and undertook extensive work in this regard.

## THE NOMINATION COMMITTEE ("NOMCO")

This committee met three times during the year and is chaired by Danie Minnaar, chair of the board. It comprises non-executive directors only and meetings are attended by the chief executive officer and the company secretary. Nomco is the caretaker of governance and compliance with King IV and the Board Charter and is mandated to:

- Consider the composition of the board of directors, taking the business and size of the company and the commercial and sector imperatives in which the company operates, into account;
- Determine and recommend targets for race and gender representation;
- Determine the independence requirements and the appointment of a lead independent director;
- Identify the required fields of knowledge, skills, experience, culture, age, gender and race in order to service such requirements;
- Ensure a transparent and formal nomination, election and ultimately an appointment process;
- Invite nominations for candidates for appointment, subject to the provisions of the Companies Act and the Codes on Corporate Governance;
- Recruit and appoint candidates that meet the "fit and proper" criteria as directors; and
- Evaluate the performance, efficiency, balance and diversity of the board of directors.

## THE REMUNERATION COMMITTEE ("REMCO")

This committee met twice during the year under the chairmanship of Nico Liebenberg and comprises non-executive directors only. The corporate divisions, mainly Corporate Services and Human Resources, attend meetings on invitation. Remco attends to the following:

- Recommendations regarding non-executive and executive directors' remuneration to the board and shareholders;
- Reviews and ensures application of the remuneration philosophy;
- Ensures sound incentive scheme management and reasonable and appropriate salaries/wages;
- Ensures appropriate succession planning for the executive directors and management; and
- Employment equity.

The remuneration philosophy and policy are dealt with in detail in the remuneration report. The report explains the practical application and implementation of remuneration governance in support of the recommendations for the remuneration of directors for the new year, as contained in the notice of the annual general meeting and the special resolution in this regard. The recommended remuneration for the new year is considered as a binding vote and is submitted as such to shareholders.



### THE RISK COMMITTEE

This committee comprises non-executive and executive directors and is chaired by Jaco Minnaar. Risk Management and all other divisions are exposed to the committee by means of a structured work plan. The committee met twice during the year. This committee plays a strategic role in guiding the board in its strategic plans. It analyses strategic and operational risks at all levels. During the year under review the committee reviewed its risk management plan and risk appetite once again and presented these for approval to the board.

Risk management is applied throughout the Senwes Group. It is understood that risk management will assist with ensuring the long-term sustainability of Senwes. The current risk culture within the company contributes to the creation of shareholder value on a sustainable basis that is consistent with shareholders' expectations. The reporting structure is as follows:

- Chief risk manager and risk officers;
- Exco;
- Compliance Committee; and
- Risk Committee.

The risk management functions report continuously on material risks and opportunities of the group, as well as those of each operational business unit or joint venture.

### Senwes Share Incentive Scheme Trust ("LTI")

The participants of the LTI-share incentive scheme are executive and senior managers who are able to influence the performance of the group and are able to align the interests of the group with those of the shareholders. Vesting of shares is based on predetermined performance targets. If these targets are not achieved, the allocated shares are forfeited. The annual grants in terms of the share scheme vest every three years.

The scheme is overseen by the board, with the detail being attended to by the Remuneration Committee and complies with section 97 of the Companies Act.

### THE SOCIAL AND ETHICS COMMITTEE

The committee is responsible for the oversight of some of the other board committees as provided for in the Companies Act. Kobus Marais is the chair and the committee met once during the year. It comprises non-executive directors only. The committee is responsible for, inter alia:

- Labour matters;
- Transformation and B-BBEE-matters;
- Consumer protection and sound business practices;
- Code of Ethics and Code of Conduct;
- Sustainable culture and values;
- Stakeholder engagement; and
- Sustainability and concomitant integrated sustainability reporting.

A formalised ethics programme was adopted and implemented, and continuous monitoring of ethics is being done throughout the group by the Ethics Committee. This programme includes the declaration of personal and conflicting interests, training and awareness of values and it demonstrates commitment to the Senwes Code of Ethics and Code of Conduct at all levels.

The Social and Ethics Committee has carried out its statutory obligations in terms of its mandate and the committee confirms that the group conducts its affairs diligently and responsibly as required in terms of good corporate citizenship. The committee reviewed and was satisfied with the integrated report as presented to the shareholders.

### COMPANY SECRETARY

The board collectively and the individual board members are guided by the company secretary in the execution of their continued responsibilities and duties. Newly appointed directors undergo an appropriate induction process, presented by the company secretary, which contains various elements. As required in terms of the Companies Act, the company secretary supervises compliance with legislation throughout the group. The appropriate structures in this regard have been established, as explained under the heading "compliance with legislation." The company secretary also acts as the appointed advisor on ZAR X and is required to oversee compliance with the listing requirements and to report in terms of the Financial Advisory and Intermediary Services Act to the Financial Services Board.

## ACCESS TO INFORMATION

The company complies with the Access to Information Act, 2000 and a manual in this regard is available on the company's website. Shareholders also have access to the shares register, minutes of shareholders' meetings and information regarding a number of the company's matters. Any enquiries may be addressed to the company secretary as chief information officer. In terms of the ZAR X listing requirements, the company has to announce all material information, corporate actions, distributions and directors' dealings on the exchange news service, ZAPS. The announcements made during the year under review are accessible on ZAPS.

## SUSTAINABILITY ASPECTS AT BOARD LEVEL

The sustainability of the company over the long term remains the most important aspect and the board therefore has a long-term view in respect thereof. The strategy rests on six pillars and is reviewed continuously.

Whilst pursuing these objectives, the board and management co-operate within the parameters of a disciplined and specific internal control environment, IT-control framework and combined assurance framework, which will ensure the continued existence of the company as a going concern.

## STATEMENT OF COMPLIANCE

In terms of the ZAR X Listing Requirements, listed companies have to report on the extent to which they apply the principles set out in King IV. The company has applied the principles of King IV in all instances, except in relation to the board composition reported above.

## COMPLIANCE WITH LEGISLATION

The board accepts total responsibility for compliance with all applicable legislation and regulatory requirements. This is reported via the internal compliance committee, chaired by the company secretary, and then to the Risk Committee as well as the Audit Committee.

The board has officially adopted the group compliance coverage plan, which relates to

a group-wide approach to compliance. The coverage plan is being implemented with focus on:

- Identification of applicable and material legislation per business unit;
- Assessment of compliance with self-audit questionnaires, which are being designed;
- Continuous follow-up and reporting against the provisions of the particular legislative sections; and
- Collated dashboard reporting to the relevant board and management committees.

Compliance aspects are systematically captured in a combined assurance framework and reporting via this framework commenced four years ago. Each business and corporate unit has identified the critical legislative provisions, and these are monitored and reported on individually per dashboard. No major incidents of non-compliance with legislation have been reported during the year under review.

Compliance is also implementing group wide compliance measures of the Protection of Personal Information Act, which is to commence on 1 July 2021.

## GOING CONCERN

After recommendation by the Audit Committee, the board records the facts and assumptions used to determine whether the business will continue as a going concern for the new financial year and approves the going concern principle.

## INVESTOR RELATIONS

Senwes and Agribel are listed on the ZAR X exchange in terms of the Financial Markets Act, 2012. Senwes is the transfer secretary and the Company Secretary of Senwes has been appointed by Senwes and Agribel in this regard to ensure compliance with the listing requirements and prevailing legislative provisions.

Senwes is also licensed as a financial services provider in accordance with the Financial Advisory and Intermediary Services Act, 2002 and follows strict controls to ensure compliance with applicable legislative and regulatory provisions.

Live bids and offers are available on the ZAR X website: [www.zarx.co.za](http://www.zarx.co.za) and share trading occurs on a T+0 real-time basis.

## SHAREHOLDER INFORMATION

### Senwes' five largest shareholders as at 30 April 2021:

Name of shareholder	Number of shares	% of issued shares
Agribel Holdings Limited	134 450 748	74,37%
Senwes Share Incentive Scheme Trust	5 585 968	3,09%
Senwes Capital (Pty) Ltd	3 177 970	1,76%
F Strydom	1 351 721	0,75%
Vanki (Pty) Ltd	1 000 000	0,55%

### Shareholder information in terms of portfolio size:

Size of holding	Number of holders	%	Total number of securities	%
1 - 1 000	808	30,32%	284 039	0,16%
1 001 - 5 000	723	27,13%	1 854 081	1,03%
5 001 - 30 000	854	32,05%	11 402 097	6,31%
30 001 - 100 000	223	8,37%	11 314 772	6,26%
100 001 - and more	57	2,13%	155 934 319	86,24%
<b>Total</b>	<b>2 665</b>	<b>100,00%</b>	<b>180 789 308</b>	<b>100,00%</b>

Shareholder diary	2021
Financial year-end	30 April
Announcement of results in media	1 July
Notice of annual general meeting	23 July
Annual general meeting	26 August at 9:00