ZEDER
INVESTMENTS LIMITED

ANNUAL REPORT 2019

ZEDER IS AN ACTIVE INVESTOR

in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors.

View this report online at *www.zeder.co.za.*

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INVESTMENT PORTFOLIO

Our portfolio consists of strategic interests in leading companies that provide us with a diversified exposure across the agribusiness spectrum, ranging from strategic agri-inputs to fast-moving consumer goods.

INVESTMENT PORTFOLIO

TOTAL VALUE OF INVESTMENTS
AS AT 28 FEBRUARY 2019

R10 782m

PIONEER FOODS **R4 689m** 43,5%	zaad HOLDINGS **R2 235m** 20,7%
CAPESPAN **R1 193m** 11,1%	THE LOGISTICS GROUP **R978m** 9,1%
KAAP AGRI **R959m** 8,9%	Agrivision Africa **R493m** 4,6%
QUANTUM FOODS **R216m** 2,0%	Other **R19m** 0,1%

BOARD OF DIRECTORS

Zeder leverages the wealth of knowledge, experience and expertise of its directors to optimally allocate capital and provide strategic assistance to portfolio companies.

BOARD OF DIRECTORS

EXECUTIVE

N (Norman) Celliers (45)

CHIEF EXECUTIVE OFFICER

BEng (Civil), MBA, Dip Soc

Appointed 23 July 2012

Norman is a member of the executive committee.

JH (Johann) le Roux (44)

FINANCIAL DIRECTOR

BAcc (CTA), CA(SA), HDip (Tax)

Appointed 8 September 2016

Johann is a member of the executive committee.

NON-EXECUTIVE

WL (Wynand) Greeff (49)

FINANCIAL DIRECTOR – PSG GROUP

BCompt (Hons), CA(SA)

Appointed 21 May 2009

Wynand is a member of the executive committee.

PJ (Piet) Mouton (42)

CHIEF EXECUTIVE OFFICER – PSG GROUP

BCom (Mathematics)

Appointed 30 April 2012

Piet is a member of the executive committee.

INDEPENDENT NON-EXECUTIVE CHAIRMAN

CA (Chris) Otto (69)

DIRECTOR OF COMPANIES

BCom, LLB

Appointed 21 August 2006

Chris is a member of the audit and risk committee, the remuneration committee, the nomination committee and the social and ethics committee.

INDEPENDENT NON-EXECUTIVE

GD (George) Eksteen (77)

DIRECTOR OF COMPANIES

Appointed 1 September 2009

George is the lead independent director and a member of the audit and risk committee, the remuneration committee and the nomination committee.

RM (Rudi) Jansen (50)

DIRECTOR OF COMPANIES

BCompt (Hons), CA(SA)

Appointed 29 January 2019

Rudi is a member of the audit and risk committee.

ASM (Mohammad) Karaan (51)

DIRECTOR OF COMPANIES

BSc Agric, MSc Agric, PhD (Agric)

Appointed 6 April 2016

Mohammad is a member of the remuneration committee and the nomination committee.

NS (Nonhlanhla) Mjoli-Mncube (60)

DIRECTOR OF COMPANIES

MA (City and Regional Planning)

Appointed 1 June 2016

Nonhlanhla is a member of the audit and risk committee.

CHAIRMAN'S LETTER

We remain committed to delivering sustainable returns to our shareholders.

CHAIRMAN'S LETTER

BACKGROUND

Zeder is an active investor in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors. The company listed on the Johannesburg Stock Exchange on 6 December 2006, with an intrinsic value of R1,29bn and, as at 28 February 2019, our investment portfolio was valued at approximately R10,78bn. Over the years our strategy has evolved from originally acquiring undervalued minority interests in South African agricultural co-operatives to today owning large strategic and controlling interests in leading companies and organisations where we assist with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns.

REVIEW OF OPERATING ENVIRONMENT

The challenging macro conditions under which Zeder and its portfolio companies traded in recent times has been reported on extensively. Notwithstanding these challenges, we are satisfied with the way our management teams have responded and professionally steered their respective companies during this prolonged cycle. We are encouraged by recent improvements in numerous macro conditions and believe it bodes well for Zeder and its portfolio.

PERFORMANCE REVIEW

The period under review was characterised by significant downward adjustments on market valuations across the board. The share prices of most South African companies, especially those exposed to the underlying consumer economy, declined significantly with the JSE Food Producer's index declining by 34,7%. Zeder and its investee companies were similarly affected resulting in a decline in the *Sum-of-the-Parts* valuations. The overall investor sentiment towards Zeder and the sector it operates in continues to be negative in this regard but our positioning as strategic investor in leading companies should ensure recovery participation once positive sentiment returns.

From an operational point of view, Zeder and its investee companies managed controllable elements well under challenging conditions. At an aggregate level, satisfactory results were delivered with total *recurring* headline earnings per share being in line with the prior year, mainly due to the expected recovery from the majority of Zeder's investee companies during the year under review. Apart from Capespan's fruit and farming divisions, all portfolio companies stabilised or reversed the corresponding lower levels of profitability reported in the results for the previous year. In addition to the *recurring* headline earnings, a substantial increase in headline earnings was recorded as a result of the upward fair value adjustment relating to Capespan's interest in its Chinese investment, Joy Wing Mau (previously known as Golden Wing Mau), that was subsequently disposed.

PORTFOLIO CONSTRUCTION

During the year, Capespan Group Limited disposed of its entire shareholding in the Joy Wing Mau Group in China. Net cash of R988m was received and this enabled Capespan to inject capital into its core fruit and farming divisions and reduce debt levels.

Furthermore, Capespan separated and unbundled its logistics division on 2 January 2019, and this division now operates independently as The Logistics Group. The fruit and farming operations remain within Capespan. Zeder also transferred its investment in the logistical application business, The Logistic Company, to The Logistics Group, to ensure The Logistics Group benefits from the logistics-related technology developed within.

Apart from the aforementioned unbundling, our portfolio construction did not change substantially during the reporting period as we largely maintained our exposure to the existing core investments. These provide us with an attractive diversified exposure across the agribusiness spectrum, ranging from strategic agri-inputs to fast-moving consumer goods.

Pioneer Foods (CEO – Tertius Carstens)

Our direct interest in Pioneer Foods is 27,1% and this remains our largest investment valued at R4,69bn, as at 28 February 2019. Pioneer Foods is one of South Africa's leading food companies and has a basket of products that include many leading and heritage food and beverage consumer brands. Pioneer Foods reported an increase of 25% in adjusted headline earnings per share for the period ended 30 September 2018. While the challenging operating environment and constrained consumer spending in South Africa may inhibit earnings growth in the short term, we believe that the group will deliver attractive returns in the long term.

CHAIRMAN'S LETTER

Zaad (CEO – Antonie Jacobs)

The value of our investment in Zaad is R2,24bn, as at 28 February 2019, representing an effective interest of 95,3%. During the year Zeder invested a further R341,3m into Zaad. Zaad provides Zeder with valuable exposure to the attractive global agricultural seed market as it has controlling interests in companies with a broad basket of agricultural seed and related intellectual property. Through its wholly owned subsidiaries (Agricol, Klein Karoo Seed Marketing and Bakker Brothers) it has a history spanning more than 50 years of developing and owning leading seed genetics in southern Africa and the Netherlands.

Capespan (CEO – Tonie Fuchs)

The value of our investment in Capespan is R1,19bn (following the unbundling of The Logistics Group), as at 28 February 2019, and represents a 97,4% interest therein. Capespan is a globally recognised group and one of South Africa's largest fruit producers and exporters that continues to focus on expanding its business, both locally and internationally. Despite reporting significant losses during the year, the group largely maintained its intrinsic value as a result of strong net-asset values and expansion activities under way. The ongoing internal restructuring of the fruit divisions is well advanced and we remain confident that attractive returns will be delivered over time.

The Logistics Group (CEO – Anton Potgieter)

The value of our recently unbundled investment in The Logistics Group ("**TLG**") is R0,98bn, as at 28 February 2019, and represents a 97,4% interest therein. TLG is an integrated logistics service provider in southern Africa with strategic port and warehousing assets in Cape Town, Durban, Port Elizabeth and Maputo. The group owns a leading proprietary tech-led logistical application and with its strategic capabilities, enables the group to offer a customer focussed transport platform. *Recurring* earnings per share increased significantly during the year due to the expansion in the capabilities with regards to the port and warehouse assets.

Kaap Agri (CEO – Sean Walsh)

Our investment in Kaap Agri was valued at R0,96bn, as at 28 February 2019, and represents an interest of 41,1%. Today, it is increasingly a retail services group that supplies a variety of products and services to both the agricultural sector and the general public. It generates revenue across 200 operating points in South Africa and Namibia and managed to deliver commendable results despite the severe drought in southern Africa. Kaap Agri's strategy of diversification has delivered credible results over the past few years and should bode well going forward.

Agrivision Africa (Zambia CEO – Stuart Kearns)

Zeder is the controlling shareholder in Agrivision Africa with an interest of 56,0%. While Agrivision Africa's objective remains to be a leading regional grain-related staple food producer in select African markets, limited additional expansion was undertaken during the year as the business focused only on its existing operations and investments in Zambia. Despite acceptable operational performances, the financial results were disappointing and efforts remain underway to improve on these results or reallocate capital in this regard.

Quantum Foods (CEO – Hennie Lourens)

Our 29,3% interest in Quantum Foods was obtained following its unbundling from Pioneer Foods in October 2014. Since its separate listing, the company has repositioned itself and is today focused on its three core divisions of animal feeds, live birds and eggs. It is following a strategy of addressing operational efficiencies in its established operations while growing organically and acquisitively inside South Africa but also in select African markets. After a very challenging period, Quantum Foods delivered excellent results and is positioned to deliver sustainable results through the cycle.

CHAIRMAN'S LETTER

THE YEAR AHEAD

We expect a continuation of the constrained macro conditions in the short term with improvements in the broader operating environment anticipated thereafter. Our focus will therefore remain on ensuring that our existing companies position themselves competitively with leading market shares and conservative balance sheets. We will continue to drive for operational improvements, seek to improve cash generation and add to our portfolio when opportune. We believe our current portfolio provides us with a strong platform and foundation from where growth and value extraction can be derived, particularly when market sentiment recovers. We continuously evaluate new opportunities and are confident that Zeder will deliver attractive results to our shareholders going forward.

SPECIAL THANKS

A special word of thanks and gratitude goes to the co-founder and retired chairman of the group, Jannie Mouton. His wisdom, counsel and ethical leadership was invaluable to Zeder and we thank him for his countless contributions made over the years to grow the group into what it is today. We wish him and his family all the very best for his retirement years.

APPRECIATION

Being an investment holding company, Zeder's performance ultimately depends on that of its underlying investments. We are fortunate to have ambitious and talented management teams in place who are committed to their organisations and this was again evident during the year. I would therefore like to express my sincere appreciation to the leaders and employees of all our portfolio companies for their hard work and dedication.

I would like to extend a special word of thanks to Norman Celliers, our CEO, his team, my fellow directors and the Zeder Exco for their valuable contributions during the past year.

Chris Otto
Chairman
12 June 2019
Stellenbosch

OUR TRACK RECORD

Year ended February	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SOTP – pre mgmt liability (Rbn)	1,29	1,31	1,17	2,07	2,68	3,09	4,26	5,16	13,26	12,23	14,71	13,43	**9,65**
SOTP – post mgmt liability (Rbn)	1,11	1,13	1,01	1,79	2,31	2,67	3,68	4,46	11,45	10,56	14,71	13,43	**9,65**
Mgmt fee liability (Rm)[1]	175	178	160	281	365	420	580	703	1 808	1 667			
Mgmt fees paid – base (Rm)	(8)	(26)	(36)	(45)	(53)	(48)	(59)	(59)	(118)	(155)	(75)		
Mgmt fees paid – performance (Rm)								(59)	(118)				
Market capitalisation (Rbn)	1,63	1,57	0,89	1,83	2,56	2,51	3,33	4,01	10,97	8,15	12,88	11,03	**7,24**
Recurring headline earnings (Rm)	137	119	196	208	265	273	251	300	414	632	691	474	**471**
Headline earnings/(loss) (Rm)	137	207	153	152	185	300	196	260	257	545	(770)	425	**767**
Dividend (Rm)	11	30	43	39	39	39	39	44	79	137	190	189	**188**
Number of shares:													
Issued shares *(net of treasury)* (m)	571	605	611	978	978	978	978	980	1 444	1 523	1 725	1 702	**1 702**
Weighted shares (m)	490	583	609	881	978	978	978	980	1 172	1 490	1 622	1 717	**1 702**
Per share:													
SOTP – pre mgmt fee liability (R)	2,25	2,16	1,92	2,11	2,74	3,15	4,35	5,26	9,18	8,03	8,53	7,85	**5,64**
SOTP – post mgmt fee liability (R)	1,95	1,87	1,65	1,83	2,37	2,73	3,76	4,54	7,93	6,93	8,53	7,85	**5,64**
Share price (R)	2,85	2,60	1,46	1,87	2,62	2,57	3,40	4,09	7,60	5,35	7,44	6,45	**4,23**
Recurring headline earnings (cents)	27,8	21,0	32,2	23,6	27,1	27,9	25,7	30,6	35,3	42,4	42,6	27,6	**27,7**
Headline earnings/(loss) (cents)	27,8	35,4	25,2	17,3	18,9	30,7	20,1	26,6	22,0	36,5	(47,5)	24,8	**45,1**
Dividend (cents)	2,0	5,0	7,0	4,0	4,0	4,0	4,0	4,5	5,5	9,0	11,0	11,0	**11,0**

SOTP – Sum-of-the-parts
Mgmt – Management

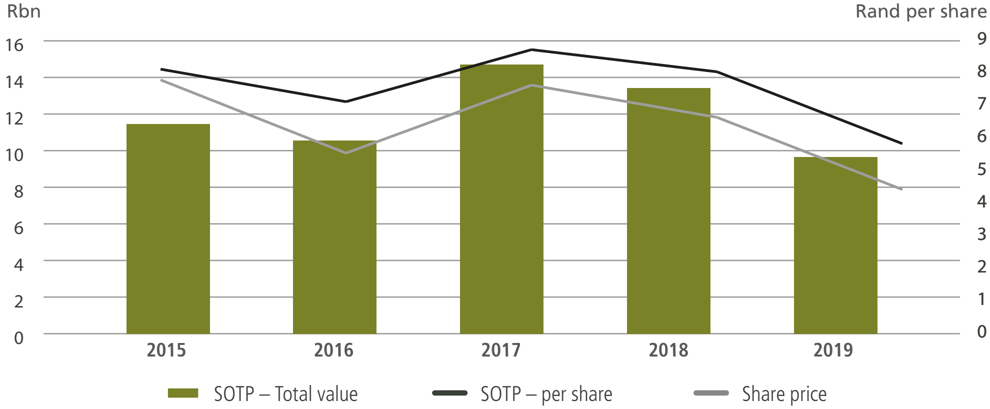
[1] *Calculated as 12% newly issued Zeder shares multiplied by Zeder SOTP value per share*

REVIEW OF OPERATIONS

We are proud of our investments and remain confident that they will continue to perform well.

REVIEW OF OPERATIONS

INTRINSIC VALUE



Year ended February	2015	2016	2017	2018	2019
SOTP (Rbn)	11,45	10,56	14,71	13,43	**9,65**
SOTP per share (Rbn)	7,93	6,93	8,53	7,85	**5,64**
Market capitalisation (Rbn)	10,97	8,15	12,88	11,03	**7,24**
Share price (R)	7,60	5,35	7,44	6,45	**4,23**
Recurring headline earnings (Rm)	414	632	691	474	**471**
Recurring headline earnings per share (cents)	35,3	42,4	42,6	27,6	**27,7**
Headline earnings/(loss) (Rm)	257	545	(770)	425	**767**
Headline earnings/(loss) per share (cents)	22,0	36,5	(47,5)	24,8	**45,1**
Dividend (Rm)	79	137	190	189	**188**
Dividend per share (cents)	5,5	9,0	11,0	11,0	**11,0**

OVERVIEW

Zeder is an investor in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors. Its underlying investment portfolio was valued at R10,78bn on 28 February 2019. Zeder's 27,1% interest in Pioneer Foods remains its largest investment, representing 43,5% (2018: 53,9%) of the portfolio.

CORPORATE POSITIONING

Zeder is a long-term investor that owns large, strategic interests in companies and plays an active role therein. It assists with the determination of appropriate long-term strategies, optimal allocation of capital and ongoing measurement and monitoring of performance.

STRATEGIC FOCUS

The macro environment in which Zeder and its portfolio companies operated in remained constrained during the period under review and our strategic focus was therefore deliberately cautious, conservative and largely unchanged. The effect thereof was that we dedicated most of our efforts to existing investments, strengthening their operating models and balance sheets where possible, while driving for additional growth from within existing investment platforms. New and adjacent opportunities are continuously reviewed and we will add to our portfolio when opportune.

REVIEW OF OPERATIONS

NOTEWORTHY TRANSACTIONS

During the year, Capespan Group Limited disposed of its entire shareholding in the Joy Wing Mau Group in China. Net cash of R988m was received and this enabled Capespan to inject capital into its core fruit and farming divisions and reduce debt levels.

Furthermore, Capespan separated and unbundled its logistics division on 2 January 2019 and this division now operates independently as The Logistics Group. The fruit and farming operations remain within Capespan. Zeder also transferred its investment in the logistical application business, The Logistic Company, to The Logistics Group, to ensure The Logistics Group benefits from the logistics-related technology developed within.

REVIEW OF BUSINESS ENVIRONMENT

The share prices of most South African companies, especially those exposed to the underlying consumer economy, declined significantly during the period under review with the JSE Food Producer's index down 34,7%. Zeder and its investee companies were similarly affected resulting in a decline in *Sum-of-the-Parts* valuations. The overall investor sentiment towards Zeder and the sector it operates in continues to be negative in this regard but our positioning as strategic investor in leading companies should ensure recovery participation once positive sentiment returns.

From an operational point of view, Zeder and its investee companies managed controllable elements well under challenging conditions. At an aggregate level, satisfactory results were delivered with total *recurring* headline earnings per share being in line with the prior year, mainly due to the expected recovery from the majority of Zeder's investee companies during the year under review. Apart from Capespan's fruit and farming divisions, all portfolio companies stabilised or reversed the corresponding lower levels of profitability reported in the results for the previous year. In addition to the *recurring* headline earnings, a substantial increase in headline earnings was recorded as a result of the upward fair value adjustment relating to Capespan's interest in its Chinese investment, Joy Wing Mau (previously known as Golden Wing Mau), that was subsequently disposed.

FINANCIAL RESULTS

The two key benchmarks which Zeder believes to measure performance by are *Sum-of-the-Parts value* per share and *recurring* headline earnings per share.

REVIEW OF OPERATIONS

SOTP

Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 28,2% during the reporting period to R5,64 as at 28 February 2019.

	28 Feb 2017		28 Feb 2018		28 Feb 2019	
Company	**Interest (%)**	**Rm**	**Interest (%)**	**Rm**	**Interest (%)**	**Rm**
Pioneer Foods	27,1	9 538	27,0	7 660	**27,1**	**4 689**
Zaad	91,4	1 531	93,2	2 043	**95,3**	**2 235**
Capespan	98,1	1 975	97,5	2 259	**97,4**	**1 193**
The Logistics Group					**97,4**	**978**
Kaap Agri	39,8	1 321	40,9	1 376	**41,1**	**959**
Agrivision Africa	55,6	614	56,0	591	**56,0**	**493**
Quantum Foods	26,7	193	27,7	246	**29,3**	**216**
Other		39		33		**19**
Total investments		15 211		14 208		**10 782**
Cash and cash equivalents		173		111		**254**
Other net assets		120		108		**109**
Debt funding		(798)		(1 000)		**(1 500)**
SOTP value		14 706		13 427		**9 645**
Number of shares in issue (net of treasury shares) (m)		1 725		1 710		**1 710**
***SOTP value* per share (R)**		8,53		7,85		**5,64**

Note: Zeder's live SOTP is available at www.zeder.co.za

REVIEW OF OPERATIONS

Recurring headline earnings

Zeder's consolidated *recurring* headline earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments in which Zeder holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of consolidated *recurring* headline earnings, while once-off (i.e. *non-recurring*) income and expenses are excluded. This provides management and investors with a more realistic and transparent way of evaluating Zeder's earnings performance.

Audited	28 Feb 17 Rm	28 Feb 18 Rm	*Change (%)*	28 Feb 19 Rm
Recurring headline earnings from investments	821	576		**604**
Management (base) fee	(75)			
Net interest, taxation and other income and expenses	(55)	(102)		**(133)**
***Recurring* headline earnings**	691	474	*(0,6)*	**471**
Non-recurring headline earnings				
Management fee internalisation charge	(1 449)			
Other	(12)	(49)		**296**
Headline (loss)/earnings	(770)	425	*80,5*	**767**
Non-headline items	(26)	(171)		**(678)**
Attributable (loss)/earnings	(796)	254	*(65,0)*	**89**
Weighted average number of shares in issue (*net of treasury shares*) (m)	1 622	1 717		**1 702**
***Recurring* headline earnings per share (cents)**	42,6	27,6	*0,4*	**27,7**
Headline (loss)/earnings per share (cents)	(47,5)	24,8	*81,9*	**45,1**
Attributable (loss)/earnings per share (cents)	(49,1)	14,8	*(64,9)*	**5,2**

Recurring headline earnings per share of 27,7 cents in line with prior year mainly due to a recovery in earnings from most of its underlying investee companies, except for Capespan.

Headline earnings per share increased by 81,9% to 45,1 cents mainly due to the upward fair value adjustment reflecting the disposal value of Capespan's investment in Joy Wing Mau.

Attributable earnings per share decreased by 64,9% to 5,2 cents mainly due to the significant impairment charge recognised by Zeder on its associate investment Pioneer Foods, following the decline in its share price.

Pioneer Foods

Pioneer Foods reported a 25% increase in adjusted headline earnings per share from continuing operations for the year ended 30 September 2018, with a corresponding strong increase in net cash generated from operating activities resulting in a maintained dividend. This improvement was largely due to a strong recovery in the Essential and International divisions following the negative effect of the unfavourable procurement position on maize during the prior year. Continuing initiatives to enhance operating margins through cost mitigation and efficiency interventions remain well entrenched contributing to sound cash flow generation. Pioneer Foods remains one of the leading food companies in South Africa with a strong balance sheet and management team.

Pioneer Foods is listed on the JSE and further information is available at *www.pioneerfoods.co.za.*

REVIEW OF OPERATIONS

Zaad

Zaad is positioned as a strategic holding company that invests and operates in the specialised agri-inputs industry. It currently owns, develops, imports and distributes a broad range of agricultural seeds in Africa, Europe and other international emerging markets. In recent years, Zaad has added strategic plant nutrition and agri-chemicals to its portfolio to complement its product offering, particularly in emerging markets. Its portfolio of companies represents a proud history spanning more than 50 years and it exports to more than 100 countries. Zaad's portfolio and operating divisions combine relatively mature cash generating activities on the one hand with significant research and development or green-fields investment on the other. This combination ensures a blended approach to earnings and cash generation in the short term with significant investment in growth for the longer term.

Zaad reported an increase in *recurring* headline earnings of 5,9% in absolute terms but a decrease of 5,5% on a per share basis for its financial year ended 31 January 2019. This was due to improved but below expected sales from its mature operations and the diluting impact of rights issues during the year to fund investment for future growth. Zeder invested an additional R341,3m during the period under review. While these investments are attractive in the medium to long term, the short-term impact on earnings per share may not always be positive due to the delay in earnings contribution from such development or j-curve acquisitions. The specialised agri-inputs market, and particularly the proprietary hybrid seed segment, remains attractive and Zaad is well positioned to benefit from it.

Zaad's summarised financial information is set out below:

Summary income statement **Key metrics**	**Jan 2017*** **Rm**	**Jan 2018** **Rm**	**Jan 2019** **Rm**
Revenue	1 344	1 409	**1 635**
EBITDA	222	223	**253**
EBITDA margin (%)	*16.5*	*15.8*	***15.5***
EBIT	185	173	**199**
EBIT margin (%)	*13.8*	*12.3*	***12.2***
Recurring headline earnings	133	123	**131**
Headline earnings	119	117	**124**
WANOS (m)	22	24	**27**
Recurring HEPS (R)	6,04	5,03	**4,76**
Net asset value per share (R)**	40,10	45,31	**43,70**

Summary statement of financial position **Key metrics**	**Jan 2017** **Rm**	**Jan 2018** **Rm**	**Jan 2019** **Rm**
Total assets	2 049	2 475	**2 710**
Non-current assets	793	1 014	**1 196**
Current assets	1 256	1 461	**1 514**
Total liabilities	1 129	1 326	**1 326**
Non-current liabilities	243	258	**171**
Current liabilities	886	1 068	**1 155**
Total equity	920	1 149	**1 384**

REVIEW OF OPERATIONS

Summary cash flow information **Key metrics**	**Jan 2017**** **Rm**	**Jan 2018**** **Rm**	**Jan 2019** **Rm**
Cash flow from operating activities	(1)	(93)	**(59)**
Cash flow from investing activities	(251)	(227)	**(223)**
Cash flow from financing activities	190	132	**262**
Net decrease in cash and cash equivalents	(62)	(188)	**(20)**

Zeder shareholding	**Feb 2017**	**Feb 2018**	**Feb 2019**
Shareholding (%)	91.4	93.2	**95.3**

* *Zaad changed its year-end from February to January and restated for a 12-month comparative*
** *Jan 2017 and Jan 2018 figures restated*
WANOS – Weighted average number of shares

Zaad's investment and operations are structured to participate in the strategic inputs industry. At present the focus is on agricultural seed and chemicals.

In terms of the seed strategy, the group imports, produces and distributes seeds for sale in more than 100 countries. A core focus is the further development of proprietary seed genetics and significant investment continues to be made in related research and development. Owning its own seed genetics provides a distinct competitive advantage and a high barrier to entry with the ability to improve operating margins over time.

In terms of the chemicals strategy, apart from being a formulator and distributor of crop protection chemicals, the group owns and develops various chemical registrations that ensures high barrier to entry and enables the business to compete in local and international markets. The primary objective is to complement our seed division in emerging markets where regular access to chemicals is challenging for farmers.

Capespan and The Logistics Group

Capespan is an unlisted group with a history spanning more than 70 years. The group has evolved and diversified in recent years to the extent that today it combines asset-intensive divisions, underpinned with strong net asset values, with earnings generating divisions that require fewer capital investments but offer scalable earnings growth optionality. On 2 January 2019, Capespan completed the separation and unbundling of its logistics division to shareholders thereby ensuring that Zeder now owns two separate investments and that these companies will be managed and reported on separately going forward. Capespan will focus on its core business activities that include the production, procurement, distribution and marketing of fresh produce worldwide, while The Logistics Group ("**TLG**") will continue to operate its existing strategic logistical and terminal assets in South Africa and expand its service offering and capabilities to a broader customer and market base in southern Africa.

For its financial year ended 31 December 2018, Capespan reported a significant headline profit of R317,3m, largely due to the fair value gain on the investment in Joy Wing Mau, but delivered a disappointing loss of R21,0m in consolidated *recurring* headline earnings. The losses were largely incurred within South African and Namibian grape farming divisions where lower production volumes and suppressed market pricing impacted negatively on the group results. These losses were offset by strong earnings delivered within the logistical division and fruit associates. Despite these losses, Zeder has maintained its *SOTP values* assigned to Capespan as a result of the strong NAV underpin in farming, the capital injection and corresponding debt reduction flowing from the Joy Wing Mau disposal and the strong performances recorded in the logistics division.

REVIEW OF OPERATIONS

Capespan's summarised financial information is set out below:

Summary income statement **Key metrics**	**Dec 2016*** **Rm**	**Dec 2017**** **Rm**	**Dec 2018** **Rm**
Revenue	8 311	5 971	**4 763**
EBITDA	229	74	**(53)**
EBITDA margin (%)	*2.8*	*1.2*	***(1.1)***
EBIT	134	8	**(125)**
EBIT margin (%)	*1.6*	*0.1*	***(2.6)***
Net finance cost	(39)	(57)	**(53)**
Income from associates	42	49	**19**
Recurring headline earnings – continued	73	(9)	**(146)**
Recurring headline earnings – discontinued		87	**125**
Headline earnings – continued	65	(23)	**207**
Headline earnings – discontinued		85	**110**
WANOS (m)	338	364	**366**
Recurring HEPS – continued (R)	0,21	(0,02)	**(0,40)**
Recurring HEPS – discontinued (R)		0,24	**0,34**
Net asset value per share (R)	5,21	4,95	**5,56**

Dec 2017 & Dec 2018 comparable. Dec 2016 include unbundled Logistics division.

Summary statement of financial position **Key metrics**	**Dec 2016*** **Rm**	**Dec 2017**** **Rm**	**Dec 2018** **Rm**
Total assets	3 932	3 925	**3 185**
Non-current assets	2 486	2 698	**1 454**
Current assets	1 446	1 220	**1 016**
Assets held-for-sale		7	**715**
Total liabilities	2 007	2 086	**1 108**
Non-current liabilities	720	868	**307**
Current liabilities	1 287	1 218	**648**
Liabilities held-for-sale			**153**
Total equity	1 925	1 839	**2 077**

Summary cash flow information **Key metrics**	**Dec 2016** **Rm**	**Dec 2017** **Rm**	**Dec 2018** **Rm**
Cash flow from operating activities	113	216	**(237)**
Cash flow from investing activities	(398)	(305)	**1 013**
Cash flow from financing activities	209	(9)	**(514)**
Net (decrease)/increase in cash and cash equivalents	(76)	(98)	**262**

REVIEW OF OPERATIONS

Zeder shareholding	Feb 2017	Feb 2018	Feb 2019
Shareholding (%)	98.1	97.5	**97.4**

* *Dec 2016 figures restated.*
** *Dec 2017 figures restated for logistics division classified as a discontinued operation.*
WANOS – Weighted average number of shares.

Farming

The farming division has been established over the past seven years to complement the group's historical core fruit procurement and marketing activities. The objective of this division is to provide the group with primary production expertise and access to select fruit commodities during specific production periods as required to optimally service our customers around the world. The farming assets range from greenfield projects to large established commercial farming and packing enterprises and the group has positioned itself as a leading commercial grower in a relatively short period. At present, our controlled farming investments and operations are located primarily in South Africa and Namibia and comprise 952 hectares of grapes, 287 hectares of citrus and 604 hectares, including hectares farmed for associates, of pome fruit respectively. Numerous investments have been made in expanding production that will contribute to results over the medium to longer term as the biological assets mature.

Farming Key metrics	Dec 2016* Rm	Dec 2017 Rm	Dec 2018 Rm
Revenue	642	525	**593**
EBITDA	65	73	**49**
EBIT	29	20	**(59)**
Assets	1 364	1 292	**1 267**

* *Dec 2016 figures restated*

Fruit and associate investments

The fruit division consists of fruit procurement and marketing teams across Europe, Asia, Africa and North America that procure fresh fruit from predominantly southern hemisphere producers to market and sell to predominantly formal retail customers in northern hemisphere markets. During the past year, the fruit division traded 26,0m cartons of fruit with 53% originating in South Africa and Namibia and 47% from non-South African production countries. To complement the fruit marketing activities, strategic minority interests have been obtained through investments in China, Germany, Hong Kong and India.

Fruit Key metrics	Dec 2016 Rm	Dec 2017 Rm	Dec 2018 Rm
Revenue	7 455	5 897	**4 667**
EBITDA	87	48	**(32)**
EBIT	65	34	**(42)**
Assets (excluding investments in associates)	1 285	1 820	**853**
Number of associate investments	7	7	**6**
Share of associate's *recurring* headline earnings	44	53	**22**
Total investment in associates	745	209	**248**

REVIEW OF OPERATIONS

Logistics

The logistics division largely represents the group's investments and operations related to port-based terminals in South Africa and Mozambique. It consists of large strategic key side facilities in the ports of Cape Town, Port Elizabeth and Durban with complementary infrastructure and services in Maputo as well as the border crossing between South Africa and Mozambique near Komatipoort. The group and related facilities were historically equipped and licensed to only handle fresh produce but have been expanded and adapted to include general cargo, break-bulk and agri-bulk offerings. In addition to its core business of handling fresh produce in port terminals, it is now positioned to handle a broader range of cargo including manganese, cement and agricultural commodities.

Logistics Key metrics	**Dec 2016 Rm**	**Dec 2017 Rm**	**Dec 2018 Rm**
Revenue	511	620	**794**
EBITDA	122	171	**226**
EBIT	84	120	**165**
Assets	476	552	**714**

Kaap Agri

With an agricultural foundation, Kaap Agri has mainly retail characteristics, which account for 80% of the revenue, augmented by a dedicated retail fuel strategy that is gaining momentum. It supplies a variety of products and services to the agri sector and the general public. It has been in existence for more than 100 years and has more than 200 operating points throughout South Africa and Namibia. With its strategic footprint, infrastructure, facilities and client network, the group follows a differentiated market approach, bolstering the core retail business with financial, grain handling and agency services.

With an operating base largely exposed to the Western Cape, the severe drought had a predictably negative impact on the group's financial performance. Notwithstanding these challenges, Kaap Agri delivered commendable results with *recurring* headline earnings per share increasing by 0,7% for their financial year ended 30 September 2018. As the Western Cape drought was broken and dam levels improved during the previous winter months, a modest recovery is anticipated.

Kaap Agri is listed on the JSE and its results can be viewed at *www.kaapagri.co.za.*

Agrivision Africa

Agrivision Africa currently owns and operates two large-scale commercial farming operations and a milling business in Zambia. It has developed extensive irrigated productive farmland since 2011 and is continuously evaluating expansion opportunities. After rapid expansion, the focus during the past 36 months has been on achieving acceptable operational efficiencies, while navigating an extremely volatile and challenging phase in the macro and business cycle of Zambia and related regional markets.

While this strategy has yielded positive operational results, the corresponding financial performance has been disappointing as the subdued commodity price cycle, lagging rainfall recovery and water levels continued to negatively impact the farming results. Even though Agrivision improved its results compared to the prior year, it still reported a *recurring* headline loss from a Zeder perspective of $0,9m for their financial year ended 31 December 2018. The current seasonal outlook has improved with normalised rainfall recorded and initiatives are underway to address underperforming assets and divisions.

REVIEW OF OPERATIONS

Agrivision Africa's summarised financial information is set out below:

Summary income statement **Key metrics**	**Dec 2016** **US$'000**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**
Revenue	39 718	34 994	**30 571**
EBITDA*	7 326	1 726	**3 373**
EBITDA margin (%)	*18.4*	*4.9*	***11.0***
EBIT*	4 305	(191)	**(209)**
EBIT margin (%)	*10.8*	*(0.5)*	***(0.7)***
Recurring headline earnings/(loss)	1 726	(4 700)	**(983)**
Headline earnings/(loss)	4 065	(4 700)	**(983)**

Summary statement of financial position **Key metrics**	**Dec 2016** **US$'000**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**
Total assets	110 095	94 004	**88 533**
Non-current assets	79 389	70 809	**68 759**
Current assets	30 706	23 195	**19 774**
Total liabilities	35 792	32 668	**29 821**
Non-current liabilities	16 434	11 909	**12 218**
Current liabilities	19 358	20 759	**17 603**
Total equity	74 303	61 336	**58 712**

Summary cash flow information **Key metrics**	**Dec 2016** **US$'000**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**
Cash flow from operating activities	989	5 057	**3 572**
Cash flow from investing activities	(3 164)	(2 627)	**(1 260)**
Cash flow from financing activities	(3 641)	(4 404)	**(6 857)**
Net decrease in cash and cash equivalents	(5 816)	(1 974)	**(4 545)**

Zeder shareholding	**Feb 2017**	**Feb 2018**	**Feb 2019**
Shareholding (%)	55.6	56.0	**56.0**

* *Dec 2017 figures restated*
WANOS – Weighted average number of shares

REVIEW OF OPERATIONS

The group is positioned to operate as a vertically integrated grain-related staple food supplier in the northern Zambian markets. At present, its operations are structured as a farming division consisting of two commercial business units and a milling division consisting of a maize and wheat milling operations. The divisions are summarised and explained below:

Farming **Key metrics**	**Dec 2016** **US$'000**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**
Total land owned (hectares)	19 219	19 219	**19 219**
Total hectares developed for commercial agriculture (hectares)	6 811	7 011	**7 225**
Of which is equipped for full irrigation by centre pivot (hectares)	4 721	4 721	**4 721**
Revenue	35 301	21 089	**24 579**
EBITDA	10 502	3 355	**4 496**
EBIT	8 073	285	**1 641**
Assets	129 639	149 674	**120 764**

Milling **Key metrics**	**Dec 2016** **US$'000**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**
Maize milling – capacity (tons)	60 000	68 400	**68 400**
Maize milling – milled (tons)	50 563	41 938	**29 552**
Wheat milling – capacity (tons)	24 000	26 400	**26 400**
Wheat milling – milled (tons)	16 074	23 382	**18 491**
Revenue	21 797	21 841	**16 913**
EBITDA	125	(585)	**(1 812)**
EBIT	(255)	(977)	**(2 183)**
Assets	12 797	7 416	**6 905**

Quantum Foods

Quantum Foods is a diversified feeds and poultry business providing quality animal protein to select South African and African markets. Having weathered adverse market conditions over the past couple of years, Quantum Foods released very strong results for their financial year ended 30 September 2018, reporting a 234% increase in headline earnings per share and rewarding shareholders with dividends and share buy-backs. Although it remains exposed to a highly cyclical industry, it has successfully restructured its business and embarked on a clearly defined growth strategy that should see it generate sustainable profits and cash flows from its established South African operations, while growing its footprint in the rest of Africa.

Quantum Foods is listed on the JSE and its results can be viewed at *www.quantumfoods.co.za.*

CORPORATE GOVERNANCE

Zeder is committed to the fair values underpinning good corporate governance: Integrity, Accountability, Fairness and Transparency

CORPORATE GOVERNANCE

Zeder Investments Limited ("**Zeder**", "**the company**", or "**the group**") is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King IV Report on Corporate Governance™ for South Africa, 2016 ("**King IV**™"). The Zeder Board of directors ("**board**") is satisfied with the manner in which Zeder has applied and implemented the King IV™ recommendations and practices to achieve good performance and effective control while promoting an ethical culture and maintaining its legitimacy. Accordingly, Zeder's corporate governance policies have in all material respects been appropriately applied during the year under review. A detailed analysis of the group's compliance with King IV™ (through apply and explain) is available at *www.zeder.co.za.*

BOARD OF DIRECTORS

Details of Zeder's directors are provided on page 5 of this annual report.

Mr CA Otto fulfils the role of independent non-executive chairman from 29 January 2019, Mr N Celliers that of chief executive officer, Mr JH le Roux that of financial director and Mr GD Eksteen that of lead independent director. The main function of the lead independent director is, *inter alia*, to provide leadership and advice to the board, without detracting from the authority of the chairman, where the chairman has a conflict of interest. Mr JF Mouton retired as non-executive chairman on 20 November 2018.

The board met four times during the past financial year as set out in the table below:

BOARD ATTENDANCE	17 Apr 2018	23 Jul 2018	9 Oct 2018	29 Jan 2019
JF Mouton (chairman until 20 Nov 2018)[1]	✓	✓	✓	n/a
CA Otto (chairman from 29 Jan 2019)[2]	✓	✓	✓	✓
N Celliers	✓	✓	✓	✓
GD Eksteen	✓	✓	✓	✓
RM Jansen[3]	n/a	n/a	n/a	n/a
WL Greeff	✓	✓	✓	✓
ASM Karaan	✓	✓	A	✓
JH le Roux	✓	✓	✓	✓
NS Mjoli-Mncube	✓	✓	✓	✓
PJ Mouton	✓	✓	✓	✓

1 *Mr JF Mouton retired from the Zeder board of directors with effect from 20 November 2018.*
2 *Mr CA Otto was appointed as the Chairman of the Zeder board of directors on 29 January 2019.*
3 *Mr RM Jansen was appointed as a member of the Zeder board of directors on 29 January 2019.*
A *Apology.*

The Zeder Nomination Committee ("**nomination committee**") considers and recommends appropriate appointments of directors to the board. The appointment of new directors to the board is a matter for the board as a whole and is conducted in a formal and transparent manner. The induction of directors is not conducted through a formal process, but include the reading of company-related material and one-on-one information sessions. Consideration will be given to a formal induction programme for future appointees to the board, should this become necessary.

Executive directors are appointed by the board, with the assistance of the nomination committee, for periods as the board deems fit, and on such further terms as are set out in their letters of appointment.

Zeder believes that gender and race diversity at board level help achieve its business goals through an improved understanding of the diverse environments in which the group operates. The nomination committee has adopted and approved policies on voluntary targets for gender and race diversity. The gender diversity voluntary target was to ensure that at least one female director was appointed. The race diversity voluntary target, which was approved during the year, was to ensure that at least two board members consist of directors who are "black people" as defined in the Broad-Based Black Economic Empowerment Act, as amended. The board, through the nomination committee, complied with the currently set voluntary targets. The nomination committee will however continue to discuss and annually agree all measurable targets for achieving gender and race diversity on the board.

CORPORATE GOVERNANCE

Zeder's memorandum of incorporation requires a minimum of one third of the non-executive directors of the company, as well as non-executive directors having served three consecutive years without rotating, to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting. In addition thereto, the appointment of new non-executive directors should be confirmed by shareholders at the first annual general meeting following their appointment. In accordance with the company's memorandum of incorporation, Messrs GD Eksteen, WL Greeff and PJ Mouton will retire and offer themselves for re-election by shareholders and the appointment of Mr RM Jansen will be presented to shareholders for confirmation. The nomination committee recommended, based on the past performance and experience and their insight into the business, that the aforementioned non-executive directors are eligible for re-election and appointment as directors. Summarised *curricula vitae* for these directors are included from pages 81 to 82 of this annual report.

Zeder is an investment holding company with most operations residing within investee companies. There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, with the majority of directors being non-executive.

The board does not conduct regular appraisals of its members and committees. However, the efficiency of the board and its committees are continuously assessed by the nomination committee.

The nomination committee has reviewed the composition of the board and has determined that the board represents an appropriate mix of age, gender, race, skill industry experience and other distinctions. The nomination committee considered the past performance of and contributions made by the directors.

King IV™ recommends that the majority of non-executive directors be independent. Although the majority of the non-executive directors are independent as defined by King IV™, all of the non-executive directors are independent of thought and action. Having considered the matter, the board is accordingly satisfied, as stated previously, that its current composition ensures a balance of power and authority. In addition, the nomination committee considered holistically and on a substance above form basis the continued independence of all non-executive directors categorised as independent.

The board has a formal charter which:

- identifies, defines and records the responsibilities, functions and composition of the board; and
- serves as a reference for new directors.

The board's key roles and responsibilities include, *inter alia*, the following:

- promoting the interests of stakeholders;
- formulation and approval of strategy;
- retaining effective control; and
- ultimate accountability and responsibility for the performance and affairs of the company.

The board is satisfied that it has discharged its duties and obligations as described in the charter during the past financial year.

The board has appointed the following committees to assist it in the performance of its duties:

- Executive committee
- Nomination committee
- Remuneration committee
- Audit and risk committee

The members of the Zeder Executive Committee and Mr CA Otto, are responsible for performing the duties of the Zeder Social and Ethics Committee ("**social and ethics committee**").

Notwithstanding the delegation of functions to board committees, the board remains ultimately responsible for the proper fulfilment of such functions, except for the functions of the audit and risk committee relating to the appointment, fees and terms of engagement of the external auditor.

CORPORATE GOVERNANCE

EXECUTIVE COMMITTEE

The Zeder Executive Committee ("**Exco**") responsible for the management of Zeder comprises four Zeder directors, namely Messrs N Celliers (executive chairman), JH le Roux (executive), WL Greeff (non-executive) and PJ Mouton (non-executive). Mr JF Mouton retired as an Exco member on 20 November 2018. Messrs JA Holtzhausen (legal advisor and sponsor representative) and CJ Taljaard (tax advisor) attends the Exco meetings as permanent invitees, while there is a standing invitation for non-executive directors to attend.

The Exco meets every month, or more frequently when required, and is primarily responsible for determining and implementing the board-approved strategy, the allocation and investing of the company's resources, including capital. The Exco is the overall custodian of good corporate governance, monitors the group's performance and provide strategic input to the underlying investee companies and assumes overall responsibility for the growth and performance of the group.

The major operating subsidiaries and associated companies all operate on similar principles.

NOMINATION COMMITTEE

The nomination committee comprises Messrs CA Otto (chairman from 29 January 2019), GD Eksteen and ASM Karaan (appointed on 29 January 2019), all being independent non-executive directors. Mr JF Mouton retired as non-executive chairman on 20 November 2018. Mr N Celliers is a permanent invitee to the nomination committee, but he does not form part of the nomination committee's formal decision-making process.

The nomination committee meets when required and, as previously stated, is responsible for assisting the board with the appointment of directors by making appropriate recommendations in this regard. The nomination committee met once during the past year on 29 January 2019, and all members were present.

REMUNERATION COMMITTEE

The Zeder Remuneration Committee ("**remuneration committee**") comprises Messrs CA Otto (chairman), GD Eksteen and ASM Karaan. These members are all independent non-executive directors. Messrs N Celliers, WL Greeff and PJ Mouton are permanent invitees to the remuneration committee, but they do not form part of the remuneration committee's formal decision-making process.

Mr CA Otto has recently, as a result of Mr JF Mouton's retirement, been appointed as chairman of the board, while remaining chairman of the remuneration committee. The board has considered Mr CA Otto's confirmation as chairman of the remuneration committee and believes that this is in keeping and complies with the applicable principles of King IV™. Mr GD Eksteen, a member of the audit and risk committee and lead independent director, will provide support where the chairman may have a conflict of interest.

The remuneration committee met once during the past year on 18 February 2019, and all members were present. Executive directors' remuneration is set out on page 43 of this annual report.

Due to the limited number of individuals employed at group level, disclosure of the remuneration of the three highest paid employees who are not directors is not deemed to be relevant as it adds no value to stakeholders.

Remuneration Policy and Implementation Report

Zeder's Remuneration Policy and Implementation Report, as set out on pages 36 to 50 of this annual report, will be presented to shareholders for a non-binding advisory vote.

In terms of the roles and responsibilities of the remuneration committee, the remuneration committee reviews and approves, on an annual basis, the Remuneration Policy which is designed to assist in the achievement of the group's strategy and objectives and to attract, motivate, reward and retain employees in an ethical and responsible manner.

The remuneration committee provides strategic guidance and input to other remuneration committees in the wider group and each investee has its own remuneration committee to evaluate the remuneration committee's strategic guidance and inputs, to ensure the execution of the specific company directives and to cater for industry-specific remuneration and incentive drivers, including specific company incentive-based remuneration applicable to other staff levels.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE

The Zeder Audit and Risk Committee ("**audit and risk committee**") consists of four independent non-executive directors, namely Messrs RM Jansen (chairman), GD Eksteen, CA Otto and Mrs NS Mjoli-Mncube. Mr GD Eksteen has been a member for the past nine and a half years, Mr CA Otto for the past five years and Mrs NS Mjoli-Mncube for the past two and a half years. Mr RM Jansen was appointed as a member of the audit and risk committee on 29 January 2019. Mr N Celliers, Mr JH le Roux, a select group of finance employees, the external auditors and other directors are permanent invitees to the audit and risk committee, but they do not form part of the audit and risk committee's formal decision-making process.

The audit and risk committee met twice during the past financial year on 17 April 2018 and 9 October 2018, as well as after financial year-end on 16 April 2019, with all members, except for Mr RM Jansen, being present. Mr RM Jansen was appointed on 29 January 2019, and therefore only attended the 16 April 2019 meeting.

The nomination committee has reviewed the composition of the audit and risk committee and is satisfied that the aforementioned proposed members are suitably skilled and experienced independent non-executive directors and that they collectively meet the criteria required to fulfil their duties, and accordingly have recommended that the current independent non-executive directors are eligible for re-election as members of the audit and risk committee.

Mr CA Otto has recently, as a result of Mr JF Mouton's retirement, been appointed as chairman of the board, while remaining chairman of the audit and risk committee for the last audit and risk committee meeting held on 16 April 2019. Subsequently Mr RM Jansen was appointed as the chairman of the audit and risk committee.

Once a year, the members of the audit and risk committee are invited to attend a training course regarding any new legal, regulatory and/or financial developments which may affect their roles and responsibilities as members of the audit and risk committee.

A report by the audit and risk committee has been provided on page 60 of this annual report. The audit and risk committee operate in accordance with a board-approved charter. The audit and risk committee conducted its affairs in compliance with, and discharged its responsibilities in terms of, its charter for the year ended 28 February 2019.

The audit and risk committee performed the following statutory duties, in accordance with the charter, during the period under review:

- Satisfied itself that the external auditor is independent of the company, as set out in section 94(8) of the Companies Act of South Africa, 71 of 2008 (as amended) ("**the Companies Act**"), and suitable for re-appointment by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("**JSE Listings Requirements**").
- Ensured that the appointment of the auditor complied with the Companies Act, and any other legislation relating to the appointment of an auditor.
- Agreed to the engagement letter, terms, audit plan and budgeted fees for the 2019 financial year.
- Approved the nature and extent of non-audit services that the external auditor may provide.
- Nominated for election at the annual general meeting, PricewaterhouseCoopers Inc. as the external audit firm.
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements.
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the company be regarded as a going concern.
- Reviewed the formal policy for and calculation of Zeder's ordinary dividend proposed at year-end, and recommended it to the board of directors for approval.

CORPORATE GOVERNANCE

- Reviewed the financial function, accounting policies and the group financial statements for the year ended 28 February 2019 and, based on the information provided to the audit and risk committee, considers that the group complies, in all material respects, with the requirements of the International Financial Reporting Standards ("**IFRS**"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act; and the JSE Listings Requirements.
- Considered the JSE Limited ("**JSE**")'s latest report on the pro-active monitoring of financial statements for compliance with IFRS.
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the financial director, as well as the group finance function, has appropriate expertise and experience.
- Undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

PricewaterhouseCoopers Inc. has served as external auditor of the company for the past 13 years, while the designated external audit partner has served in such capacity for the past four years. The committee remains satisfied with the quality of the external audit performed by PricewaterhouseCoopers Inc., however, the potential early adoption of mandatory audit firm rotation, as set out in the rules of the Independent Regulatory Board of Auditors, is currently receiving the committee's attention.

SOCIAL AND ETHICS COMMITTEE

The Zeder Social and Ethics Committee ("**social and ethics committee**"), which comprises members of the Exco and Mr CA Otto (chairman), is responsible for monitoring the company's activities, having regard to any relevant legislation, legal requirements and prevailing codes of best practice with matters relating to, *inter alia*:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationships
- Labour and employment

Each investee company has its own social and ethics committee to monitor the investee's activities with regards to the aforementioned best practices.

A report by the social and ethics committee has been provided on page 53 of this annual report.

The social and ethics committee is satisfied with the social and ethical matters relating to Zeder and its subsidiaries.

COMPANY SECRETARY

Zeder Corporate Services Proprietary Limited is the company secretary of Zeder. The company secretary acts as conduit between the board and the group. The company secretary is responsible for board administration, liaising with the Companies and Intellectual Property Commission and the JSE. Board members also have unlimited access to legal and other expertise, when required, and at the cost of the company, through the company secretary.

The company secretary has to date maintained a professional relationship with board members, giving direction on good governance and independent advice, as and when required. The audit and risk committee has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the company secretary and has noted that the company secretary performed all formalities and substantive duties timeously and in an appropriate manner. The board is satisfied that an arm's-length relationship exists.

The certificate that the company secretary, being represented by Mrs L van der Merwe, is required to issue in terms of section 88(2)(e) of the Companies Act is on page 61 of this annual report.

CORPORATE GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the systems of internal control of the group. Each group company has its own board of directors that is responsible for the risk management and internal controls of that company and its business.

Detailed risk assessments and management plans have been implemented throughout the group to ensure that risk is properly managed. The board, on recommendation by the audit and risk committee, concluded that the systems of internal control and the risk management process were effective for the financial year under review. The group operates in a highly regulated environment. Compliance officers have been appointed at each of the group's key operating subsidiary and associated company levels to ensure compliance with legislation and codes that govern the group's day-to-day operations.

INTERNAL AUDIT

On the recommendation of the audit and risk committee, the board has decided not to establish an internal audit function at group level given that the board has satisfied itself that, where appropriate, subsidiary and associated companies have their own or outsourced their internal audit departments and that the current systems of internal control and risk management for the group are effective.

GOVERNANCE OF INFORMATION TECHNOLOGY

Zeder has an outsourced information technology ("**IT**") manager who is responsible for IT governance at group level. All the major subsidiary and associated companies are responsible for IT governance in their respective business environments.

As IT does not play a significant role in the sustainability of our business at a group level due to its nature and size, the investment and expenditure in IT at group level is immaterial. The board is accordingly satisfied that the current system of IT governance at group level is appropriate.

INTEGRATED REPORTING AND DISCLOSURE

Part of the philosophy of Zeder is to invest in companies with strong management. Zeder therefore relies on them to apply and implement the principles of King IV™ in regard to integrated reporting and disclosure, to the extent appropriate to their business.

Zeder applies and implements the principles of integrated reporting at group level to the extent that it is appropriate.

SUSTAINABILITY

Financial reporting and stakeholder communication

Zeder subscribes to the principles of objective, honest, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders. Zeder has a dedicated team addressing enquiries from stakeholders.

Zeder has identified its two major stakeholders as its shareholders and investee companies. Ongoing communication and engagement are therefore focused on these groups, as detailed below.

Financial reports are provided to shareholders twice a year. Details regarding significant transactions undertaken are reported as required by the JSE Listings Requirements. The annual general meeting serves as platform for interactive communication with stakeholders. The company's communication officer's contact details are available on Zeder's website should stakeholders wish to direct queries to the company.

The group acknowledges the task and responsibility of regulators, and our relationships with them are maintained in a businesslike manner – frank, open and with mutual respect.

CORPORATE GOVERNANCE

Dealing in securities

In accordance with the JSE Listings Requirements, the company has a code of conduct for insider trading. During price- sensitive or closed periods, directors and designated employees are prohibited from dealing in Zeder's securities. The standard closed periods last from the end of a financial reporting period until the publication of financial results for that period. A closed period is also applicable when the company has issued a cautionary announcement to its shareholders or the board of directors declares it to be closed.

Directors and designated employees may only deal in Zeder's securities outside the closed period, with the formal approval from any two of the chairman, chief executive officer and the financial director. In addition, directors and designated employees are prohibited from dealing in the securities of listed investee companies unless permission has been obtained from any two of the chairman, chief executive officer and the financial director.

Price sensitivity policy

The board has an approved internal Price Sensitive Information Policy, which deals with the determination of price sensitive information, the maintenance of confidentiality and the prompt dissemination of such information. The purpose of the policy is to ensure that price sensitive information is kept confidential up to the time of publication, through the Stock Exchange News Service established by the JSE ("**SENS**") and follows the general principle of the JSE Listings Requirements that shareholders should enjoy fair and equal treatment.

Conflicts of interests

Mechanisms are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest. Directors are required to disclose their personal financial interests, and those of persons related to them, in contracts or other matters in which Zeder has a material interest or which are to be considered at a board meeting. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

Safety, health and environment

Zeder is committed to ensuring that employees work in a safe, healthy and clean environment. Our activities do not have an adverse effect on the environment.

We encourage all our people to live healthy lifestyles and act responsibly at all times.

Social responsibility

Zeder also subscribes to the philosophy of black economic empowerment ("**BEE**") and encourages its investee companies to undertake BEE initiatives. Zeder has participated in and facilitated various BEE transactions and has a trusted BEE partner, which it introduced to some of its investments.

The company's annual compliance report has been published and is available at *www.zeder.co.za.*

Human resources

Zeder regards its people as the most important element of its business. It is therefore important to make the best use of the human capital we have available.

All employees are encouraged and motivated to better themselves through training and studies. Training programmes initiated by companies in the group are regarded as an essential element of Zeder's investment in human capital.

Employee participation

In order to retain and attract entrepreneurs, the group has a philosophy of encouraging management and key employees in the group to acquire a meaningful interest in the group and/or its underlying businesses. A significant percentage of employees are shareholders in Zeder and participants in the share incentive schemes. Employees are co-owners of the business and are treated as such, with transparent communication being a priority.

Employment equity

The group is representative of all the people in South Africa. Zeder subscribes to the principle of equal opportunity. Investee companies have set their own targets and specific action plans.

Gender diversity

In identifying suitable candidates for appointment to the board, the nomination committee will consider candidates on merit against objective criteria and with due regard for the potential benefits of gender diversity.

Race diversity

In identifying suitable candidates for appointment to the board, the nomination committee will consider candidates on merit against objective criteria and with due regard for the compliance of race diversity at a board level.

Ethics

Zeder's code of ethics commits the group to maintaining high ethical and moral codes of conduct in its professional and social dealings. This is ingrained in the culture of the group. Further detail on ethics management is included in the detailed analysis of the group's compliance with King IV™ that is available at *www.zeder.co.za.*

Products and product development

Zeder acts as investor for own account and as financier for the group. Subsidiary and associated companies develop their own specialist service and product ranges within the food and related business industry.

REMUNERATION REPORT

REMUNERATION REPORT

The company has adopted a three-part remuneration report comprising this background statement, the forward-looking 2020 Remuneration Policy, and the Implementation Report that illustrates the outcomes of the 2019 Remuneration Policy over the past financial year. In line with the JSE Limited Listings Requirements, the Remuneration Policy and the Implementation Report will be tabled at the annual general meeting for endorsement by the shareholders.

BACKGROUND STATEMENT

Zeder's remuneration philosophy is supported by its business strategy, namely long-term sustainable value creation through a combination of share price appreciation and the payment of dividends.

The remuneration framework provides for guaranteed remuneration (i.e. base salary) and a long-term share incentive scheme, which will only render value should the share price and total shareholder return increase.

As an investment holding company, the Zeder Remuneration Committee ("**remuneration committee**") views increased total shareholder return through sustainable growth in share price and dividends as a basis to deliver value to shareholders over time. From 1 March 2017, and in line with the aforementioned approach, Zeder does not pay short-term incentives (i.e. cash bonuses) to executives and believes that executive management's decision-making should be long-term focused. Aligned with this philosophy, the executives should be rewarded where value creation is demonstrated, without excessive risk-taking in the short term.

This approach creates a focused remuneration policy and avoids unnecessary layers of complexity. This long-term view aligns executives with shareholders and supports the retention of executives.

SHAREHOLDER ENGAGEMENT AND NON-BINDING VOTE

Remuneration governance is a priority for Zeder and thus we are submitting the Remuneration Policy and Implementation Report for a non-binding advisory vote by shareholders at each annual general meeting (see ordinary resolutions numbers 10 to 11 in the Notice of Annual General Meeting on pages 83 and 84).

Of the shareholders votes exercisable at the 2018 annual general meeting, 92,99% and 93,45% endorsed Zeder's Remuneration Policy and Implementation Report, respectively. The remuneration committee is of the view that Zeder's Remuneration Policy and Implementation Report continue to achieve their stated objectives and the remuneration committee looks forward to a positive outcome in this regard.

In the event of a 25% or more dissenting vote on the Remuneration Policy or Implementation Report, the remuneration committee will engage with shareholders.

In this regard the company intends to:

- invite the dissenting shareholders to provide the company with their written submissions as to why they voted against the Remuneration Policy and/or the Implementation Report;
- address the legitimate and reasonable objections of dissenting shareholders; and
- report back to the dissenting shareholders.

If appropriate and practical, the company may engage with dissenting shareholders or any one or more of them at meetings called for that purpose.

The remuneration committee believes it has achieved its objectives set out in the 2019 Remuneration Policy. There were no material deviations from this Remuneration Policy.

Chris Otto
Chairman
12 June 2019
Stellenbosch

REMUNERATION REPORT

ZEDER'S REMUNERATION POLICY

The Remuneration Policy below provides an overview of Zeder's remuneration principles for the group.

1. ZEDER'S OPERATIONS AT HEAD OFFICE LEVEL

1.1 The functioning of Zeder group's head office operations and its corresponding headcount and employee components are structured as follows:

1.1.1 *Zeder Management*

As at 28 February 2019, the total employees at head office level comprised 6 individuals. These individuals are dedicated to the day-to-day management and administration of Zeder, active engagement with investee companies as well as the sourcing of new investment opportunities. These 6 individuals comprise the chief executive officer ("**CEO**"), financial director ("**FD**"), 1 financial manager, 1 financial accountant, 1 investment analyst and 1 corporate assistant.

Services related to corporate finance, tax, advisory and IT are secured on an arms-length and commercial basis with either the PSG Group, PSG Capital, Grayston Elliott or 3rd party service providers as may be required and deemed appropriate by the managing executives and the board of directors.

1.1.2 *Zeder Executive Committee*

The Exco is fully functioning and operates on a regular basis to review the underlying performance and structure of the company and its portfolio investments while providing guidance on new investments contemplated and allocation of capital. The Exco comprises the senior members of the aforementioned Zeder Management team as well as members of the PSG Group seconded in terms of the 5-year strategic advisory agreement entered into on 1 September 2016, as approved by Zeder shareholders in the Management Fee Internalisation transaction implemented during 2016.

1.2 Accordingly, Zeder's head office strategic, advisory and employment costs are limited to that of the 6 aforementioned employees and the aforementioned strategic advisory fee paid to the PSG Group. For the year ended 28 February 2019, Zeder's internal net operating and employment costs were R33,4m (2018: R23,9m) while the strategic advisory fees paid to the PSG Group totalled R5,6m (2018: R5,3m). The total head office operating costs therefore amounted to approximately 0,40% (2018: 0,20%) of Zeder's *Sum-of-the-Parts value* as at the reporting date, being significantly lower than the management fees generally charged in the alternative asset management industry.

2. THE ROLE OF THE REMUNERATION COMMITTEE

2.1 The remuneration committee is primarily responsible for overseeing the remuneration and incentives of Zeder's executive directors and key management, as well as providing strategic guidance and inputs to the other remuneration committees in the wider group.

2.2 To assist the achievement of Zeder's business goals, the remuneration committee has put a Remuneration Policy in place that is reviewed and adjusted annually as may be required. Each major underlying investee company has its own remuneration committee and policy specific to its business and the industry in which it operates.

2.3 The Remuneration Policy aims to align remuneration practices with Zeder's business strategies and objectives. The remuneration committee takes cognisance of both local and international best remuneration practices in order to ensure that remuneration is responsible, fair and reasonable to both the company (i.e. shareholders and other stakeholders) and the executive/employee.

3. REMUNERATION OF EXECUTIVES AND EMPLOYEES

3.1 The remuneration of Zeder's executive directors are reviewed annually by the remuneration committee, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (share options) elements of remuneration, as well as between short-term (base salary) and long-term (share options) financial performance objectives.

3.2 The table below provides an overview of the responsibilities pertaining to the 6 Zeder group employees and their respective remuneration components:

Group	Focus	Strategic view	Remuneration	Longest period of remuneration deferral
CEO and FD	• Formulate, drive and oversee implementation • Active management of the company • Active participation on investee boards and Exco's of strategy	Longest term	Base salary and share options	5 years
Financial and investment support staff	Operational	Short to long term	Base salary, discretionary bonus and share options	5 years
Administrative support	Support (administration)	Short term	Base salary and discretionary bonus	1 year

3.3 The total remuneration incorporates the following components:

3.3.1 *Base salary*

Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual benchmarking and review and adjustments effective 1 March of each year, coinciding with the commencement of Zeder's financial year. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes to ensure that remuneration is market-related.

The payment of 30% of the executive's annual base salary is deferred for a period of 12 months, with such payment subject to:

- the executive being in Zeder group's service 12 months later, thereby serving as a retention mechanism in addition to the share incentive scheme detailed below; and
- malus/clawback provisions in the event of deliberate material misstatement of financial results or directly causing a major reputational or economic disaster for a further 12 months after payment of the 30% deferred portion to the executive. If triggered, such malus/clawback provisions would require repayment by the executive to Zeder of the deferred component of the salary amount received by the executive during the preceding 12 months.

Included in the total cost-to-company, are deductions made to:

- group life cover (providing death, disability and dread disease benefits);
- membership to a retirement fund; and
- membership to a medical aid scheme.

REMUNERATION REPORT

REMUNERATION POLICY CONTINUED

3. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

3.3 The total remuneration incorporates the following components (continued):

3.3.2 *Bonuses*

To help drive a long-term focus and decision-making with the ultimate objective of shareholder wealth creation, thereby better aligning the interests of management with those of shareholders and other stakeholders, the executives no longer qualify for short-term bonuses.

Zeder's financial and support staff remain eligible for short-term bonuses, subject to meeting company and personal performance objectives.

3.3.3 *Share options*

Zeder shareholders adopted a share incentive scheme on 29 August 2016, operated through the Zeder Group Share Incentive Trust ("**Zeder SIT**"). In terms of the scheme, Zeder share options are awarded to executives and other qualifying employees with the primary objectives of retaining their services and aligning their interests with those of shareholders, being long-term sustainable value creation through a combination of share price appreciation and the payment of dividends.

A key feature of Zeder's share incentive scheme is that participants will only benefit if there is a long-term share price appreciation greater than the strike price plus compounded and accrued interest charged in the loan funding historically provided at vesting, which should ultimately depend on, *inter alia*, sustained recurring earnings per share growth from Zeder's underlying investee companies, and management's ability to continuously invest in and build new businesses with attractive long-term growth prospects or unlock value through repositioning or repurposing investee companies. Participants in the share incentive scheme will consequently share in the results of any good or bad business decisions over the long term.

The share incentive scheme also ensures a rolling long-term focus for participants, considering the annual vesting of share options in 25%-tranches on each of the 2nd, 3rd, 4th and 5th anniversary of the award date (subject to meeting the required vesting conditions), and consequent award top-ups as detailed below.

3.4 Mechanics of the share incentive scheme

3.4.1 *Award*

Share options are awarded annually at the discretion of the remuneration committee, and subject to:

- The participant achieving personal key performance measures; and
- Executive directors meeting the minimum shareholding requirement as set out under 3.4.3 *Minimum shareholding*, which requirement is only applicable to Zeder's executive directors.

The personal key performance measures differ for the various participants and depend on the role in which such participant is employed, and the level of responsibility assumed.

The personal key performance measures for the two executive directors include the following:

- determining strategy and providing strategic guidance and direction throughout the group, including problem solving when needed;
- active participation in investee companies through among others, board and Exco representation;
- identifying suitable investment opportunities with high growth prospects;
- implementation of investment/disinvestment decisions taken by the Zeder board and Exco;
- ensuring good corporate governance is entrenched throughout the group;
- acting as custodian of shareholders' assets and safeguarding thereof;
- financial reporting and shareholder communication in a transparent, accurate, concise and timely manner; and
- managing Zeder's capital structure and resources in a responsible and effective manner, while enhancing shareholder returns.

The number of share options to be awarded is calculated using a mathematical formula based on the respective participant's base salary and a multiple of between 1x and 10x applied thereto, depending on the participant's seniority and accordingly the level of responsibility assumed within the organisation, subject to his/her performance as assessed by the remuneration committee. In calculating the annual share option awards, the strike value of unvested share options and, where applicable funded investments are taken into account. The factors currently applied to the CEO and FD are 10 and 8 respectively (2018: 9 and 7 respectively).

All share options are awarded at a strike price equal to Zeder's 30-day volume weighted average traded share price immediately preceding such award date (i.e. awarded at the ruling market value), thereby creating an embedded performance hurdle whereby participants will only benefit from the share incentive scheme if there is long-term share price appreciation greater than the strike price plus accrued interest on historical loan funding from vesting date and thus value creation for Zeder shareholders.

3.4.2 *Vesting*

The remuneration committee has introduced additional performance measures as vesting conditions for share options awarded on or after 28 February 2018. The result being that share options will continue to vest in 25%-tranches on each of the 2nd, 3rd, 4th and 5th anniversary of the award date, but subject to the following conditions:

3.4.2.1 *Share options awarded prior to 28 February 2018:*

a) Share price growth:

b) Continued employment:

- Share options from the share incentive scheme will generally vest on condition that the participant is in the service of the Zeder group on vesting date.

3.4.2.2 *Share options awarded on or after 28 February 2018:*

a) Vesting of 50% of such share options will depend on:

- the participant being in service of the Zeder group upon vesting;
- the participant meeting personal key performance objectives; and
- in the case of the executive directors, they also need to meet the minimum shareholding requirement as set out under 3.4.3 *Minimum shareholding*.

b) Vesting of 50% of such share options will depend on:

- the participant being in service of the Zeder group upon vesting;
- the participant meeting personal key performance objectives;
- Zeder's Total Shareholder Return, as measured over the period between the award date and such vesting date applicable to the particular tranche, exceeding GDP plus inflation plus 2%; and
- in the case of the executive directors, they also need to meet the minimum shareholding requirement as set out under 3.4.3 *Minimum shareholding*.

3.4.2.3 *Basis for using Total Shareholder Return*

Zeder is an investment holding company with a range of investments that span the agribusiness and food industries with varying degrees of maturity. In order to deliver sustainable shareholder returns over the medium to long term, Zeder will need to follow various strategies depending on the underlying nature of the investee companies, their respective positioning and growth stages. Therefore, shareholder returns will be driven by a combination of factors including growth in *recurring* headline earnings, unlocking value from underutilised assets, optimal disposal of non-core assets, obtaining appropriate valuations for early-stage investee companies and returning capital to shareholders through dividends or other mechanisms. The Total Shareholder Return metric is considered as the most appropriate measure across these components.

3. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

3.4 Mechanics of the share incentive scheme continued

3.4.3 *Minimum shareholding*

The remuneration committee encourages management to hold shares in Zeder to better align their interests with those of shareholders and as a tangible demonstration of their commitment to the Zeder group.

Accordingly, the remuneration committee has determined that both the award and future vesting of share options awarded to executive directors on or after 28 February 2018, will be subject to a minimum shareholding requirement. Accordingly, the CEO and FD must, immediately after a vesting tranche and taking into consideration any new awards on the same date, hold Zeder shares to the value of 300% and 150%, respectively, of the value of his/her base salary.

The current CEO is required to meet the aforementioned minimum shareholding requirement by no later than 28 February 2019, the current FD is required to meet the aforementioned minimum shareholding requirement by no later than 29 February 2020, whereas any new executive director will have five years from being awarded share options for the first time to meet such minimum shareholding requirement, unless otherwise determined by the remuneration committee considering market conditions, etc.

3.4.4 *Summary of share option award/vesting conditions for executive directors*

	Options awarded prior to 28 Feb 2018	Options awarded on/ after 28 Feb 2018
Award:		
• Director to meet personal key performance measures		✓
• Director to comply with minimum shareholding requirement		✓
Vesting of 50% of share options:		
• Director must be in the service of the Zeder group on vesting date	✓	✓
• Director to meet personal key performance measures		✓
• Director to comply with minimum shareholding requirement		✓
Vesting of 50% of share options:		
• Director must be in the service of the Zeder group on vesting date	✓	✓
• Director to meet personal key performance measures		✓
• Zeder's Total Shareholder Return hurdle is met		✓
• Director to comply with minimum shareholding requirement		✓

3.4.5 *Termination of service*

In the case of resignation, dismissal or early retirement (before attaining the age of 60 years) of a participant (i.e. bad leaver), unvested share options are generally forfeited.

In the case of the death, permanent disability, compulsory retirement (attaining the age of 60 years) or retrenchment of a participant (i.e. good leaver), any share options capable of being exercised within a period of 12 months thereafter, will generally continue to be exercisable provided it is exercised during such 12 months. However, in the case of the termination of employment for any reason other than dismissal, the remuneration committee may, in its absolute discretion, permit the exercise of any unvested share options upon such additional terms and conditions as it may determine (e.g. as part of non-compete provisions in the case of early retirement of an executive). For the avoidance of doubt, the 30% accrued salary withholding component will be paid out immediately to the participant if the services are terminated by Zeder.

3.4.6 *Settlement of options and loan funding*

Historically, the Zeder SIT made loan funding available to participants to assist them to exercise their share options from a cash flow perspective. This funding was available to cover 90% of the strike value plus the associated section 8C tax obligation. Loan funding was made available to participants of the share incentive scheme to assist them in exercising their share options, accumulate shares in Zeder and remain invested alongside fellow shareholders. This assistance was deemed to be in the interest of the company and the shareholders. However, to provide for evolving circumstances over time and to ensure appropriate risk and reward, the remuneration committee has decided that, from 1 March 2018, the Zeder SIT will no longer provide such loan funding to participants for exercising their share options.

Instead, should the participant not be able to exercise his/her share options on a cash basis (i.e. full settlement of the strike value plus any section 8C tax payable), the share options will be settled on a "net equity basis" (i.e. the participant's after-tax financial benefits or gains will be settled through the issue of fully paid up Zeder shares to the participant, and Zeder will pay over the related section 8C tax payable in cash on the participant's behalf). Zeder will in future, in its sole discretion, have the option to settle its net equity obligation to participants either in fully paid up Zeder shares, as described above, or in cash.

With regards to existing loans, extended prior to 1 March 2018, and in accordance with the Zeder Share Incentive Scheme previously approved by shareholders as described in 3.3.3 above, the following will apply:

3.4.6.1 Existing loans will continue to be repayable within three years (or seven for Zeder Executive Directors) from the date of its original advance;

3.4.6.2 Existing loans will continue to be non-recourse, but will become full recourse on 28 February 2021, and the minimum-security cover ratio (currently 1,5x) must be increased for all existing loans. It will be each participant's own responsibility to ensure that the following minimum-security cover ratio is in place for his/her outstanding loan(s):

- By 28 February 2019: 1,5x
- By 29 February 2020: 2,0x
- By 28 February 2021: 3,0x

Participants must improve their security cover for existing loans through a combination of the following options:

- an increase in the Zeder share price; and/or
- partial or full repayment of loans from cash resources or 3rd party funding obtained; and/or
- partial or full repayment of loans from the proceeds of pledged shares being disposed of;
- pledging additional listed shares, acceptable to the remuneration committee, as security for the loans payable.

In the event that the minimum-security cover ratios are not achieved, the remuneration committee (through the Zeder SIT Trustees) can, at its sole discretion, pursue the following options:

- Perfect all or part of the pledged shares as to reduce any outstanding balance in respect of the loan;
- Conditionally waive the minimum-security cover ratios on reasonable grounds.

3.4.7 *Exercise period*

Given the suspension of any further loan funding to participants, the Exercise Period remains 180 days from the vesting date.

3.4.8 *Termination of employment and benefits*

Zeder staff employees (including the executives) are not entitled to any payments upon termination of their service, except for those provided for in law (e.g. accrued annual leave and retrenchment payments).

3.4.9 *Gender pay parity*

Zeder fully subscribes to the equal pay for work of equal value philosophy, and consequently there is no pay differentiation on the basis of gender.

REMUNERATION REPORT

REMUNERATION POLICY CONTINUED

4. NON-EXECUTIVE DIRECTORS

4.1 The remuneration of non-executive directors is reviewed annually by the Exco and thereafter referred to the remuneration committee, which seeks to ensure that fees are market-related considering the nature of the Zeder group's operations. Changes to the fee structure are generally effective 1 March, subject to approval by shareholders at Zeder's AGM held in June of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, this may be reviewed.

4.2 A thorough review of and comparison between Zeder's non-executive director fees and those of comparable listed companies are performed on an annual basis. The proposed fee structure for Zeder's financial year ending 28 February 2020, is set out in the table below:

	Proposed annual remuneration[1] Feb 2020 R	Actual annual fee Feb 2019 R
Board		
Chairman fee[2]	**500 000**	
Member	**275 000**	250 000
Audit and Risk		
Chairman fee	**192 500**	175 000
Member	**165 000**	150 000
Remuneration		
Chairman fee	**82 500**	75 000
Member	**55 000**	50 000

[1] *No fees are payable in respect of the Zeder Social and Ethics Committee.*

[2] *Previously the Chairman Fee was included in the PSG Strategic Input Fee, therefore no Chairman Fee was approved by the shareholders at the 22 June 2018 AGM.*

Zeder also pays all reasonable travelling and accommodation expenses incurred by non-executive directors to attend board and committee meetings.

4.3 Non-executive directors do not have any employment contracts, nor receive any benefits associated with permanent employment and do not participate in Zeder's share incentive scheme.

REMUNERATION REPORT

IMPLEMENTATION REPORT

The remuneration committee is satisfied that Zeder complied with the remuneration policy and has implemented a remuneration policy, which has been approved by the board and shareholders.

1. EXECUTIVE DIRECTORS' BASE SALARY

1.1 Base salary

The base salaries of executive management were benchmarked to both local and international best remuneration practices. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes to ensure that remuneration is market-related. Base salary increases were awarded based on inflation, except where there were changes in responsibilities and roles or aforementioned benchmarking warranted higher increases.

To help drive a long-term focus and decision-making with the ultimate objective of shareholder wealth creation, thereby better aligning the interests of management with those of shareholders and other stakeholders, the executives no longer qualify for short-term bonuses. Therefore, their short-term remuneration comprises only a fixed base salary, payable in cash, which is comparable to the remuneration practices of certain other JSE-listed investment holding companies in the financial services sector.

The table below provides information on the total remuneration of Zeder's executive directors:

	Short-term remuneration				Long-term remuneration	
	Base salary					
Audited	Approved base salary R'000	Deferred for 12 months[1] R'000	Prior year deferred paid R'000	Paid during the year[2] R'000	Non-cash gains from exercise of share options[3] R'000	Total remuneration R'000
28 February 2019						
N Celliers	**7 208**	**(2 162)**	**2 190**	**7 236**	**2 899**	**10 135**
JH le Roux	**4 500**	**(1 350)**	**1 208**	**4 358**	**47**	**4 405**
	11 708	**(3 512)**	**3 398**	**11 594**	**2 946**	**14 540**
28 February 2018						
N Celliers	6 800	(2 040)		4 760	1 957	6 717
JH le Roux	3 750	(1 125)		2 625	855	3 480
	10 550	(3 165)	–	7 385	2 812	10 197

1 *30% of the executive director's annual base salary was deferred for a period of 12 months, and is payable in monthly contributions in the ensuing year. This was the first year that the prior year's deferred portion was paid over to the respective executive directors. The deferred payments carry interest at the SARS official rate to compensate for loss in time value of money and is subject to malus/clawback provisions which could lead to the repayment by the executive director of the deferred component of the salary amount received during the preceding 12 months. Included in the total cost-to-company, are minor deductions made to group life cover, membership to a retirement fund and membership to a medical aid scheme (where applicable).*

2 *To help drive a long-term focus and decision-making with the ultimate objective of sustainable shareholder wealth creation, thereby better aligning the interests of management with those of shareholders and other stakeholders, the executives no longer qualify for short-term discretionary bonuses.*

3 *Share options exercised during the year represented the share options that became exercisable on 28 February 2018 and, that were exercised within the approved exercise window.*

REMUNERATION REPORT

1. EXECUTIVE DIRECTORS' BASE SALARY continued

1.1 Base salary continued

The base salary is guaranteed annual pay on a cost-to-company basis and subject to annual review and adjustments are effective 1 March of each year, coinciding with the commencement of Zeder's financial year.

With effect from 1 March 2017, the payment of 30% of the executive's annual base salary is deferred for a period of 12 months, with such payment subject to:

- The executive being in Zeder's service 12 months later, thereby serving as a retention mechanism in addition to the share incentive scheme detailed below (non-financial indicator).

The average base salary increases (as approved by the remuneration committee) for Zeder employees for the Zeder financial year ending 28 February 2019, are set out in the table below:

	2019 Increase %
CEO	**6,0**
FD	**20,0**
All other support staff	**8,0**

1.2 Benchmarking

Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes to ensure that remuneration is market related.

For this purpose, PwC's most recent *Executive directors: Practices and remuneration trends report* (published in July 2018) containing comprehensive independent market research on the remuneration of executive directors was, among other, consulted.

1.3 Performance bonus

Although the executives no longer qualify for short-term bonuses, all other support staff remain eligible for performance bonusses, subject to meeting company (financial indicator) and personal key performance objectives (non-financial indicator). Such performance bonuses amounted to approximately R0,6m (2018: R0,6m) in total for the year ended 28 February 2019.

2. EXECUTIVE DIRECTORS' SHARE OPTIONS

In terms of the share incentive scheme, Zeder share options are awarded to executives with the primary objectives of retaining their services and aligning their interests with those of shareholders, being long-term sustainable value creation through a combination of share price appreciation and the payment of dividends.

Share options were awarded in line with the remuneration policy and stipulated allocation levels. The remuneration committee reviewed the performance of individuals against the target criteria and approved the vesting thereof where target criteria were met.

2.1 Awarding and vesting of share options

The share options awarded during the year were subject to the following conditions:

- the participant achieving personal key performance measures (for all executives and financial and investment support staff); and
- executive directors meeting the minimum shareholding requirement (for 28 February 2019, the minimum shareholding requirement is only applicable to the CEO, being 300% of the value of his/her base salary).

The table below set out the share option award conditions, as well as the allocation factors used, as at 28 February 2019:

	Allocation factor	Personal key performance measures	Minimum shareholding requirement
CEO	**10**	✓	✓
FD	**8**	✓	**n/a**

The share options exercised during the year represented the share options that became exercisable on 28 February 2018 (awarded prior to 28 February 2018), thus the following two vesting conditions were applicable:

- share price growth; and
- continued employment.

Share options forfeited during the year were with regards to share options that became exercisable on 28 February 2018, but due to the fact that these share options were out-of-the-money during the exercisable window, the participants did not exercise the share options in line with the aforementioned vesting conditions.

2. EXECUTIVE DIRECTORS' SHARE OPTIONS continued

2.2 Unvested existing share options

The table below provides information on Zeder's executive directors' unvested share options:

Audited	Number of share options as at 28 Feb 2018	Number of share options during the year			Market price per share on vesting date R	Strike price per share R	Date granted	Number of share options as at 28 Feb 2019	Cost to participant at vesting price R	Market value to participant as at 28 Feb 2019 R	Unrealised gains to participant as at 28 Feb 2019 R
		Granted	Vested/ Exercised[1]	Forfeited[2]							
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Trust											
N Celliers	337 837		**(337 837)**		**4,70**	**3,33**	**28/02/2013**				
	2 496 950		**(1 248 476)**		**4,70**	**4,10**	**28/02/2014[3]**	**1 248 474**	**5 118 743**	**5 281 045**	**162 302**
	393 969			**(131 323)**		**7,71**	**28/02/2015**	**262 646**			
	789 990			**(197 497)**		**4,97**	**29/02/2016**	**592 493**			
	1 792 402					**7,29**	**28/02/2017**	**1 792 402**			
	4 016 442					**6,41**	**28/02/2018**	**4 016 442**			
		6 468 828				**4,36**	**28/02/2019**	**6 468 828**			
	9 827 590	**6 468 828**	**(1 586 313)**	**(328 820)**				**14 381 285**	**5 118 743**	**5 281 045**	**162 302**
JH le Roux	304 878					**4,10**	**28/02/2014**	**304 878**	**1 250 000**	**1 289 634**	**39 634**
	97 276			**(32 426)**		**7,71**	**28/02/2015**	**64 850**			
	279 835					**4,97**	**29/02/2016**	**279 835**			
	1 787 037					**7,29**	**28/02/2017**	**1 787 037**			
	2 319 528					**6,41**	**28/02/2018**	**2 319 528**			
		3 503 451				**4,36**	**28/02/2019**	**3 503 451**			
	4 788 554	**3 503 451**	**–**	**(32 426)**				**8 259 579**	**1 250 000**	**1 289 634**	**39 634**
Total	14 616 144	**9 972 279**	**(1 586 313)**	**(361 246)**				**22 640 864**	**6 368 743**	**6 570 679**	**201 936**
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust[4]											
N Celliers	6 096		**(6 096)**		**233,00**	**61,50**	**28/02/2013**				
	4 054		**(2 028)**		**233,00**	**83,23**	**28/02/2014**	**2 026**	**168 624**	**526 314**	**357 690**
	7 399		**(2 467)**		**233,00**	**136,84**	**28/02/2015**	**4 932**	**674 895**	**1 281 235**	**606 340**
	7 341		**(1 835)**		**233,00**	**178,29**	**29/02/2016**	**5 506**	**981 665**	**1 430 349**	**448 684**
	24 890	**–**	**(12 426)**	**–**				**12 464**	**1 825 184**	**3 237 898**	**1 412 714**
JH le Roux	3 467		**(867)**		**233,00**	**178,29**	**29/02/2016**	**2 600**	**463 554**	**675 428**	**211 874**
Total	28 357	–	**(13 293)**	–				**15 064**	**2 288 738**	**3 913 326**	**1 624 588**

1 *The participants have not yet elected to exercise their right in terms of the provisions of the share incentive schemes to exercise their share options that became exercisable on 28 February 2019. Such right will be exercised within the 180-day exercise window. Share options exercised during the year represented the share options that became exercisable on 28 February 2018 and that were exercised within the approved exercise window.*

2 *Share options forfeited during the year were with regards to share options that became exercisable on 28 February 2018, but due to the fact that these share options were out-of-the-money during the exercisable window, the participants opted not to exercise the share options.*

3 *Included in the 28 February 2014, share option allocation is a once-off allocation of 4 500 000 Zeder Investments Limited share options, which was made to appropriately incentivise the aforementioned director. Retention of the director's services are considered key to Zeder Investments Limited's continued success. During the year under review, 25% (2018: 25%) of these share options vested.*

4 *PSG Group Limited share options granted to participants, relate to the period prior to the Management Fee Internalisation transaction.*

2. EXECUTIVE DIRECTORS' SHARE OPTIONS continued

2.3 Extent of the share incentive scheme

The Zeder shareholders approved the maximum number of Zeder shares that may be utilised for purposes of the share incentive scheme (both in total and on a per individual basis) at a general meeting held on 29 August 2016. The table below depicts the number of shares already utilised until 28 February 2019, as opposed to the maximum number of shares that may be utilised for purposes of all employees:

	Maximum number of shares	Utilised	
		Number	%
Maximum number of shares allowed in total	**173 051 465**	**4 914 897**	**2,8**
Maximum number of shares allowed per individual	**34 610 293**	**4 179 437**	**12,1**

At 28 February 2019, the share incentive scheme had 5 participants, comprising the executives and financial and investment employees.

At 28 February 2019, the total number of share options that had already been awarded but remain unvested amounted to 24 139 026, representing 1,4% of Zeder's total number of shares in issue (net of treasury shares). However, assuming that all share options are settled on a net-equity basis going forward in accordance with the recent changes introduced to Zeder's Remuneration Policy by the remuneration committee, the dilution to Zeder's shareholders should be significantly less than the aforementioned 1,4%.

2.4 Loan funding provided prior to 28 February 2018

Zeder's executive directors and their associated entities have loan funding payable to Zeder and its subsidiaries in terms of i) the share incentive scheme, and ii) funded investments in terms of agreements.

It should be noted that the remuneration committee has prudently decided that no new loan funding be granted for the foreseeable future, while existing loan funding will be phased out in accordance with the existing loan repayment terms.

2.4.1 *Share incentive scheme funding*

The terms pertaining to such funding are set out in paragraph 3.4.6 of the Remuneration Policy.

Executive directors

The table below provides the outstanding non-recourse loan balances and related security cover (i.e. value of Zeder and other shares ceded and pledged as security for such loans expressed as a percentage of the non-recourse loan balances outstanding) of the executive directors as at the reporting date:

As at 28 February 2019	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**21,1**	**94,5**	**125,9**
JH le Roux	**5,3**	**92,4**	**122,1**

2. EXECUTIVE DIRECTORS' SHARE OPTIONS continued

2.4 Loan funding provided prior to 28 February 2018 continued

2.4.1 *Share incentive scheme funding continued*

The significant decline in the South African companies' share prices, especially those exposed to the underlining consumer economy, and the 34,7% decline in the JSE Food Producer's index for the period under review, resulted in a decline in Zeder's share price. In accordance with the Zeder SIT trust deed, the Trustees conditionally waived the minimum-security cover ratio (currently 1,5) for the existing loans. The applicable threshold for the loan to value cover ratio will remain subject to the Trustees' discretion and the Trustees, in conjunction with Zeder, will continuously monitor the cover ratio in respect of the existing loans and can revoke the waiver at any time.

Zeder employees (excluding the executive directors)

As at 28 February 2019, there are no outstanding loan balances to financial and investment employees.

2.4.2 *Other loan funding*

During April 2013, a wholly owned subsidiary of PSG Group Limited ("**PSG Group**") (Zeder's ultimate holding company) advanced loan funding of R9,9m for a period of seven years to a related party of the CEO of Zeder, who was then employed by a PSG Group subsidiary. Such loan funding was utilised by the related party to acquire 2 635 933 Zeder shares ("**Funded Shares**") in the open market, thereby creating an additional mechanism whereby the interests of the CEO were further aligned with those of shareholders. After the internalisation of the management fee, a wholly owned subsidiary of Zeder acquired the loan, amounting to R12,6m. The loan carries interest at prime less 1%, is secured by the Funded Shares, and is repayable during 2020. Any Zeder dividends received by the related party in respect of the Funded Shares are utilised toward the settlement of the outstanding loan.

The table below provides the outstanding loan balance and related security cover as at the reporting date:

As at 28 February 2019	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**15,2**	**73,5**	**98,0**

3. NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of non-executive directors is reviewed annually by the Zeder Exco and thereafter referred to the remuneration committee, which seeks to ensure that fees are market related considering the nature of the Zeder group's operations. The approval of the non-executive director's remuneration is subject to approval by the Zeder shareholders.

The remuneration committee has recommended, and the board has endorsed such recommendation, for approval of the payment to the non-executive directors of the company, as set out in the table below:

Audited	Total paid 2019 R'000	Total paid 2018 R'000
Non-executive		
GD Eksteen	**450**	268
WL Greeff[1]		
RM Jansen[2]		
ASM Karaan	**300**	200
N Mjoli-Mncube	**400**	258
JF Mouton[1,2]		
PJ Mouton[1]		
CA Otto	**500**	328
	1 650	1 054

1 *These directors do not receive any emoluments for services rendered to the company and only receive emoluments from PSG Corporate Services Proprietary Limited ("PSGCS") for services rendered to PSG Group Limited and its investee companies (including the Zeder group). The Zeder group pays a strategic fee to PSGCS for services rendered to the company. These directors' remuneration is disclosed in PSG Group Limited's annual report.*

2 *Mr RM Jansen was appointed 29 January 2019, and JF Mouton retired 20 November 2018.*

The non-executive directors receive no other remuneration or benefits beside directors' fees, except for reasonable travelling and accommodation expenses incurred by non-executive directors to attend board and committee meetings. The fee is not dependent on attendance at board and board committee meetings.

SOCIAL AND ETHICS REPORT

SOCIAL AND ETHICS REPORT

The Social and Ethics Committee ("**the social and ethics committee**") is a statutory committee which assists the board in overseeing and reporting on Zeder's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships. This report by the social and ethics committee is prepared in accordance with the requirements of the Companies Act of South Africa, 71 of 2008 (as amended) ("**the Companies Act**") and the King IV Report on Corporate Governance™ for South Africa, 2016 ("**King IV**™"), and describes, *inter alia*, how the social and ethics committee has discharged its statutory duties in terms of the Companies Act, and its additional duties assigned to it by the board in respect of the financial year ended 28 February 2019.

The social and ethics committee, which comprises the members of the Exco and Mr CA Otto (chairman and non-executive director), is responsible for monitoring the company's activities, having regard to any relevant legislation, legal requirements and prevailing codes of best practice with matters relating to, *inter alia*:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationships
- Labour and employment

Each investee company has its own social and ethics committee to monitor the investee's activities with regards to the best practices.

ROLE AND RESPONSIBILITIES

The main objectives of the social and ethics committee are to assist the board in monitoring the group's performance in respect of role of oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. This is done by, *inter alia*, monitoring the sustainable development practices of the group, thereby assisting the board in achieving its values of doing business ethically and sustainably.

The social and ethics committee is responsible for developing and reviewing the group's policies about the commitment, governance and reporting of the group's sustainable development performance and for making recommendations to management and/or the board in this regard.

The social and ethics committee is accountable to the board and must submit reports to the board of its meetings, including any recommendations it may wish to make, provided that the social and ethics committee is accountable to the shareholders about its statutory duties.

The effectiveness of the social and ethics committee is assessed as part of the annual board and committee self-evaluation process.

The social and ethics committee is satisfied that it has fulfilled all its duties during the year under review. Furthermore, the committee is satisfied with the social and ethics aspects pertaining to the Zeder group, with details of its corporate social investment initiatives set out on pages 54 to 57 of this annual report.

Chris Otto
Chairman
12 June 2019
Stellenbosch

CORPORATE SOCIAL INVESTMENT

As a good corporate citizen with the best interest of our country and its people at heart, the Zeder group contributes significantly to society. Enclosed is some of the corporate social investment ("**CSI**") initiatives undertaken by its underlying investments. Although this is not a comprehensive list, it illustrates our dedication to making South Africa a better place.

Zeder's CSI initiatives covers a broad spectrum of society and can be summarised as follows:

- Education
- Skills development
- Sustainable use of the environment
- Community outreach

EDUCATION

- The Pioneer Foods PFECT Bursary Programme supports historically disadvantaged students in high school and tertiary institutions (in fields of food science, accounting, engineering and marketing). In 2018, approximately 55 students were bursary recipients from this programme. Some of the students have gone on to receive in-service training from Pioneer Foods, post their studies.
- In Zambia, Zaad supports the Nayamba Trust School in Chisamba for under-priviledged children where around 350 children are benefiting. The support involves running a program to make the school economically self-sustainable. Zaad also supports 200 families in the Siavonga area and 70 blind people in the Masaiti community through support programs.
- Through Scicorp, Zaad is involved in a Molecular Biology awareness campaign for all high schools in the Pietermaritzburg area. Matric Biology scholars are treated to a hands-on DNA extraction experience at our laboratory, to coincide with their curriculum. This drive has been in place for 3 years, to encourage scholars to follow a career in Natural Science. The company also works with the African Centre for Crop Improvement, funded by Alliance for a Green Revolution in Africa, to introduce Molecular Plant Breeding to all their PhD plant breeding students. A chapter in their final thesis is dedicated to Molecular Plant Breeding. SciCorp performs the research, testing and training for their write-up at a reduced rate. This initiative has been in place since 2014 with over 20 successful Doctorates.
- Capespan provides early language and literacy development of children from historically disadvantaged communities in South Africa, in partnership with Wordworks and SmartStart. On 30 May 2018, a new literacy and community Centre opened in Citrusdal, in collaboration with Cool Fresh International. The centre is located adjacent to an informal settlement in a low-cost housing residential area. The centre aims to fill the gap of a meeting venue for small community groups such as adult literacy training and lifestyle skills workshops.
- Support is provided to the local Grabouw primary and secondary schools to ensure that these schools retain its quality levels of education in this area. During 2018, long-term development programmes were rolled out by Capespan which includes education community best practice, thinking schools and training of both Primary and Secondary school teachers as well as grade 11 and 12 learners.
- Bursaries to the value of R0,5m were awarded to Capespan employees and/or their children, for the purposes of furthering their studies in their respective fields. 54 Learnerships were awarded during the year, to the value of R1,2m to previously disadvantaged or disabled learners. R0,1m were granted to Grabouw Primary and Grabouw High School, Dennegeur Primary School and Agter Witzenberg Primary School for youth development, Teaching Staff Advanced TSSA "Thinking Maps" Education/CAPS Skills development phase 2 and Grades 1 – 10 needy Learner education support.
- Capespan Namibia donated N$0,5m from funding made available annually for local socio-economic development in the Karas Region, which includes 80 bursaries to needy, but academically deserving Secondary School Learners. A number of grants are made annually towards education in Namibia, specifically the 73 Secondary School bursaries granted to needy, but academically deserving Secondary School Learners. During 2018 these bursaries amounted to N$0,14m.

CORPORATE SOCIAL INVESTMENT

- Kaap Agri, through the Kaap Agri Academy, runs a farmer development programme that empowers emerging farmers and farmworkers. The academy presents three learnership programmes:

  a) a programme in Mixed Farming at NQF level 2, wherein which 20 students were enrolled and 19 students were found competent;

  b) a programme in Animal Production at NQF level 3, wherein which 23 students were enrolled and 22 students were found competent; and

  c) a programme in Plant Production at NQF level 3, wherein which 16 students were enrolled and 15 students were found competent.

  Kaap Agri's investment to the Academy during the year was approximately R3m.

- During the year, Kaap Agri welcomed 60 female high school learners to the launch of their inaugural Young Starts Programme, run in partnership with Technogirl Trust. The programme is aimed to provide them with job shadowing opportunities, career guidance and mentorship over a period of three years. The programme focuses on breaking down the gender stereotypes that prevent women from entering the formal economy.
- During the year Kaap Agri sponsored 46 high school learners, by means of bursaries amounting to R1,3m at the Boland Landbou Agricultural School near Paarl. Additionally, a further two students were supported to further their studies at university.
- The Kaap Agri Bedryf Employee and farmworker BEE Trust assisted the Dennegeur NGK Primary School in Grabouw with a donation of R0,1m for repairs and the provision of basic facilities, such as basins in toilets, pathways, providing playground facilities, shelter to protect the learners from inclement weather conditions, as well as painting the entire school in respect of which the local community, the parent body and the learners themselves became involved.
- Quantum Foods made a contribution of R0,8m during the year to FoodForward SA. Foodforward SA collects surplus food from manufacturers, wholesalers and retailers, and redistributes the food to verified non-profit organisations.
- Quantum Foods currently supports three students studying towards an agricultural qualification at the Elsenburg Agricultural College.
- Quantum Foods has been involved in the 'adoption' of a primary school, situated close to their headquarters in Wellington. The group provided the school with funding up to R1,25m during the year. In addition, through its Social Club, the school was involved in several of its social activities.
- Quantum Foods is passionate about education and as such provided funding of R0,5m to the Khula Development – an initiative that aims to integrate at-risk children back into the school system.
- Agrivision sponsors one student to study an Accountancy program at Copperbelt University.

CORPORATE SOCIAL INVESTMENT

SKILLS DEVELOPMENT

- Life-skills development (wellness) programme for Farm workers on Capespan Farms in the Northern Cape was granted R0,1m.
- Capespan funded various skills development programmes aimed at equipping participants selected by gold Youth Development Agency communities, to acquire the necessary skills to take up a 9 month job contract within the WCED Peer Education programme as care and support assistants in low fee paying high schools as well as fork-lift training for 24 employees.
- All the 195 Employees at the Agrivision mill received Hygiene and OHS training as part of the requirements under FSSC22000. Part of the permanent employees received training in First Aid, Fire Safety and safe handling of Plant Protection Products. One manager was sent for training in Global G.A.P standards in Kenya. Another manager and 7 junior staff were trained locally in pivot operation. Senior and junior management employees were trained in the ISO 22000:2018 Food safety management implementation.
- During the period under review, a total of 365 permanent employees and 120 casuals representing 40% seasonal employees were trained in Occupational Health & Safety and Hygiene through Agrivision.

SUSTAINABLE USE OF THE ENVIRONMENT

- Pioneer Foods provided financial assistance of R2,6m for the initiatives of the Mbekweni Youth Centre. Mbekweni Youth Centre, aimed at improving academic performance, life skills, health, wellness and sport and youth economic development.
- Through its Siyasizana programme, the Bakeries division within Essential Foods of Pioneer Foods incentivises the collection of bread bags which is then recycled. Since inception, 2 936 day care centres have been assisted through the collection of approximately 6m bags.
- In South Africa, Zaad has supported social programs with seed supplies without compensation to the value of R3,0m. These were mainly for drought relief programs, seed development and food programs.
- Agrivision Africa took part in organising the World Environment Day which was held on 5 June 2018 under the theme "Beat Plastic Pollution for a Clean and Green Zambia".

CORPORATE SOCIAL INVESTMENT

COMMUNITY OUTREACH

- The Pioneer Foods School Breakfast Nutrition Programme provides breakfast cereals, along with bowls and spoons, to more than 26 000 learners in 29 schools across South Africa, on a daily basis.
- In collaboration with the Northern Cape Department of Health, Capespan engaged in a pro-active attempt to combat the deterioration of the public sector primary health care provided to the farm worker community. Since inception, a professional nurse has been appointed who rotates between Capespan's 8 farms rendering occupational health, preventative as well as primary healthcare to some 2 000 permanent workers annually. In the current year the services were extended to include a pre-season screening campaign to assist Capespan nurses with the influx of migrant farm workers arriving on Capespan Farms located in the Augrabies/Blouputs region.
- Capespan Supplements the services provided by the Eastern Cape Department of Health's mobile clinic. A professional nurse visits the Eastern Cape farms every second week in an effort to maintain and attend to the basic health of farm workers in the area.
- The establishment of Farm Community Clinics on all the Capespan Farms. During the year, the facilities on Valam, Omdraai, Oorkant as well as the Norriseep Farms were completed.
- From 2017, fortified porridge is supplied to all pre-school children attending the 6 Northern Capespan Farms Pre-School centres.
- Distribution of personal hygiene hampers to female workers on 8 Capespan Farms as well as refreshments to Kakamas hospital staff.
- The 2018 blue hand sport development programme included distribution of full soccer team kits, trophies and cash prices to the Capespan Northern Cape and Capespan's Groot Patrysvlei farmworker teams.
- Cadiz/Inyosi are specialist investment funds which focus on providing funding and ancillary support to black-owned businesses. Capespan provides loan funding to companies with a minimum of 3 to 5-year track record, more than 51% black owned and with a turnover of less than R50m. During the year, a R0,1m contribution was made.
- Symphonia is a National NPO and Public benefit organisation with a vision to mobilise business, government and civil society to work collaboratively towards meeting the educational challenges facing South Africa. Capespan awarded a financial grant of R0,1m to the NPO during the year.
- Kaap Agri was a founder member of the Porterville Community Association and plays a major role in ensuring the sustainability of the project. The association has been supporting those in dire need for 14 years. Currently, Kaap Agri representatives serve on the committee and provide support in respect of the detailed co-ordination required, as well as all administrative duties to ensure that the project runs smoothly. The Porterville Primary and High Schools, the local old age home, the Western Cape Government Social Services Department ACVV Huis Nerina, and Badisa, a social services organisation, were the 2018 beneficiaries of a total amount of R0,1m.
- The Kaap Agri Employee and Farmworker Trust provides loans to qualifying employees through a revolving housing loan fund, repayable within a 12-month period. These loans are commonly used for building security/perimeter walls around properties as well as installing basic security features to the homes of our employees. During 2018, year a total amount of R0,4m was distributed for home loans.
- Agrivision makes monthly donations of white bread flour to an orphanage (Itimpi Mission) in Kitwe. The group also made a donation of linen and food items to the women and children's ward at the government hospital (Kitwe Central Hospital) as a way of fighting malnutrition.
- Quantum Foods contributed R0,5m towards the 2nd Harvest's Vita Kidz programme. This programme ensures that the nutritional needs of junior learners are met by providing them with daily meals.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements comprise a summary of the audited consolidated annual financial statements of Zeder Investments Limited ("**Zeder**") for the year ended 28 February 2019.

The consolidated annual financial statements, including the summary consolidated financial statements were compiled under the supervision of the group financial director, Mr JH le Roux, CA(SA), and have been audited by PricewaterhouseCoopers Inc.

The annual consolidated financial statements, including the unmodified audit opinion, are available on Zeder's website at *www.zeder.co.za,* or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Zeder Audit and Risk Committee ("**the committee**") is an independent statutory committee appointed by the board of directors in terms of section 94 of the Companies Act of South Africa, 71 of 2008 (as amended) ("**the Companies Act**"). The committee also acts as the statutory audit committee of public company subsidiaries that are legally required to have such a committee.

The committee performed the following duties in respect of the year under review:

- Satisfied itself that the external auditor is independent of Zeder, as set out in section 94(8) of the Companies Act, and suitable for re-appointment by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("**JSE Listings Requirements**").
- Ensured that the appointment of the external auditor complied with the Companies Act and, any other legislation relating to the appointment of an auditor.
- In consultation with management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2019 financial year.
- Approved the nature and extent of non-audit services that the external auditor may provide.
- Nominated for re-election at the annual general meeting, PricewaterhouseCoopers Inc. as the external audit firm.
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements.
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that Zeder be regarded as a going concern.
- Reviewed the formal policy for and calculation of Zeder's ordinary dividend proposed at year-end, and recommended it to the board of directors for approval.
- Reviewed the accounting policies and consolidated annual financial statements, including the summary thereof contained in this annual report, for the year ended 28 February 2019 and, based on the information provided to the committee, considers that the company and group complies, in all material respects, with the requirements of International Financial Reporting Standards ("**IFRS**"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act; and the JSE Listings Requirements.
- Considered the JSE Limited's ("**JSE**") latest report on the pro-active monitoring of financial statements for compliance with IFRS.
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Zeder financial director, as well as the group finance function, has the appropriate expertise and experience.
- Undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

PricewaterhouseCoopers Inc. has served as an external auditor of Zeder Investments Limited for the past 13 years, while the designated external audit partner has served in such capacity for the past 4 years. The committee remains satisfied with the quality of the external audit performed by PricewaterhouseCoopers Inc., however, the potential early adoption of mandatory audit firm rotation, as set out in the rules of the Independent Regulatory Board of Auditors, is currently receiving the committee's attention.

Chris Otto
Chairman
16 April 2019
Stellenbosch

APPROVAL OF THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and to prepare consolidated annual financial statements that fairly represent the state of affairs and the results of the company and group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the consolidated annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal financial controls. Such controls provide assurance that the company and group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements have been prepared in accordance with IFRS; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act; and the JSE Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

The summary consolidated financial statements were derived from the consolidated annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act. Reading these summary consolidated financial statements, therefore, is not a substitute for reading the consolidated annual financial statements of Zeder Investments Limited.

The audit and risk committee meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the committee.

The consolidated annual financial statements, including the summary consolidated financial statements, are prepared on the going-concern basis, since the directors have every reason to believe that the company and group have adequate resources to continue for the foreseeable future.

The consolidated annual financial statements, including the summary consolidated financial statements set out on pages 65 to 79 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

Chris Otto
Chairman
16 April 2019
Stellenbosch

N Celliers
Chief executive officer

JH le Roux
Financial director

DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act of South Africa and that all such returns are true, correct and up to date.

Zeder Corporate Services Proprietary Limited
Per: L van der Merwe
Company secretary
16 April 2019
Stellenbosch

DIRECTORS' REPORT

OVERVIEW

Zeder Investments Limited ("Zeder") is an investor in the broad agribusiness and adjacent industries, with a historical focus on the food and beverage sectors.

OPERATING RESULTS

The operating results and state of affairs of the group are set out in the attached summary consolidated income statements and summary consolidated statements of financial position, comprehensive income, changes in equity and cash flows, as well as the the notes to the aforementioned.

Noteworthy transactions

- During the year, Capespan Group Limited ("**Capespan**") disposed of its entire shareholding in the Joy Wing Mau Group in China. Net cash of R988m was received and this enabled Capespan to inject capital into its core fruit and farming divisions and reduce debt levels.
- Furthermore, Capespan separated and unbundled its logistics division on 2 January 2019, and this division now operates independently as The Logistics Group Proprietary Limited ("**The Logistics Group**"). The fruit and farming operations remain within Capespan. Zeder also transferred its investment in the logistics application business, The Logistic Company Proprietary Limited, to The Logistics Group, to ensure The Logistics Group benefits from the logistics-related technology developed within.

Sum-of-the-Parts ("SOTP")

- Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 28,2% during the reporting period to R5,64 as at 28 February 2019 (2018: R7,85).

Earnings performance

- *Recurring* headline earnings per share of 27,7 cents (2018: 27,6 cents) in line with prior year mainly due to a recovery in earnings from most of its underlying investee companies, except for Capespan.
- Headline earnings per share increased by 81,9% to 45,1 cents mainly due to the upward fair value adjustment reflecting the disposal value of Capespan's investment in Joy Wing Mau.
- Attributable earnings per share decreased by 64,9% to 5,2 cents mainly due to the significant impairment charge recognised by Zeder on its associate investment Pioneer Foods, following the decline in its share price.
- Profit for the year amounted to R121,8m (2018: R208,4m), while the earnings attributable to equity holders of the group amounted to R89,2m (2018: R253,9m).

STATED CAPITAL

No ordinary shares were issued or purchased and cancelled during the year under review.

During the prior year 15 335 527 ordinary shares were purchased in the open market at an average price of R6,13 per share, in accordance with the general authority obtained from its shareholders at the annual general meeting on 23 June 2017 and cancelled these shares with JSE obtained approval.

During the prior year, treasury shares, allocated to executive directors in terms of a share incentive scheme, were recognised on loans granted on or prior to 28 February 2018. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment*.

Details regarding the authorised and issued share capital, as well as the treasury shares, are disclosed in the notes to the consolidated annual financial statements.

DIRECTORS' REPORT

Audited	Total 2019 '000	Total 2018 '000
In issue *(gross of treasury)*	**1 715 179**	1 715 179
Held by share incentive trust	**(5 001)**	(5 001)
Held by executives through loan funding advanced	**(8 299)**	(8 299)
In issue *(net of treasury)*	**1 701 879**	1 701 879

DIVIDENDS

On 16 April 2019, the company declared a final dividend of 11,0 cents (2018: 11,0 cents) per share from income resources in respect of the year ended 28 February 2019, which was paid on 13 May 2019.

DIRECTORS

Details of the company's directors at the date of this report appear on page 5.

DIRECTORS' EMOLUMENTS

Details of directors' emoluments appear in the remuneration report on pages 43 to 50.

PRESCRIBED OFFICERS

Members of the Zeder Executive Committee ("**Exco**") are regarded as being the prescribed officers of the company. The Exco comprises Messrs N Celliers (Chairman), JH le Roux (Financial director), WL Greeff, JF Mouton (until 20 November 2018) and PJ Mouton. Messrs N Celliers and JH le Roux's remuneration is detailed in the remuneration report on page 43. All other Exco members' remuneration is disclosed in PSG Group Limited's annual report. The duties and responsibilities of the Exco are set out in the corporate governance section on page 27 of this annual report.

DIRECTORS' SHAREHOLDING

	Beneficial		Non-beneficial	Total shareholding 2019		Total shareholding 2018[1]	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	**Number**	**%**
N Celliers		**7 340 499**		**7 340 499**	**0,429**	7 253 114	0,424
JH le Roux		**1 045 838**		**1 045 838**	**0,061**	1 045 838	0,061
GD Eksteen		**6 427 512**	**506 073**	**6 933 585**	**0,405**	6 933 585	0,405
WL Greeff		**80 000**		**80 000**	**0,005**	80 000	0,005
N Mjoli-Mncube	**48 983**			**48 983**	**0,003**	48 983	0,003
CA Otto			**80 000**	**80 000**	**0,005**	80 000	0,005
	48 983	**14 893 849**	**586 073**	**15 528 905**	**0,908**	15 441 520	0,903

[1] During the prior year, Mr JF Mouton donated his ordinary shares to the Jannie Mouton Foundation. These shares were still held by the Foundation at the reporting date. Mr JF Mouton retired on 20 November 2018.

All or part of the above shares, held by the executive directors, serve as security for loans granted to them with regards to the share options allocated to executive directors, in terms of a share incentive scheme, on or before 28 February 2018.

There has been no changes in the shareholding of directors between year-end and the date of this report.

Also refer to the shareholder analysis included in Annexure A, on page 79 of this annual report.

INDEPENDENT AUDITOR'S REPORT ON SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF ZEDER INVESTMENTS LIMITED

OPINION

The summary consolidated financial statements of Zeder Investments Limited, set out on pages 65 to 78 of the Zeder Investments Annual Report 2019, which comprise the summary consolidated statement of financial position as at 28 February 2019, the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of Zeder Investments Limited for the year ended 28 February 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated annual financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated annual financial statements in our report dated 16 April 2019. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
16 April 2019
Stellenbosch

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2019

Audited	Feb 19 Rm	Feb 18 Rm
Assets		
Non-current assets	**9 492**	10 298
Property, plant and equipment	**1 699**	1 626
Intangible assets	**669**	606
Biological assets (bearer plants)	**426**	406
Biological assets (agricultural produce)	**15**	
Investment in ordinary shares of associates and joint ventures	**6 291**	6 636
Loans to associates and joint ventures	**166**	136
Equity securities	**30**	688
Loans and advances	**79**	100
Deferred income tax assets	**74**	61
Employee benefits	**43**	39
Current assets	**3 300**	3 103
Biological assets (agricultural produce)	**151**	152
Loans to associates and joint ventures	**6**	
Inventories	**1 218**	1 286
Loans and advances	**16**	38
Trade and other receivables	**1 416**	1 274
Current income tax assets	**60**	27
Cash, money market investments and other cash equivalents	**433**	326
Non-current assets held-for-sale (note 5)	**1**	7
Total assets	**12 793**	13 408
Equity and liabilities		
Ordinary shareholders' equity	**8 096**	8 269
Non-controlling interests	**316**	327
Total equity	**8 412**	8 596
Non-current liabilities	**2 101**	2 276
Deferred income tax liabilities	**93**	222
Borrowings	**1 880**	1 939
Derivative financial liabilities	**25**	24
Employee benefits	**103**	91
Current liabilities	**2 280**	2 536
Borrowings	**1 192**	1 428
Derivative financial liabilities	**1**	15
Trade and other payables	**993**	994
Current income tax liabilities	**31**	34
Employee benefits	**63**	65
Total liabilities	**4 381**	4 812
Total equity and liabilities	**12 793**	13 408
Net asset value per share (cents)	**475,7**	485,8
Tangible asset value per share (cents)	**436,4**	450,2

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2019

Audited	Feb 19 Rm	Feb 18 Rm
Revenue	**7 641**	8 485
Cost of sales	**(6 154)**	(6 996)
Gross profit	**1 487**	1 489
Income		
Change in fair value of biological assets	**194**	195
Investment income	**90**	77
Net fair value gains	**469**	45
Other operating income	**34**	116
Total income	**787**	433
Expenses		
Marketing, administration and other expenses	**(1 734)**	(1 671)
Reversal of impairment/(impairment) of trade and other receivables	**6**	
Total expenses	**(1 728)**	(1 671)
Net income from associates and joint ventures		
Share of profits of associates and joint ventures	**636**	472
Impairment of associates and joint ventures (note 2)	**(647)**	(1)
Net gain/(loss) on dilution of interest in associates (note 2)	**21**	(29)
Net income from associates and joint ventures	**10**	442
Profit before finance costs and taxation	**556**	693
Finance costs	**(324)**	(289)
Profit before taxation	**232**	404
Taxation	**(110)**	(196)
Profit for the year	**122**	208
Profit attributable to:		
Owners of the parent	**89**	254
Non-controlling interests	**33**	(46)
	122	208
EARNINGS PER SHARE AND NUMBER OF SHARES IN ISSUE		
Earnings per share (cents)		
Recurring headline	**27,7**	27,6
Headline (basic) (note 2)	**45,1**	24,8
Headline (diluted)	**43,6**	23,7
Attributable (basic)	**5,2**	14,8
Attributable (diluted)	**3,8**	14,0
Number of shares (m)		
In issue	**1 715**	1 715
In issue *(net of treasury shares)*	**1 702**	1 702
Weighted average	**1 702**	1 717
Diluted weighted average	**1 704**	1 719

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2019

Audited	Feb 19 Rm	Feb 18 Rm
Profit for the year	**122**	208
Other comprehensive loss for the year, net of taxation	**(90)**	(16)
Items that may be reclassified to profit or loss		
Currency translation adjustments	**(48)**	(100)
Share of other comprehensive (loss)/income of associates and joint ventures	**(39)**	64
Items that may not be reclassified to profit or loss		
(Losses)/gains from changes in financial and demographic assumptions of post-employment benefit obligations	**(3)**	20
Total comprehensive income for the year	**32**	192
Attributable to:		
Owners of the parent	**11**	257
Non-controlling interests	**21**	(65)
	32	192

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2019

Audited	Feb 19 Rm	Feb 18 Rm
Ordinary shareholders' equity at beginning of the year	**8 247**	8 291
Previously reported	**8 269**	8 291
Adjustment due to initial application of IFRS 9 (note 1.1)	**(22)**	
Total comprehensive income for the year	**11**	257
Shares purchased and cancelled		(94)
Net movement in treasury shares	**1**	(23)
Transactions with non-controlling interests	**9**	18
Other movements	**16**	10
Dividends paid	**(188)**	(190)
Ordinary shareholders' equity at end of the year	**8 096**	8 269
Non-controlling interests at beginning of the year	**325**	407
Previously reported	**327**	407
Adjustment due to initial application of IFRS 9 (note 1.1)	**(2)**	
Shares issued	**11**	8
Total comprehensive income/(loss) for the year	**21**	(65)
Transactions with non-controlling interests	**(21)**	(5)
Other movements	**2**	2
Dividends paid	**(22)**	(20)
Non-controlling interests at end of the year	**316**	327
Total equity	**8 412**	8 596
Dividend per share (cents)	**11,0**	11,0

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2019

Audited	Feb 19 Rm	Feb 18 Rm
Cash generated from operations (note 3)	**79**	267
Investment income	**385**	342
Finance cost and taxation paid	**(601)**	(297)
Cash flow from operating activities	**(137)**	312
Acquisition of subsidiary (note 4)	**(44)**	
Cash acquired from acquisition of subsidiary (note 4)	**3**	1
Proceeds from disposal of subsidiaries/subsidiaries' operations	**4**	27
Acquisition of associates and joint ventures		(183)
Net loans granted to associates and joint ventures	**(48)**	(52)
Additions to property, plant and equipment	**(177)**	(213)
Proceeds from disposal of property, plant and equipment	**19**	25
Additions to intangible assets	**(116)**	(97)
Acquisition of equity securities	**(1)**	(6)
Proceeds from disposal of equity securities	**1 161**	9
Other	**42**	76
Cash flow from investing activities	**843**	(413)
Capital contributions by non-controlling interests	**6**	4
Shares purchased and cancelled		(94)
Purchase of treasury shares		(27)
Treasury shares sold	**1**	5
Dividends paid to group shareholders	**(188)**	(190)
Dividends paid to non-controlling interests	**(22)**	(20)
Borrowings repaid	**(1 030)**	(1 333)
Borrowings drawn	**651**	1 660
Other	**(11)**	(10)
Cash flow from financing activities	**(593)**	(5)
Net increase/(decrease) in cash and cash equivalents	**113**	(106)
Exchange differences on cash and cash equivalents	**(6)**	10
Cash and cash equivalents at beginning of the year	**326**	422
Cash and cash equivalents at end of the year	**433**	326

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for summary financial statements, and the requirements of the Companies Act, applicable to summary financial statements. The JSE requires summary financial statements to be 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 Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The summary consolidated financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 28 February 2019.

The accounting policies applied in the preparation of the consolidated annual financial statements from which these summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements. However, the group adopted the various revisions to IFRS which were effective for its financial year ended 28 February 2019, but, these revisions have not resulted in material changes to the group's reported results or disclosures in these summary consolidated financial statements, except for the adoption of the new standard IFRS 9 *Financial Instruments* (refer note 1.1).

In preparing these summary group financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2018.

1.1 Adoption of IFRS 9 *Financial Instruments* ("IFRS 9")

IFRS 9 is the new standard governing the classification, recognition and measurement of financial instruments, and replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The year ended 28 February 2019, is the first period during which IFRS 9 was applied, thus the group transitioned to IFRS 9 on 1 March 2018. IFRS 9 was generally adopted without restating comparative information, thus any differences in the carrying amounts of financial instruments will be made to opening retained earnings as at the start of the current financial year, in accordance with the new standard's transitional arrangements. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 28 February 2018, but are recognised in the opening statement of financial position on 1 March 2018.

Classification and measurement:

IFRS 9, *inter alia*, replaces the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value. On 1 March 2018 (the date of initial application of IFRS 9), the group's management has assessed which business models apply to the financial assets and financial liabilities held by the group and has classified its financial instruments into the appropriate IFRS 9 categories. There were no effects with regards to the changes in categories of financial assets and financial liabilities, except for Money market funds classified as fair value through profit and loss.

Change in measurement:

IFRS 9 establishes a new approach for financial assets carried at amortised cost – an "expected credit loss" model that focuses on the risk that a loan or trade debtor will default rather than whether a loss has been incurred. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all loans and receivables.

The group has four types of financial assets that are subject to IFRS 9's new expected credit loss model: loans to associates and joint ventures; loans and advances; trade and other receivables; and cash and cash equivalents. The group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the group's retained earnings and equity is disclosed in the table below. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES continued

1.1 Adoption of IFRS 9 *Financial Instruments* ("IFRS 9") continued

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Statement of financial position *(extract)*	Previously reported 28 Feb 18 Rm	Adjustment due to initial application of IFRS 9 Rm	Restated 1 Mar 18 Rm
Assets			
Investment in ordinary shares of associates and joint ventures[1]	6 636	(3)	6 633
Loans to associates and joint ventures	136	(2)	134
Loans and advances	138	(1)	137
Deferred income tax assets	61	4	65
Trade and other receivables	1 274	(22)	1 252
Total assets	8 245	(24)	8 221
Equity and liabilities			
Ordinary shareholders' equity	8 269	(22)	8 247
Non-controlling interests	327	(2)	325
Total equity	8 596	(24)	8 572

[1] *IFRS 9 also has an impact on the financial assets and liabilities of the group's underlying associates and joint ventures. The equity method of accounting applied in terms of IAS 28* Investments in Associates and Joint Ventures *requires the group to account for its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Due to the aforementioned, an estimation calculation was performed on the adjustment due to the initial application of IFRS 9 on the underlying associates and joint ventures financial assets and liabilities.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

2. HEADLINE EARNINGS

Audited	Feb 19 Rm	Feb 18 Rm
Profit for the year attributable to owners of the parent	**89**	254
Non-headline items	**678**	171
Gross amounts		
Profit on disposal of subsidiaries' operations		(85)
Net (gain)/loss on dilution of interest in associates	**(21)**	29
Impairment of associates and joint ventures	**647**	1
Fair value gain resulting from transfer of associate to equity security		(15)
Non-headline items of associates and joint ventures	**(16)**	7
Impairment of intangible assets and goodwill	**66**	123
Net (profit)/loss on sale and impairment of property, plant and equipment	**2**	10
Other		(1)
Non-controlling interests	**(1)**	(49)
Taxation	**1**	151
Headline earnings	**767**	425

During the year under review, Zeder impaired its investments in two associates, Pioneer Foods and Quantum Foods due to the recent decline in the JSE listed share prices, as well as the goodwill relating to the investment in Agrivision Africa as a result of tough trading conditions in Zambia. During the previous year, the impairment related to computer software at a restructured United Kingdom operation, intellectual property at Klein Karoo Seed Marketing, where there is no foreseeable future commercialisation of the specific seed line, and goodwill at Mpongwe Milling, following two consecutive loss-making years.

During the previous year, the group, through Capespan Group Limited ("Capespan") merged its Asian operations with Golden Wing Mau to form JWM Asia and therefore 70% of its business operations were sold to JWM Asia and Capespan retained a 30% shareholding in JWM Asia.

3. CASH GENERATED FROM OPERATIONS

Audited	Feb 19 Rm	Feb 18 Rm
Profit before taxation	**232**	404
Investment income	**(90)**	(77)
Finance costs	**324**	291
Depreciation and amortisation	**219**	203
Changes in fair value of biological assets	**(194)**	(195)
Net fair value gains	**(425)**	(43)
Profit on disposal of subsidiaries' operations		(85)
Share of profits of associates and joint ventures	**(636)**	(472)
Impairment of associates and joint ventures	**647**	1
Net (gain)/loss on dilution of interest in associates	**(21)**	29
Net (profit)/loss on sale and impairment of property, plant and equipment	**2**	10
Impairment of intangible assets and goodwill	**66**	123
Net harvest short-term biological assets	**105**	60
Other non-cash items	**(4)**	(7)
	225	242
Changes in working capital and other financial instruments	**21**	204
Additions to biological assets	**(167)**	(179)
Cash generated from operations	**79**	267

4. SUBSIDIARIES ACQUIRED

Hygrotech Proprietary Limited ("Hygrotech")

On 1 August 2018, the Group, through Zaad Holdings Limited, acquired 100% interest in Hygrotech for a cash consideration of R43,7m. As reported in the condensed unaudited results for the six months ended 31 August 2018, goodwill of R1m arose due to provisional accounting of the business combination. After finalising the accounting of the business combination, the identifiable net assets acquired increased with R1m, therefore reducing the goodwill previously recognised and in turn accounted for a gain on bargain purchase of R0,3m. Accounting for Hygrotech's business combination has now been finalised.

Sonkwasdrif Proprietary Limited ("Sonkwasdrif")

On 1 December 2018, the Group, through Capespan Group Limited, acquired the remaining 52% interest in the pome farm Sonkwasdrif for a R1 purchase consideration. The goodwill arose due to the fact that the 48% investment in associate was carried at a negative carrying value due to previously recognised losses. This has been subsequently impaired. Previously Sonkwasdrif had a R250m facility with the Land Bank and the Capespan group provided surety for the associate's facility in a maximum amount of R122,5m. The facility and security were settled before the acquisition of Sonkwasdrif. Accounting for Sonkwasdrif's business combination has been finalised.

The summarised assets and liabilities recognised at the acquisition date was:

Audited	Hygrotech Rm	Sonkwasdrif Rm	Total Rm
Identifiable net assets acquired	44	(15)	29
Transfer from investment in ordinary shares of associates		7	7
Goodwill recognised		8	8
Cash purchase consideration	**44**	**–**	**44**
Cash consideration paid	(44)		(44)
Cash and cash equivalents acquired	3		3
Net cash flow for subsidiaries acquired	**(41)**	**–**	**(41)**

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements and the acquisition-related costs expensed were insignificant.

Had Hygrotech been consolidated with effect from 1 March 2018, instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R117,5m and loss after tax of R11,6m.

Had Sonkwasdrif been consolidated with effect from 1 March 2018, instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R10,4m and loss after tax of R5,5m.

5. NON-CURRENT ASSETS HELD FOR SALE

As at 28 February 2019, non-current assets held for sale of R0,6m comprise the expected sale of a property in Gauteng. In the prior year, it included property, plant and equipment within the Capespan UK operations, amounting to R7,1m, subsequently sold during the year.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019 CONTINUED

6. FINANCIAL INSTRUMENTS

6.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The summary consolidated financial statements do not include all financial risk management information and disclosures set out in the consolidated annual financial statements, and therefore they should be read in conjunction with the consolidated annual financial statements for the year ended 28 February 2019. Risk management continues to be carried out throughout the group under policies approved by the respective boards of directors.

6.2 Fair value estimation

The information below analyses financial assets and financial liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13. The different levels in the hierarchy are defined below:

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the group is the current bid price.

Level 2

Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded financial instruments. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There have been no significant transfers between level 1, 2 or 3 during the year under review and the valuation techniques and inputs used to determine fair values are similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2018.

6. FINANCIAL INSTRUMENTS continued

6.2 Fair value estimation continued

The fair value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

Audited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 February 2019				
Assets				
Cash and cash equivalents – money market fund	**252**			**252**
Equity securities		**1**	**29**	**30**
	252	**1**	**29**	**282**
Opening balance			**679**	
Disposals			**(1 177)**	
Fair value gains			**473**	
Currency translation adjustments			**54**	
Liabilities				
Derivative financial liabilities		**1**	**25**	**26**
Opening balance			**39**	
Disposals			**(15)**	
Fair value gains			**(3)**	
Finance cost			**4**	
28 February 2018				
Assets				
Equity securities	9		679	688
Opening balance			44	
Transfer from associates to equity securities			700	
Disposals			(7)	
Fair value gains			8	
Exchange differences			(66)	
Liabilities				
Derivative financial liabilities			39	39
Opening balance			94	
Disposals			(47)	
Fair value gains			(15)	
Finance cost			7	

7. SEGMENTAL REPORTING

The group is organised into four reportable segments, namely i) food, beverages and related services, ii) agri-related retail, trade and services, iii) agri-inputs and iv) agri-production. The segments represent different sectors in the broad agribusiness industry.

Headline earnings comprise *recurring* and *non-recurring* headline earnings. *Recurring* headline earnings (being a measure of segment profit) is calculated on a see-through basis. Zeder's *recurring* headline earnings is the sum of its effective interest in each of its underlying investments. The result is that investments which Zeder does not equity account or consolidate in terms of accounting standards, are included in the calculation of *recurring* headline earnings.

Non-recurring headline earnings include the elimination of equity securities' see-through *recurring* headline earnings not equity accounted, the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' once-off gains and losses are excluded from *recurring* headline earnings and included in *non-recurring* headline earnings.

Segmental income comprises revenue and investment income, as per the income statement.

SOTP is a key valuation tool used to measure Zeder's performance. The *SOTP value* is calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments. These values will not necessarily correspond with the values per the statement of financial position since the latter are measured using the relevant accounting standards which include historical cost and the equity accounting method.

The chief operating decision-maker (executive committee) evaluates the following information to assess the segments' performance:

Audited	**Feb 19 Rm**	**Feb 18 Rm**
***Recurring* headline earnings segmental analysis:**		
Segments		
Food, beverages and related services	**372**	394
Agri-related retail, trade and services	**115**	102
Agri-inputs	**124**	110
Agri-production	**(7)**	(30)
***Recurring* headline earnings from investments**	**604**	576
Net interest, taxation and other income and expenses	**(133)**	(102)
***Recurring* headline earnings**	**471**	474
Non-recurring headline items	**296**	(49)
Headline earnings	**767**	425
Non-headline items (note 2)	**(678)**	(171)
Attributable earnings	**89**	254

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019 CONTINUED

7. SEGMENTAL REPORTING continued

Audited	Feb 19 Rm	Feb 18 Rm
***SOTP* segmental analysis:**		
Segments		
Food, beverages and related services	**7 076**	10 169
Agri-related retail, trade and services	**978**	1 405
Agri-inputs	**2 235**	2 043
Agri-production	**493**	591
Cash and cash equivalents	**254**	111
Other net assets	**109**	108
Debt funding	**(1 500)**	(1 000)
SOTP value	**9 645**	13 427
***SOTP value* per share (R)**	**5,64**	7,85
Profit before tax segmental analysis:		
Segments		
Food, beverages and related services	**818**	479
Agri-related retail, trade and services	**104**	93
Agri-inputs	**131**	102
Agri-production	**(22)**	(156)
Management fees and other income and expenses (including impairments)	**(799)**	(114)
	232	404

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Audited	Feb 19 Rm	Feb 18 Rm
IFRS revenue (revenue and investment income) segmental analysis:		
Segments		
Food, beverages and related services	**5 644**	6 672
Revenue	**5 599**	6 621
Investment income	**45**	51
Agri-inputs	**1 652**	1 412
Revenue	**1 636**	1 398
Investment income	**16**	14
Agri-production	**407**	467
Revenue	**406**	466
Investment income	**1**	1
Unallocated investment income (mainly head office interest income)	**28**	11
IFRS revenue	**7 731**	8 562

8. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

Apart from the surety referred to in note 4 of the consolidated annual financial statements, capital commitments, contingencies and suretyships similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2018 remained in effect during the year under review.

9. RELATED-PARTY TRANSACTIONS

Related-party transactions similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2018, took place during the year under review.

10. EVENTS SUBSEQUENT TO THE REPORTING DATE

No material event occurred between the end of the reporting year and the date of approval of the summary consolidated financial statements.

ANNEXURE A – SHAREHOLDER ANALYSIS

FOR THE YEAR ENDED 28 FEBRUARY 2019

GROUP	Shareholders Number	Shareholders %	Shares held Number	Shares held %
Range of shareholding				
1 – 20,000	9 047	74,9	44 616 342	2,6
20,001 – 50,000	1 302	10,8	42 713 056	2,5
50,001 – 100,000	715	5,9	52 105 986	3,0
100,001 – 500,000	780	6,5	167 669 170	9,8
500,001 – 1,000,000	113	0,9	77 947 539	4,6
Over 1,000,000	128	1,0	1 325 125 559	77,5
	12 085	100,0	1 710 177 652	100,0
Treasury shares				
– Employee share scheme	1		5 001 469	
	12 086		1 715 179 121	
Public and non-public shareholding				
Non-public				
– Directors[1]	6	0,1	15 528 905	0,9
– PSG Financial Services Limited	1		748 354 891	43,8
Public	12 078	99,9	946 293 856	55,3
	12 085	100,0	1 710 177 652	100,0
Major shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2019				
PSG Financial Services Limited (wholly-owned subsidiary of ultimate holding company, PSG Group Limited)			748 354 891	43,8
Public Investment Corporation (including Government Employees Pension Fund)[2]			145 557 686	8,5
Allan Gray Investment Management[2]			122 708 057	7,2
Coronation Asset Management Proprietary Limited[2]			107 820 695	6,3
			1 124 441 329	65,8

1 *Refer to the directors' report for further details on the directors' shareholdings.*
2 *The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

NOTICE OF ANNUAL GENERAL MEETING AND PROXY

NOTICE OF ANNUAL GENERAL MEETING AND PROXY

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Limited ("**Zeder**" or "**the company**") to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch, on Friday, 26 July 2019, at 8:30 ("**the AGM**").

PURPOSE

The purpose of the AGM is to transact the business set out in the agenda below.

AGENDA

Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit and risk committee for the year ended 28 February 2019.

The annual report, of which this notice forms part, contains the summary consolidated financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on Zeder's website at *www.zeder.co.za* or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note:
For ordinary resolutions numbers 1 to 11 (inclusive) to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof. For ordinary resolution number 12 to be adopted, at least 75% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.

1. CONFIRMATION OF APPOINTMENT OF DIRECTOR

1.1 Ordinary resolution number 1

"Resolved that Mr RM Jansen's appointment as director, in terms of the memorandum of incorporation of the company, be and is hereby confirmed."

Summary *curriculum vitae* of Mr RM ("Rudi") Jansen

Rudi obtained his B. Compt Honours degree in 1990 and qualified as a Chartered Accountant (SA) in 1992. He worked for PricewaterhouseCoopers both in Johannesburg and internationally. During 1996, he joined MIH Holdings Ltd and M-Cell Ltd as Group Management Accountant. Rudi was then appointed head of finance at MWEB, and after a stint as CFO of MIH's Internet segment, a subsidiary of Naspers, he re-joined MWEB as Group CEO, where he served until 2012. Since then Rudi served as independent non-executive director and chairman of the audit committee of Capevin Holdings Ltd until 2017. Currently, Rudi serves as independent non-executive director, chairman of the audit committee and member of the remuneration committee of Dark Fibre Africa (Pty) Ltd.

The reason for ordinary resolution number 1 is that the memorandum of incorporation of the company and the JSE Limited Listings Requirements ("**JSE Listings Requirements**") require that any non-executive director appointed by the board of the company be confirmed by shareholders at the next annual general meeting of the company.

2. RETIREMENT AND RE-ELECTION OF DIRECTORS

2.1 Ordinary resolution number 2

"Resolved that Mr GD Eksteen, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary *curriculum vitae* of Mr GD ("George") Eksteen
George has extensive farming interests in the Swartland area. He currently serves on the boards of various companies as a non-executive director.

2.2 Ordinary resolution number 3

"Resolved that Mr WL Greeff, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary *curriculum vitae* of Mr WL ("Wynand") Greeff
Wynand graduated with a BCompt (Hons) degree and qualified as a Chartered Accountant (SA). He has served within the broader PSG Group since 2002 and as financial director of PSG Group since 2006.

2.3 Ordinary resolution number 4

"Resolved that Mr PJ Mouton, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary *curriculum vitae* of Mr PJ ("Piet") Mouton
Piet graduated with a BCom (Mathematics) degree and is the chief executive officer of PSG Group. He currently serves as a director on the boards of various PSG Group companies, including Curro Holdings, PSG Konsult and Capitec Bank.

The reason for ordinary resolutions numbers 2 to 4 (inclusive) is that the memorandum of incorporation of the company, the JSE Listings Requirements and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("**the Companies Act**") require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

3. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

Note:
For avoidance of doubt, each reference to the audit and risk committee of the company is a reference to the audit committee as contemplated in the Companies Act.

3.1 Ordinary resolution number 5

"Resolved that, subject to the approval of ordinary resolution number 2, Mr GD Eksteen, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary *curriculum vitae* of Mr GD ("George") Eksteen
A summary of George's *curriculum vitae* has been included at paragraph 2.1 above.

3.2 Ordinary resolution number 6

"Resolved that, subject to the approval of ordinary resolution number 1, Mr RM Jansen, being eligible, be and is hereby appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary *curriculum vitae* of Mr RM ("Rudi") Jansen
A summary of Rudi's *curriculum vitae* has been included at paragraph 1.1 above.

3.3 Ordinary resolution number 7

"Resolved that Mr CA Otto, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary *curriculum vitae* of Mr CA ("Chris") Otto
Chris graduated BCom LLB from Stellenbosch University and is a founding member of PSG Group. He currently serves on the boards of various companies as a non-executive director, including PSG Group, Capitec and Kaap Agri.

3.4 Ordinary resolution number 8

"Resolved that Mrs NS Mjoli-Mncube, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary *curriculum vitae* of Mrs NS ("Nonhlanhla") Mjoli-Mncube
Nonhlanhla attended the Massachusetts Institute of Technology and Aspen Global Leadership Institute, USA, and holds an MA (City and Regional Planning). She is the former economic advisor to the Presidency and former deputy chair of the Construction Industry Development Board. Nonhlanhla serves on the boards of several listed companies and has held executive positions. She is also a recipient of the SABC Businesswoman of the Year Award and currently manages her own construction company.

The reason for ordinary resolutions numbers 5 to 8 (inclusive) is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

4. RE-APPOINTMENT OF AUDITOR

Ordinary resolution number 9

"Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the company for the ensuing year with the designated auditor being Mr D de Jager, a registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the company."

The reason for ordinary resolution number 9 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the company as required by the Companies Act.

5. NON-BINDING ENDORSEMENT OF ZEDER'S REMUNERATION POLICY

Ordinary resolution number 10

"Resolved that the company's remuneration policy, as set out on pages 36 to 42 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 10 is that the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting. This enables shareholders to express their views on the remuneration policy adopted by the company's remuneration committee of the company. The effect of ordinary resolution number 10, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 10 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration when considering amendments to the company's remuneration policy.

6. NON-BINDING ENDORSEMENT OF ZEDER'S IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

Ordinary resolution number 11

"Resolved that the company's implementation report with regard to its remuneration policy, as set out on pages 43 to 50 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for and effect of ordinary resolution number 11 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 11, if passed, will be to endorse the company's implementation report in relation to its the remuneration policy. Ordinary resolution number 11 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration when considering amendments to the company's remuneration policy and its implementation.

7. GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

Ordinary resolution number 12

"Resolved that the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue any of the company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in aggregate, 10% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shares issued in connection with the Zeder Group Share Incentive Trust ("the Trust") or options granted by the Trust in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 10% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 10% of the issued ordinary shares (net of treasury shares) of the company amounts to 171 017 765 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE Limited ("**JSE**") will be consulted for a ruling if the securities have not traded in such 30-business-day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on the Stock Exchange News Service."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or in connection with duly approved share incentive schemes, it is necessary for the board of the company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the company. Accordingly, the reason for ordinary resolution number 12 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the company.

Note:
For this resolution to be adopted, at least 75% of the voting rights exercised on it, whether in person or by proxy, must be exercised in favour of this resolution.

To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:
For any of the special resolutions numbers 1 to 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution must be exercised in favour thereof.

8. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolution number 1

"Resolved, in terms of section 66(9) of the Companies Act, that the company be and is hereby authorised to remunerate its directors for their services as directors on the basis set out below, provided that this authority will be valid until the next annual general meeting of the company:

	Proposed annual remuneration[1,2] Feb 2020 R
Board	
Chairman fee[3]	500 000
Member	275 000
Audit and Risk	
Chairman fee	192 500
Member	165 000
Remuneration	
Chairman fee	82 500
Member	55 000

1 *With effect from 1 March 2019.*

2 *No fees are payable in respect of the Zeder Social & Ethics Committee.*

3 *Previously the Chairman fee was included in the PSG Strategic Input Fee, therefore no Chairman fee was approved by the shareholders at the 22 June 2018 AGM. As a result of the appointment of Chris Otto as the chairman of the board, following the retirement of Mr JF Mouton, it is proposed that a back-dated fee of R450 000 be presented to the shareholders for approval for FY2019 and the proportional amount of R112 500, for the 29 January 2019 meeting, be paid to Chris Otto in August 2019."*

The reason for special resolution number 1 is to allow the company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1, if passed, is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting of the company.

9. INTER-COMPANY FINANCIAL ASSISTANCE

9.1 Special resolution number 2: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("**financial assistance**" will herein have the meaning attributed to it in section 45(1) of the Companies Act), that the board of the company may deem fit to any company or corporation that is related or inter-related ("**related**" and "**inter-related**" will herein have the meanings attributed to them in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 2 is to grant the directors of the company the authority, until the next annual general meeting of the company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the company. This means that the company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

9.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("**financial assistance**" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act), that the board of the company may deem fit to any person, including any company or corporation that is related or inter-related to the company ("**related**" and "**inter-related**" will herein have the meanings attributed to them in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the company or any company, on the terms and conditions and for amounts that the board of the company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the company, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 3 is to grant the directors the authority, until the next annual general meeting of the company, to provide financial assistance to any person, including any company or corporation which is related or inter- related to the company and/or any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the company or any related or inter-related company or corporation. This means that the company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the company or its subsidiaries. A typical example of where the company may rely on this authority is where a subsidiary raises funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company); and
- the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

NOTICE OF ANNUAL GENERAL MEETING

In addition, prior to providing any financial assistance under special resolutions numbers 2 and 3, the board of directors will satisfy itself that:

- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's memorandum of incorporation have been met.

10. SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDIARIES

Special resolution number 4

"Resolved, as a special resolution, that the company and the subsidiaries of the company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20%, in aggregate, in any one financial year of the company's issued share capital of that class at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act, and that since the solvency and liquidity test was applied, there have been no material changes to the financial position of the company and its subsidiaries ("**the group**");
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five-business-day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf; and
- the company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect of special resolution number 4 is to grant the directors a general authority in terms of the company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in special resolution number 4. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a *pro rata* repurchase by the company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

11. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the group would not be compromised as to the following:
   - the group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
   - the consolidated assets of the group will be in excess of the consolidated liabilities of the group for a period of 12 months after the date of this AGM and for a period of 12 months following the repurchase. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;
   - the ordinary capital and reserves of the group after the repurchase will remain adequate for the purpose of the business of the group for a period of 12 months after the AGM and after the date of the share repurchase; and
   - the working capital available to the group after the repurchase will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the AGM.

   General information in respect of major shareholders, material changes and the share capital of the company is contained in the annual report of which this notice forms part, as well as the full set of annual financial statements, which are available on Zeder's website at *www.zeder.co.za* or which may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.
2. The directors, whose names appear on page 5 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given 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 this notice of AGM contains all information required by the JSE Listings Requirements.
3. Special resolutions numbers 1 to 4 are renewals of resolutions taken at the previous AGM held on 22 June 2018.

NOTICE OF ANNUAL GENERAL MEETING

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("the share register") for purposes of being entitled to receive this notice is Friday, 7 June 2019.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at the AGM is Friday, 19 July 2019, with the last day to trade being Tuesday, 16 July 2019.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed should be provided to the transfer secretaries of the company so as to reach them by no later than 08:30 on Wednesday, 24 July 2019, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their Central Securities Depository Participant ("**CSDP**") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

Electronic participation

1. Shareholders or their proxies may participate in the AGM by way of telephone conference call ("**teleconference facility**").
2. Please note that the teleconference facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the teleconference facility. Should such shareholders wish to vote, they must either:
   - complete the proxy form and return it to the transfer secretary in accordance with paragraph 5 above; or
   - contact their CSDP or broker in accordance with paragraph 6 above.
3. Shareholders or their proxies who wish to participate in the AGM via the teleconference facility must notify the company by emailing the company secretary at *cosec@zeder.co.za*, by no later than Friday, 19 July 2019. The company secretary will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act and thereafter, if validated, provide further details on using the teleconference facility. Only a total of 20 telecommunication lines will be available for such participation, which will be allocated on a first-come-first-served basis.
4. The cost of the participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.
5. The company cannot guarantee there will not be a break in communication which is beyond the control of the company.

   The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the AGM.

By order of the board

Zeder Corporate Services (Pty) Ltd
Per L van der Merwe
Company secretary
12 June 2019
Stellenbosch

![ZEDER INVESTMENTS LIMITED]

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
JSE share code: ZED
ISIN code: ZAE000088431
("Zeder" or "the company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the annual general meeting of ordinary shareholders of the company to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch on Friday, 26 July 2019 at 08:30 ("**the AGM**").

I/We (full name in print) ______________________________

of (address) ______________________________

Being the registered holder of ______________________________ ordinary shares hereby appoint:

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. The chairman of the AGM,

as my proxy to vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions and special resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

		Number of shares		
		In favour of	Against	Abstain
1.1	Ordinary resolution number 1: To confirm Mr RM Jansen's appointment as director			
2.1	Ordinary resolution number 2: To re-elect Mr GD Eksteen as director			
2.2	Ordinary resolution number 3: To re-elect Mr WL Greeff as director			
2.3	Ordinary resolution number 4: To re-elect Mr PJ Mouton as director			
3.1	Ordinary resolution number 5: To re-appoint Mr GD Eksteen as a member of the audit and risk committee			
3.2	Ordinary resolution number 6: To appoint Mr RM Jansen as a member of the audit and risk committee			
3.3	Ordinary resolution number 7: To re-appoint Mr CA Otto as a member of the audit and risk committee			
3.4	Ordinary resolution number 8: To re-appoint Mrs NS Mjoli-Mncube as a member of the audit and risk committee			
4.	Ordinary resolution number 9: To re-appoint PricewaterhouseCoopers Inc. as the auditor			
5.	Ordinary resolution number 10: Non-binding endorsement of Zeder's remuneration policy			
6.	Ordinary resolution number 11: Non-binding endorsement of Zeder's implementation report on the remuneration policy			
7.	Ordinary resolution number 12: General authority to issue shares for cash			
8.	Special resolution number 1: Remuneration of non-executive directors			
9.1	Special resolution number 2: Inter-company financial assistance			
9.2	Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company			
10.	Special resolution number 4: Share repurchases by the company and its subsidiaries			

Please indicate your voting instruction in the table above by inserting the number of shares that you wish to vote in the appropriate box provided or by inserting a cross should you wish to vote all of your shares.

Signed at ______________________________ on this ______________ day of ______________________________ 2019

Signature(s) ______________________________

Assisted by (where applicable)(state capacity and full name) ______________________________

Each Zeder shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his/her stead at the AGM.

FORM OF PROXY

NOTES

1. A Zeder shareholder 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 AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Zeder shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or by insertion of a cross if all shares should be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.

4. Proxy forms should be lodged with the Transfer Secretaries of the company, Computershare Investor Services Proprietary Limited, to be received, by them not later than Wednesday, 24 July 2019 at 08:30 (South African time), provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM:

   By e-mail: *proxy@computershare.co.za;* or
   By hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; or
   By post: PO Box 61051, Marshalltown, 2107, South Africa (please note that postal delivery by the due date is at the risk of the shareholder).

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's Transfer Tecretaries or waived by the chairman of the AGM.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

8. The chairman of the AGM may reject or accept a form of proxy which is completed and/or received, otherwise than in accordance with these notes, if the chairman is satisfied as to the manner in which the shareholder wishes to vote.

ADMINISTRATION

DETAILS OF ZEDER INVESTMENTS LIMITED
Registration number: 2006/019240/06
Share code: ZED
ISIN code: ZAE000088431

SECRETARY AND REGISTERED OFFICE
Zeder Corporate Services Proprietary Limited
Registration number: 2015/376259/07
Second floor
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
PO Box 7403
Stellenbosch, 7599
Telephone +27 21 831 9559

TRANSFER SECRETARY
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
PO Box 61051
Marshalltown, 2107

CORPORATE ADVISOR AND SPONSOR
PSG Capital Proprietary Limited

AUDITOR
PricewaterhouseCoopers Inc.

PRINCIPAL BANKER
FirstRand Bank Limited

WEBSITE ADDRESS
www.zeder.co.za

SHAREHOLDERS' DIARY

	2019
Financial year-end	28 February
Profit announcement	16 April
Annual general meeting	26 July
Interim profit announcement	8 October

www.zeder.co.za