ZEDER

INVESTMENTS LIMITED

ANNUAL REPORT 2020

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 29 FEBRUARY 2020

R11 581m

PIONEER FOODS **R6 348m** **54.8%**	zaad HOLDINGS **R2 034m** **17.6%**
THE LOGISTICS GROUP **R1 028m** **8.9%**	CAPESPAN **R999m** **8.6%**
KAAP AGRI **R723m** **6.2%**	Agrivision Africa **R242m** **2.1%**
QUANTUM FOODS **R188m** **1.6%**	Other **R19m** **0.2%**

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 (46)

CHIEF EXECUTIVE OFFICER

BEng (Civil), MBA, Dip Soc

Appointed 23 July 2012

Norman is a member of the executive committee and the social and ethics committee.

JH (Johann) le Roux (45)

FINANCIAL DIRECTOR

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

Appointed 8 September 2016

Johann is a member of the executive committee and the social and ethics committee.

NON-EXECUTIVE

WL (Wynand) Greeff (50)

FINANCIAL DIRECTOR – PSG GROUP

BCompt (Hons), CA(SA)

Appointed 21 May 2009

Wynand is a member of the executive committee and the social and ethics committee.

PJ (Piet) Mouton (43)

CHIEF EXECUTIVE OFFICER – PSG GROUP

BCom (Mathematics)

Appointed 30 April 2012

Piet is a member of the executive committee and the social and ethics committee.

INDEPENDENT NON-EXECUTIVE CHAIRMAN

CA (Chris) Otto (70)

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 (78)

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 (51)

DIRECTOR OF COMPANIES

BCompt (Hons), CA(SA)

Appointed 29 January 2019

Rudi is a member of the audit and risk committee.

ASM (Mohammad) Karaan (52)

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 (61)

DIRECTOR OF COMPANIES

MA (City and Regional Planning)

Appointed 1 June 2016

Nonhlanhla is a member of the audit and risk committee.

CEO REPORT

We remain committed to delivering sustainable returns to our shareholders.

CEO REPORT

INTRODUCTION

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 29 February 2020, our investment portfolio was valued at approximately R11.58bn.

STRATEGIC POSITIONING

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. Our portfolio spans the agribusiness value chain providing us with a broad invested exposure ranging from strategic agri-inputs to fast moving consumer goods while incorporating related logistical and enabling services. In recent years measured diversification has been achieved by expanding platform investment companies into adjacent industries, sectors and markets, thereby incorporating attractive non-agri exposure. This diversification is well advanced and the current positive contributions are expected to increase.

BUSINESS ENVIRONMENT

The macro environment in which Zeder and its portfolio companies operated in remained severely constrained during the year under review and our strategic focus therefore was 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 and diversified growth from within existing investment platforms. This approach contributed to satisfactory results as we managed to report an increase of 5.8% and 18.4% for our *Sum-of-the-Parts* valuation and *Recurring* headline earnings per share respectively.

SIGNIFICANT TRANSACTION – DISPOSAL OF PIONEER FOODS

During the year, we entered into transaction agreements whereby we undertook to dispose of our entire investment in Pioneer Foods to PepsiCo in a landmark South African transaction valued at R25bn in total. The transaction was successfully implemented on 23 March 2020 and we received cash proceeds of R6.41bn for our respective share. Immediately following receipt, we settled all of our debt obligations and declared a special dividend of R3.93bn (230 cents per share) to our shareholders. We are proud of this transaction and our involvement and association with Pioneer Foods over the years and would like to thank all stakeholders involved. We wish PepsiCo, as the new owner, and all employees the very best on the journey ahead.

REVIEW OF REMAINING PORTFOLIO

The disposal of our investment in Pioneer Foods combined with the significant distribution of capital to shareholders have resulted in a corresponding material reduction in Zeder's underlying *Sum-of-the-Parts* valuation and remaining portfolio construction. Since releasing our year end results, Zeder's *Sum-of-the-Part*s value therefore decreased from R10.20bn (R5.97 per share) to R6.28bn (R3.67 per share) as on 28 April 2020. At the time of writing this report, our remaining portfolio therefore comprises unencumbered cash in excess of R1bn and investments valued at R5.26bn. The remaining investments performed to expectation during the year under review and, apart from Quantum Foods, all portfolio companies stabilised or reversed the corresponding lower levels of profitability reported in the results for the previous year. We believe the remaining portfolio continues to offer attractive value and will add to our portfolio when opportune.

COVID-19

The financial results reported and business environment reviewed reflect the year ended 29 February 2020 as well as commentary and updates for events that have transpired since. It is however critical to record that, at the time of producing this report, a global coronavirus epidemic and corresponding international health and economic crisis has unfolded. South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short to medium term. While Zeder and its portfolio companies will not be immune from these challenges, our strategic positioning combined with the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis and the next financial year. It is worth noting though that many of Zeder's portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations, albeit at significantly reduced demand conditions. We have engaged extensively across our portfolio to ensure, as best we can, that our investee companies are positioned to deal with the effects of the crisis. Zeder's strong balance sheet and sufficient cash resources, reinforced through the Pioneer disposal, should provide additional support during these uncertain times.

THE YEAR AHEAD

It is very difficult to predict the business environment that will unfold in the short term as a result of the global Covid-19 crisis. Fortunately, Zeder is primarily exposed to essential industries and most of our portfolio companies have been allowed to continue operating under limited conditions. Notwithstanding this, we expect the constrained macro conditions to negatively impact our financial performance during the first half of our next financial year. Our immediate focus will therefore remain on ensuring that our existing companies position themselves competitively, maintain market shares and conserve balance sheets while continuously driving for operational improvements and seeking to improve cash generation.

PROSPECTS

The successful disposal of our largest investment and the declaration of the substantial special dividend is considered in a positive light from a Zeder shareholder's perspective. These transactions understandably also represent a material change to the size and composition of Zeder and its portfolio going forward. Albeit from a lower base, we remain optimistic about Zeder's prospects going forward as the remainder of our portfolio represents strong strategic equity interests in well-run organisations that offer value. Having invested heavily into our underlying companies over the past few years, it is anticipated that cash generation could improve now that debt has been reduced across the board. This, combined with the healthy cash reserves on hand, should allow us to deliver attractive returns during the next phase.

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 the Zeder Board, Executive Committee and management team for their valuable contributions during the past year.

N Celliers
Chief Executive Officer
2 June 2020
Stellenbosch

OUR TRACK RECORD

Year ended February	2007	2008	2009	2010	2011
SOTP – pre mgmt liability (Rbn)	1.29	1.31	1.17	2.07	2.68
SOTP – post mgmt liability (Rbn)	1.11	1.13	1.01	1.79	2.31
Mgmt fee liability (Rm)[1]	175	178	160	281	365
Mgmt fees paid – base (Rm)	(8)	(26)	(36)	(45)	(53)
Mgmt fees paid – performance (Rm)					
Market capitalisation (Rbn)	1.63	1.57	0.89	1.83	2.56
Recurring headline earnings (Rm)	137	119	196	208	265
Headline earnings/(loss) (Rm)	137	207	153	152	185
Dividend (Rm)	11	30	43	39	39
Special dividend (Rm)[2]					
Number of shares:					
Issued shares *(net of treasury)* (m)	571	605	611	978	978
Weighted shares (m)	490	583	609	881	978
Per share:					
SOTP – pre mgmt fee liability (R)	2.25	2.16	1.92	2.11	2.74
SOTP – post mgmt fee liability (R)	1.95	1.87	1.65	1.83	2.37
Share price (R)	2.85	2.60	1.46	1.87	2.62
Recurring headline earnings (cents)	27.8	21.0	32.2	23.6	27.1
Headline earnings/(loss) (cents)	27.8	35.4	25.2	17.3	18.9
Dividend (cents)	2.0	5.0	7.0	4.0	4.0
Special dividend (Rm)[2]					

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

[1] *Calculated as 12% newly issued Zeder shares multiplied by Zeder SOTP value per share*
[2] *FY2020 special dividend declaration due to the disposal of interest in Pioneer Foods*

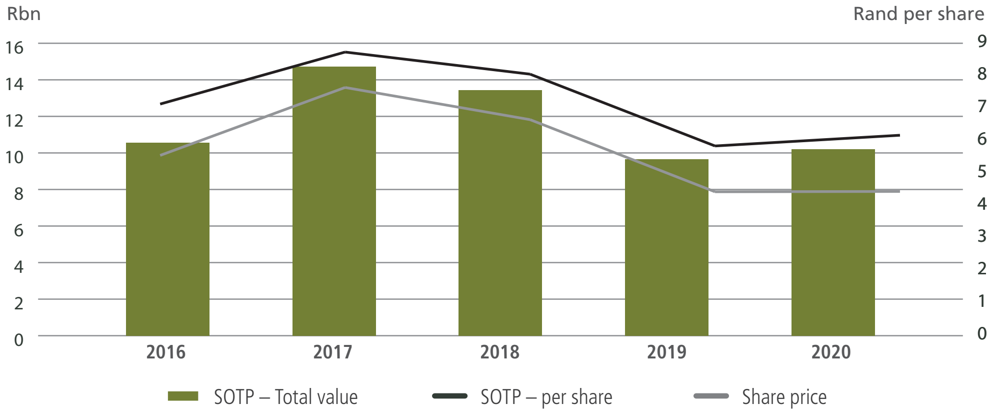
2012	2013	2014	2015	2016	2017	2018	2019	2020
3.09	4.26	5.16	13.26	12.23	14.71	13.43	9.65	**10.20**
2.67	3.68	4.46	11.45	10.56	14.71	13.43	9.65	**10.20**
420	580	703	1 808	1 667				
(48)	(59)	(59)	(118)	(155)	(75)			
		(59)	(118)					
2.51	3.33	4.01	10.97	8.15	12.88	11.03	7.24	**7.25**
273	251	300	414	632	691	474	471	**559**
300	196	260	257	545	(770)	425	767	**404**
39	39	44	79	137	190	189	188	
								3 925
978	978	980	1 444	1 523	1 725	1 702	1 702	**1 702**
978	978	980	1 172	1 490	1 622	1 717	1 702	**1 702**
3.15	4.35	5.26	9.18	8.03	8.53	7.85	5.64	**5.97**
2.73	3.76	4.54	7.93	6.93	8.53	7.85	5.64	**5.97**
2.57	3.40	4.09	7.60	5.35	7.44	6.45	4.23	**4.24**
27.9	25.7	30.6	35.3	42.4	42.6	27.6	27.7	**32.8**
30.7	20.1	26.6	22.0	36.5	(47.5)	24.8	45.1	**23.7**
4.0	4.0	4.5	5.5	9.0	11.0	11.0	11.0	
								230.0

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	2016	2017	2018	2019	2020
SOTP (Rbn)	10.56	14.71	13.43	9.65	**10.20**
SOTP per share (Rbn)	6.93	8.53	7.85	5.64	**5.97**
Market capitalisation (Rbn)	8.15	12.88	11.03	7.24	**7.25**
Share price (R)	5.35	7.44	6.45	4.23	**4.24**
Recurring headline earnings (Rm)	632	691	474	471	**559**
Recurring headline earnings per share (cents)	42.4	42.6	27.6	27.7	**32.8**
Headline earnings/(loss) (Rm)	545	(770)	425	767	**404**
Headline earnings/(loss) per share (cents)	36.5	(47.5)	24.8	45.1	**23.7**
Dividend (Rm)	137	190	189	188	
Dividend per share (cents)	9.0	11.0	11.0	11.0	
Special dividend (Rm)					**3 925**
Special dividend per share (cents)					**230.0**

OVERVIEW

Zeder is an active 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 R11.58bn on 29 February 2020.

CORPORATE POSITIONING

Zeder actively drives and assists with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns. Its portfolio consists of strategic interests in leading companies that provide it with a diversified exposure across the agribusiness spectrum, ranging from strategic agri-inputs to fast moving consumer goods while incorporating related logistical and enabling services. In recent years measured diversification has been achieved by expanding platform investment companies into adjacent industries, sectors and markets.

STRATEGIC FOCUS

The macro environment in which Zeder and its portfolio companies operated in remained severely constrained during the year under review and our strategic focus therefore was 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 and diversified growth from within existing investment platforms. Additional strategic focus was given to ensure the successful disposal of its largest investment, Pioneer Foods. This approach contributed to satisfactory results. New and adjacent opportunities are continuously reviewed, and we will add to our portfolio when opportune.

NOTEWORTHY TRANSACTIONS

Category 1 disposal of investment in Pioneer Foods and application of proceeds

In line with the relevant announcements, circulars and shareholder approvals obtained, Zeder disposed of its entire interest in Pioneer Foods on 23 March 2020 for a total consideration of R6.41bn.

Zeder has used R1.55bn of the cash proceeds received to settle all its debt and related obligations and has declared a special dividend of 230 cents per share to shareholders that was paid on 28 April 2020.

This marks the end of a long and proud association with Pioneer Foods and its stakeholders for which Zeder is grateful. Zeder would like to wish PepsiCo, as the new beneficial owner of Pioneer Foods, and all employees the very best for the journey that lies ahead.

Further investments in Zaad

Over the past number of years, Zeder has established and positioned Zaad as a strategic holding company that invests and operates in the specialised agri-inputs industry with a focus on emerging markets, especially Africa. Through acquisitions and organic growth, it has aggregated and developed attractive businesses and currently owns, develops, imports and distributes a broad range of agricultural seeds in Africa, Europe and other international emerging markets.

Through its subsidiaries and associates it has a history spanning more than 50 years of developing, distributing and owning leading seed genetics in Southern Africa, the Middle-East, Turkey and the Netherlands. In recent years, Zaad has added strategic plant nutrition and agrochemicals to its portfolio to complement its product offering, particularly in emerging markets with the Farm-Ag and Hygrotech acquisitions. In terms of agreements previously entered into, Zaad acquired all the remaining shares in Farm-Ag effective 1 September 2019.

Zaad also concluded transaction agreements whereby it will acquire a 40% stake in the EAS group of companies ("EAS") in Kenya, with an option to acquire an additional stake in the future. EAS was established in 1972 and has steadily grown to become the leading independent seed company within the Eastern and Central African regions. It has business operations in Kenya, Uganda, Rwanda, Tanzania and Zambia and its products are distributed through a wide distribution network of appointed dealers and stockists in major cities and towns throughout Eastern and Central Africa.

Zeder has committed an additional R200m-R300m investment during the next 12 months into Zaad, to enable the aforementioned transactions.

REVIEW OF BUSINESS ENVIRONMENT

During the year under review, Zeder and its investee companies were impacted by constrained economic conditions and corresponding downward adjustments to market valuations. The full effect was moderated by the announcement of the Pioneer Foods disposal at R110 per share, reflecting a premium of 58% at the time. This uplift ensured that Zeder's *Sum-of-the-Parts* valuation, at an aggregate level, increased by 5.8% during the year.

Notwithstanding the challenging conditions and valuation implications, Zeder and its investee companies managed controllable elements well and delivered satisfactory operating results across the portfolio with *recurring* headline earnings per share increasing by 18.4% during the year under review. Apart from Quantum Foods, all portfolio companies stabilised or reversed the corresponding lower levels of profitability reported in the results for the previous year.

COVID-19

The financial results reported and business environment reviewed reflect the year ended 29 February 2020, as well as subsequent events that transpired prior to the publication of these results. It is, however, critical to note that, at the time of producing this report, there is a global coronavirus pandemic and corresponding international health and economic crises unfolding. South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While Zeder and its portfolio companies will not be immune to these challenges, the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis.

It is worth noting though that many of Zeder's portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations.

FINANCIAL RESULTS

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

SOTP

Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments, and internal valuations for unlisted investments, increased by 5.8% during the reporting period to R5.97 as at 29 February 2020. Shareholders are referred to the company's SENS announcement dated 29 April 2020, regarding the update on the *SOTP value* following payment of the special dividend on 28 April 2020.

	28 Feb 2018		28 Feb 2019		29 Feb 2020	
Company	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27.0	7 660	27.1	4 689	**28.6**	**6 348**
Zaad	93.2	2 043	95.3	2 235	**95.7**	**2 034**
The Logistics Group			97.4	978	**98.6**	**1 028**
Capespan	97.5	2 259	97.4	1 193	**96.7**	**999**
Kaap Agri	40.9	1 376	41.1	959	**41.0**	**723**
Agrivision Africa	56.0	591	56.0	493	**56.0**	**242**
Quantum Foods	27.7	246	29.3	216	**32.1**	**188**
Other		33		19		**19**
Total investments		14 208		10 782		**11 581**
Cash and cash equivalents		111		254		**83**
Other net assets		108		109		**40**
Debt funding		(1 000)		(1 500)		**(1 500)**
SOTP value		13 427		9 645		**10 204**
Number of shares in issue (net of treasury shares) (m)		1 710		1 710		**1 710**
***SOTP value* per share (R)**		7.85		5.64		**5.97**

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

The SOTP *valuations of Zeder's unlisted investments have been based on the respective investee companies' latest financial results as contained in Zeder's consolidated results for the financial year ended 29 February 2020. Such valuation methodologies are consistent with those applied in previous years.*

Suffice to say, the wide-spread impact of COVID-19 on the global economy and financial markets is already evident. The short- to medium term severity thereof and consequent impact on the profitability and valuation of our investments, however, remain uncertain.

While the SOTP *calculation is indicative of the value of Zeder's underlying portfolio of net assets, it does not take into account factors such as adjustments for the size of shareholdings, liquidity of the underlying assets, tax on the potential disposal of underlying assets, head office operating profit/loss and other factors.*

Recurring headline earnings

Zeder's consolidated *recurring* headline earnings is the sum of its effective interest in the *recurring* headline earnings 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, whilst once-off (i.e. *non-recurring*) income and expenses are excluded. This provides management and investors with a more transparent way of evaluating Zeder's earnings performance.

	28 Feb 18 Rm	28 Feb 19 Rm	*Change (%)*	29 Feb 20 Rm
Recurring headline earnings from investments	576	604		**725**
Net interest, taxation and other income and expenses	(102)	(133)		**(166)**
***Recurring* headline earnings**	474	471	*18.7*	**559**
Continued operations	474	177		**263**
Discontinued operations		294		**296**
Non-recurring headline earnings				
Other	(49)	296		**(155)**
Headline earnings	425	767	*(47.3)*	**404**
Continued operations	425	466		**121**
Discontinued operations		301		**283**
Non-headline items	(171)	(678)		**157**
Attributable earnings	254	89	*530.3*	**561**
Continued operations	254	374		**(234)**
Discontinued operations		(285)		**795**
Weighted average number of shares in issue (*net of treasury shares*) (m)	1 717	1 702		**1 702**
***Recurring* headline earnings per share (cents)**	27.6	27.7	*18.4*	**32.8**
Headline earnings per share (cents)	24.8	45.1	*(47.5)*	**23.7**
Attributable earnings per share (cents)	14.8	5.2	*532.7*	**32.9**

Recurring headline earnings per share increased by 18.4% to 32.8 cents mainly due to improved performance from most of Zeder's underlying investee companies.

Headline earnings per share decreased by 47.5% to 23.7 cents mainly due to the non-recurrence of the upward fair value adjustment of Capespan's investment in Joy Wing Mau prior to its disposal in the prior year.

Attributable earnings per share increased by 532.7% to 32.9 cents mainly due to the reversal of the non-headline impairment charge recognised by Zeder on its associate investment in Pioneer Foods in the prior year, partly offset by impairments of non-financial assets.

Profit before finance costs and taxation from continued operations per Zeder's consolidated income statement decreased by 70.0% to R252.4m, mainly as a result of the aforementioned prior year upward fair value adjustment of the investment in Joy Wing Mau and impairments during the current year. The reversal of the prior year impairment on its associate investment in Pioneer Foods is included in discontinued operations.

Pioneer Foods

Pioneer Foods reported a 5.6% decrease in adjusted headline earnings per share from continuing operations for the year ended 30 September 2019.

Zaad

Zaad reported an increase in *recurring* headline earnings per share of 7.9% for its financial year ended 31 January 2020 with EBITDA totalling R421m. This was mainly due to the effects of hyperinflation in Zimbabwe, which translated into a substantial portion of the overall group profits, countered by a tough trading environment across most of its operations. Zeder invested an additional R130m in the business during the year 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 2018** **Rm**	**Jan 2019** **Rm**	**Jan 2020** **Rm**
Revenue	1 409	1 635	**2 113**
EBITDA	223	253	**421**
EBITDA margin (%)	*15.8*	*15.5*	***19.9***
EBIT	173	199	**358**
EBIT margin (%)	*12.3*	*12.2*	***17.0***
Recurring headline earnings	123	131	**169**
Headline earnings	117	124	**192**
WANOS (m)	24	27	**33**
Recurring HEPS (R)	5.03	4.76	**5.13**
Net asset value per share (R)**	45.31	43.70	**49.30**

Summary statement of financial position **Key metrics**	**Jan 2018** **Rm**	**Jan 2019** **Rm**	**Jan 2020** **Rm**
Total assets	2 475	2 710	**3 875**
Non-current assets	1 014	1 196	**1 438**
Current assets	1 461	1 514	**2 437**
Total liabilities	1 326	1 326	**2 238**
Non-current liabilities	258	171	**501**
Current liabilities	1 068	1 155	**1 737**
Total equity	1 149	1 384	**1 637**

Summary cash flow information **Key metrics**	**Jan 2018** **Rm**	**Jan 2019** **Rm**	**Jan 2020** **Rm**
Cash flow from operating activities	(93)	(59)	**21**
Cash flow from investing activities	(227)	(223)	**(238)**
Cash flow from financing activities	132	262	**110**
Net decrease in cash and cash equivalents	(188)	(20)	**(107)**

Zeder shareholding	**Feb 2018**	**Feb 2019**	**Feb 2020**
Shareholding (%)	93.2	95.3	**95.7**

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.

Further information can be viewed at *www.zaad.co.za.*

The Logistics Group

On 2 January 2019, Capespan completed the separation and unbundling of its logistics division to its shareholders, thereby forming The Logistics Group ("TLG"). TLG has been successfully positioned to continue operating 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. Encouraging progress has been made in efforts to leverage the historical fruit and agribusiness capabilities into adjacent and complimentary sectors. Revenues and profits derived from mining, liquid and agri-bulk related logistics have been added thus ensuring a more balanced customer mix and lower levels of seasonal volatility.

For its financial year ended 31 December 2019, TLG reported *recurring* headline earnings of R128m, mainly as a result of good growth experienced on the mining commodity side of the business. The group continues to deliver strong cash generation and reported EBITDA of R321m for the year.

TLG's summarised financial information is set out below:

Summary income statement **Key metrics**	**Dec 2018*** **Rm**	**Dec 2019** **Rm**
Revenue	794	**949**
EBITDA	226	**321**
EBITDA margin (%)	29	**34**
EBIT	165	**204**
EBIT margin (%)	21	**22**
Net finance cost	(6)	**(61)**
Income from associates	35	**51**
Recurring headline earnings	125	**128**
Headline earnings	110	**122**
WANOS (m)	366	**367**
Recurring HEPS (R)	0.34	**0.35**
Net asset value per share (R)^	1.95	**1.02**

^ *Decrease in net asset value per share, mainly due to the first time adoption of IFRS 16* Leases.

Summary statement of financial position Key metrics	Dec 2018* Rm	Dec 2019 Rm
Total assets	715	**1 207**
Non-current assets	508	**921**
Current assets	207	**285**
Assets held-for-sale		**1**
Total liabilities	153	**833**
Non-current liabilities	41	**630**
Current liabilities	112	**203**
Total equity	562	**374**

Summary cash flow information Key metrics	Dec 2019 Rm
Cash flow from operating activities	**187**
Cash flow from investing activities	**(120)**
Cash flow from financing activities	**(157)**
Net (decrease)/increase in cash and cash equivalents	**(90)**

Zeder shareholding	Feb 2019	Feb 2020
Shareholding (%)	97	**99**

* *Dec 2018 figures extracted from Capespan discontinued operations disclosure as presented in the prior year Capespan annual financial statements prior to the unbundling of the logistical division. No comparative cash flow information presented.*

Further information can be viewed at *www.tlg.co.za.*

Capespan

Following the aforementioned unbundling of TLG, Capespan proceeded to implement further and costly internal restructuring during the year. Building on its more than 70 year history, it will continue as a leaner and more focused, vertically integrated fruit producer with global marketing, sales and distribution capabilities that can service and supply growers and customers respectively in key international markets.

For its financial year ended 31 December 2019, Capespan reported a lower *recurring* headline loss of R36m than the prior year *recurring* headline loss of R146m. The improved performance was largely as a result of better performance within the South African and Namibian grape farming divisions where better production volumes and improved market pricing impacted positively on the group results. Despite the *recurring* headline losses, Zeder has largely maintained its *SOTP* values assigned to Capespan as a result of the strong NAV underpin in farming. This NAV was verified through the successful disposal of three non-core farms during the year.

Capespan's summarised financial information is set out below:

Summary income statement **Key metrics**	**Dec 2017** **Rm**	**Dec 2018** **Rm**	**Dec 2019** **Rm**
Revenue	5 971	4 763	**3 951**
EBITDA	74	(53)	**72**
EBITDA margin (%)	*1.2*	*(1.1)*	***1.8***
EBIT	8	(125)	**(10)**
EBIT margin (%)	*0.1*	*(2.6)*	***(0.2)***
Net finance cost	(57)	(53)	**(14)**
Income from associates	49	19	**7**
Recurring headline earnings – continued	(9)	(146)	**(36)**
Recurring headline earnings – discontinued	87	125	
Headline earnings – continued	(23)	207	**(68)**
Headline earnings – discontinued	85	110	
WANOS (m)	364	366	**369**
Recurring HEPS – continued (R)	(0.02)	(0.40)	**(0.10)**
Recurring HEPS – discontinued (R)	0.24	0.34	
Net asset value per share (R)^	4.16	4.90	**3.80**

^ *Decrease in net asset value per share, mainly due to the sale of farms and impairments of intangible assets. Dec 2017 & Dec 2018 restated to exclude unbundled Logistics division.*

Summary statement of financial position **Key metrics**	**Dec 2017** **Rm**	**Dec 2018** **Rm**	**Dec 2019** **Rm**
Total assets	3 925	3 185	**2 253**
Non-current assets	2 698	1 454	**1 267**
Current assets	1 220	1 016	**878**
Assets held-for-sale	7	715	**108**
Total liabilities	2 086	1 108	**840**
Non-current liabilities	868	307	**215**
Current liabilities	1 218	648	**625**
Liabilities held-for-sale		153	
Total equity	1 839	2 077	**1 413**

REVIEW OF OPERATIONS

CONTINUED

Summary cash flow information Key metrics	Dec 2017* Rm	Dec 2018* Rm	Dec 2019 Rm
Cash flow from operating activities	216	(237)	**52**
Cash flow from investing activities	(305)	1 013	**68**
Cash flow from financing activities	(9)	(514)	**(291)**
Net (decrease)/increase in cash and cash equivalents	(98)	262	**(171)**

Zeder shareholding	Feb 2017	Feb 2018	Feb 2020
Shareholding (%)	97.5	97.4	**96.7**

* *Dec 2017 and Dec 2018 include unbundled Logistics division.*

WANOS – Weighted average number of shares.

Farming

The farming division has been established over the past eight 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. Our controlled farming investments and operations are located primarily in South Africa and Namibia and comprise 762 hectares of grapes, 278 hectares of citrus and 563 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. Evidence of encouraging cash generation emerging as the farming division delivered an annual EBITDA of R103m during the year and has no long-term debt. Strong asset values underpin this business, and these were validated when 3 non-core farms were disposed of during the year.

Farming Key metrics	Dec 2017 Rm	Dec 2018** Rm	Dec 2019 Rm
Revenue	525	593	**509**
EBITDA	73	1	**103**
EBIT	20	(59)	**39**
Assets	1 292	1 267	**1 213**

*** Dec 2018 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, significant and costly restructuring was completed in the fruit marketing division to ensure a lower-cost structure. The fruit marketing division is now better positioned to scale and provides the group with optionality on 3rd party fruit marketing profits in addition to the proprietary group production.

Fruit **Key metrics**	**Dec 2017** **Rm**	**Dec 2018** **Rm**	**Dec 2019** **Rm**
Revenue	5 897	4 667	**3 856**
EBITDA	48	(32)	**(5)**
EBIT	34	(42)	**22**
Assets (excluding investments in associates)	1 820	853	**816**
Number of associate investments	7	6	**5**
Share of associate's *recurring* headline earnings	53	22	**(1)**
Total investment in associates	209	248	**204**

Further information can be viewed at *www.capespan.com.*

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 216 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.

Notwithstanding the challenging conditions, Kaap Agri delivered satisfactory results with *recurring* headline earnings per share increasing by 6.0% for their financial year ended 30 September 2019. The financial results of most of its divisions were marginally higher than the previous year with the grain handling division benefiting from a recovery from the Western Cape drought.

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. After rapid expansion, the focus during the past years 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 continued to limit the full potential of the farming results. Agrivision managed to deliver improved results compared to the prior year and reported a *recurring* headline profit of \$0.9m for their financial year ended 31 December 2019. The current seasonal outlook appears to have normalised and initiatives are underway to address underperforming assets and divisions.

REVIEW OF OPERATIONS

CONTINUED

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

Summary income statement Key metrics	Dec 2017 US$'000	Dec 2018 US$'000	Dec 2019 US$'000
Revenue	34 994	30 571	**33 932**
EBITDA	1 726	3 373	**1 338**
EBITDA margin (%)	*4.9*	*11.0*	***3.9***
EBIT	(191)	(209)	**(1 815)**
EBIT margin (%)	*(0.5)*	*(0.7)*	***(0.1)***
Recurring headline earnings/(loss)	(4 700)	(983)	**866**
Headline earnings/(loss)	(4 700)	(983)	**866**

Summary statement of financial position Key metrics	Dec 2017 US$'000	Dec 2018 US$'000	Dec 2019 US$'000
Total assets	94 004	88 533	**88 776**
Non-current assets	70 809	68 759	**67 526**
Current assets	23 195	19 774	**21 250**
Total liabilities	32 668	29 821	**28 641**
Non-current liabilities	11 909	12 218	**19 957**
Current liabilities	20 759	17 603	**8 684**
Total equity	61 336	58 712	**60 135**

Summary cash flow information Key metrics	Dec 2017 US$'000	Dec 2018 US$'000	Dec 2019 US$'000
Cash flow from operating activities	5 057	3 572	**1 271**
Cash flow from investing activities	(2 627)	(1 260)	**(880)**
Cash flow from financing activities	(4 404)	(6 857)	**12 699**
Net decrease in cash and cash equivalents	(1 974)	(4 545)	**13 089**

Zeder shareholding	Feb 2018	Feb 2019	Feb 2020
Shareholding (%)	56.0	56.0	**56.0**

WANOS – Weighted average number of shares

The group remains 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 2017** **US$'000**	**Dec 2018** **US$'000**	**Dec 2019** **US$'000**
Total land owned (hectares)	19 219	19 219	**19 219**
Total hectares developed for commercial agriculture (hectares)	7 011	7 225	**7 225**
Of which is equipped for full irrigation by centre pivot (hectares)	4 721	4 721	**4 721**
Revenue	21 089	24 579	**21 462**
EBITDA	3 355	4 496	**4 311**
EBIT	285	1 641	**1 649**
Assets	149 674	120 764	**141 505**

Milling **Key metrics**	**Dec 2017** **US$'000**	**Dec 2018** **US$'000**	**Dec 2019** **US$'000**
Maize milling – capacity (tons)	68 400	68 400	**68 400**
Maize milling – milled (tons)	41 938	29 552	**29 066**
Wheat milling – capacity (tons)	26 400	26 400	**26 400**
Wheat milling – milled (tons)	23 382	18 491	**15 656**
Revenue	21 841	16 913	**17 386**
EBITDA	(585)	(1 812)	**741**
EBIT	(977)	(2 183)	**451**
Assets	7 416	6 905	**8 520**

While at an aggregate level, the financial results continue to disappoint, it is worth noting that divisional performances vary with operating results at select divisions consistently delivering acceptable returns. The milling division, which has been struggling for the past two years, managed to stabilise its performance and reported an improved EBITDA of $741m on a stand-alone basis. The farming divisions remain well managed and under control and reported annual EBITDA of $4.31m before group and central allocations.

Quantum Foods

Quantum Foods is a diversified feeds and poultry business providing quality animal protein to select South African and African markets. Having delivered exceptional results in the prior years, Quantum Foods reported a 43.9% decline in headline earnings per share for their financial year ended 30 September 2019, mainly as a result of anticipated lower egg prices during the year. 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, 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.

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

BOARD ATTENDANCE	16 Apr 2019	23 Jul 2019	8 Oct 2019	28 Jan 2020
CA Otto	✓	✓	✓	✓
N Celliers	✓	✓	✓	✓
GD Eksteen	✓	✓	✓	✓
RM Jansen	✓	✓	✓	✓
WL Greeff	✓	✓	✓	✓
ASM Karaan	✓	✓	✓	✓
JH le Roux	✓	✓	✓	✓
NS Mjoli-Mncube	✓	A	✓	✓
PJ Mouton	✓	✓	✓	✓

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.

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 CA Otto and ASM Karaan and Mrs NS Mjoli-Mncube will retire and offer themselves for re-election by shareholders. 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 page 92 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;
- formulating and approving of strategy;
- retaining effective control; and
- being ultimately accountable and responsible 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
- 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.

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). 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 Zeder Nomination Committee ("**nomination committee**") comprises Messrs CA Otto, GD Eksteen and ASM Karaan, all being independent non-executive directors. 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 28 January 2020, 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.

The remuneration committee met once during the past year on 18 February 2020, 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 non-binding advisory votes.

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.

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 ten and a half years, Mr CA Otto for the past six years, Mrs NS Mjoli-Mncube for the past three and a half years and Mr RM Jansen for the past year. 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 16 April 2019 and 8 October 2019, as well as after financial year-end on 14 April 2020, with all members being present.

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.

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.

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 29 February 2020. A report by the audit and risk committee containing details of how the committee had discharged its duties and responsibilities has been provided on page 60 of this annual report.

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.

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"). The social and ethics committee met once during the past year on 18 February 2020 with all members, except for Mr CA Otto, being present.

The main objectives of the social and ethics committee are to assist the board in monitoring the groups performance in respect of role of oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. This is done by monitoring the prevailing codes of best practice, 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 groups policies about the commitment, governance and reporting of the groups 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.

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 this annual report.

GOVERNANCE MATTERS

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.

Technology and information governance

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.

Whistle blowing procedures

Each investee company has its own tailored whistle blower programme in place. The programmes range from formal tip-offs anonymous telephone lines and e-mail addresses, which are monitored by third parties and displayed on their websites or communicated to employees, to informal reward systems.

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.

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.

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 can act, if required, 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 2021 Remuneration Policy, and the Implementation Report that illustrates the outcomes of the 2020 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 a combination of sustainable growth in share price and dividends as a basis to deliver value to shareholders over time. 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 non-binding advisory votes by shareholders at each annual general meeting (see ordinary resolutions numbers 9 to 10 in the Notice of Annual General Meeting on page 94).

Of the shareholders votes exercisable at the 2019 annual general meeting, 85.07% and 76.57% 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. As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

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 2020 Remuneration Policy. There were no material deviations from this Remuneration Policy.

Chris Otto
Chairman
2 June 2020
Stellenbosch

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 29 February 2020, the total employees at head office level comprised 5 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 5 individuals comprise the chief executive officer ("**CEO**"), financial director ("**FD**"), 1 financial manager, 1 financial accountant 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 5 aforementioned employees and the aforementioned strategic advisory fee paid to the PSG Group. For the year ended 29 February 2020, Zeder's internal net operating and employment costs were R33m (2019: R33m) while the strategic advisory fees paid to the PSG Group totalled R6m (2019: R6m). The total head office operating costs therefore amounted to approximately 0.3% (2019: 0.4%) 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 5 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.

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. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

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

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.

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.

3.4.3 *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, it was previously 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, it was previously determined that 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.

3. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

3.4 Mechanics of the share incentive scheme continued

3.4.3 Minimum shareholding continued

The current CEO was required to meet the aforementioned minimum shareholding requirement by no later than 28 February 2019, the current FD was 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.

In light of material changes that had taken place, the remuneration committee has resolved that these previously determined levels would be impractical and impossible to achieve by the executive directors. These material changes include the following:

- The changing of the settlement mechanism from "funded" to "net-equity" for share options that are exercised;
- The ability of the remuneration committee to freely instruct the disposal of shares held by participants for purposes of settling old loan obligations towards the company in terms of the scheme;
- The distribution of a substantial portion of the capital of the company by way of large special dividends thereby reducing the market capitalisation going forward; and
- The severe and yet unquantified negative impact that the Covid-19 crisis will have on companies and valuations in the short to medium term.

As a direct result of factors such as these, the committee has resolved that the minimum shareholding requirement levels will be reduced to zero for the time being and will be reconsidered when appropriate.

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 2.0x) 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.

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 29 February 2021, is set out in the table below:

	Proposed annual remuneration[1,2,3] Feb 2021 R	Actual annual fee Feb 2020 R
Board		
Chairman fee	**500 000**	500 000
Member	**275 000**	275 000
Audit and Risk		
Chairman fee	**192 500**	192 500
Member	**165 000**	165 000
Remuneration		
Chairman fee	**82 500**	82 500
Member	**55 000**	55 000

[1] *For the year ending 28 February 2021, the non-executive directors have agreed not to increase their proposed annual remuneration due to COVID-19.*

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

[3] *Proposed annual remuneration exclude VAT.*

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.

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
29 February 2020						
N Celliers	**8 289**	**(2 487)**	**2 323**	**8 125**	**1 368**	**9 493**
JH le Roux	**5 175**	**(1 553)**	**1 450**	**5 072**	**204**	**5 276**
	13 464	**(4 040)**	**3 773**	**13 197**	**1 572**	**14 769**
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

[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. The deferred payments carries 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 2019 and, that were exercised within the approved exercise window.*

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 years ending 29 February 2020 and 28 February 2021, are set out in the table below:

	2021 Increase %	2020 Increase %
CEO	**0%**	**15.0**
FD	**0%**	**15.0**

For year ending 28 February 2021, the executive directors were granted an increase to their base salary by the Remuneration Committee, but they subsequently voluntarily declined this approved increase in light of COVID-19.

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, Deloitte's most recent *Shareholder Alignment, Company Performance and Executive Pay: Executive Compensation Report* (published in November 2019) 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 R0.4m (2019: R0.6m) in total for the year ended 29 February 2020.

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 29 February 2020, the minimum shareholding applicable was 300% and 150% of the value of the CEO and the FD base salary, respectively).

The table below set out the share option award conditions, as well as the allocation factors used, as at 29 February 2020:

	Allocation factor	Personal key performance measures	Minimum shareholding requirement
CEO	**10**	✓	✓
FD	**8**	✓	×

As a direct result of the previous amendment to the share incentive scheme and SIT Trust deed, participants no longer receive funding from Zeder to acquire shares at full value but rather only the net gain in equity or cash. In the case of the FD, this made it impossible to achieve the previously set targets. After careful consideration, the remuneration committee waived these requirements in accordance with the provisions of the scheme.

The share options exercised during the year represented the share options that became exercisable on 28 February 2019 (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 2019, 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 2019	Number of share options during the year: Granted	Number of share options during the year: Vested/ Exercised[1]	Number of share options during the year: Forfeited[2]	Market price per share on vesting date R	Strike price per share R
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Trust						
N Celliers	1 248 474		**(1 248 474)**		**4.52**	**4.10**
	262 646			**(131 323)**		**7.71**
	592 493			**(197 497)**		**4.97**
	1 792 402			**(448 101)**		**7.29**
	4 016 442					**6.41**
	6 468 828					**4.36**
		3 402 459				**4.52**
	14 381 285	**3 402 459**	**(1 248 474)**	**(776 921)**		
JH le Roux	304 878		**(304 878)**		**4.52**	**4.10**
	64 850			**(32 426)**		**7.71**
	279 835			**(93 278)**		**4.97**
	1 787 037			**(446 759)**		**7.29**
	2 319 528					**6.41**
	3 503 451					**4.36**
		2 192 937				**4.52**
	8 259 579	**2 192 937**	**(304 878)**	**(572 463)**		
Total	22 640 864	**5 595 396**	**(1 553 352)**	**(1 349 384)**		
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust [4]						
N Celliers	2 026		**(2 026)**		**186.60**	**83.23**
	4 932		**(2 467)**		**186.60**	**136.84**
	5 506		**(1 835)**		**186.60**	**178.29**
	12 464	**–**	**(6 328)**	**–**		
JH le Roux	2 600		**(867)**		**186.60**	**178.29**
Total	15 064	–	**(7 195)**	–		

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 29 February 2020. 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 2019 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 2019, but due to the fact that it was out-of-the-money share options 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% (2019: 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.*

Date granted	Number of share options as at 29 Feb 2020	Cost to participant at vesting price R	Market value to participant as at 29 Feb 2020 R	Unrealised gains to participant as at 29 Feb 2020 R
28/02/2014[3]				
28/02/2015	131 323			
29/02/2016	394 996			
28/02/2017	1 344 301			
28/02/2018	4 016 442			
28/02/2019	6 468 828			
29/02/2020	3 402 459			
	15 758 349	–	–	–
28/02/2014				
28/02/2015	32 424			
29/02/2016	186 557			
28/02/2017	1 340 278			
28/02/2018	2 319 528			
28/02/2019	3 503 451			
29/02/2020	2 192 937			
	9 575 175	–	–	–
	25 333 524	–	–	–

Date granted	Number of share options as at 29 Feb 2020	Cost to participant at vesting price R	Market value to participant as at 29 Feb 2020 R	Unrealised gains to participant as at 29 Feb 2020 R
28/02/2014				
28/02/2015	2 465	337 311	459 969	122 658
29/02/2016	3 671	654 503	685 009	30 506
	6 136	991 814	1 144 978	153 164
29/02/2016	1 733	308 977	323 378	14 401
	7 869	1 300 791	1 468 356	167 565

REMUNERATION REPORT

IMPLEMENTATION REPORT CONTINUED

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 29 February 2020, 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**	**6 468 249**	**3.7**
Maximum number of shares allowed per individual	**34 610 293**	**5 125 225**	**14.8**

At 29 February 2020, the share incentive scheme had 4 participants, comprising the executives and financial employees.

At 29 February 2020, the total number of share options that had already been awarded but remain unvested amounted to 26 697 462, representing 1.6% 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 1.6%.

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 29 February 2020	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**21.8**	**91.4**	**128.7**
JH le Roux	**5.5**	**86.9**	**122.7**

2.4 Loan funding provided prior to 28 February 2018 continued

2.4.1 *Share incentive scheme funding continued*

As a result of the payment of the significant special dividend after year-end, the funds received by the executive directors were used to pay off part of the above loans:

As at 28 April 2020	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**11.3**	**79.5**	**153.5**
JH le Roux	**3.1**	**72.2**	**134.0**

In accordance with the Zeder SIT trust deed, the Trustees conditionally waived the minimum-security cover ratio (currently 2.0) 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 29 February 2020, there are no outstanding loan balances to financial 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 the financial year ending 28 February 2021. 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 29 February 2020	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**16.3**	**68.6**	**96.5**

2. EXECUTIVE DIRECTORS' SHARE OPTIONS continued

2.4 Loan funding provided prior to 28 February 2018 continued

2.4.2 *Other loan funding continued*

As a result of the payment of the significant special dividend after year-end, the funds received by the executive directors were used to pay off part of the above loans:

As at 28 April 2020	Total loans Rm	Security cover based on closing share price %	Security cover based on *SOTP value* per share %
N Celliers	**10.5**	**47.9**	**92.4**

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 2020 R'000	Total paid 2019 R'000
Non-executive		
GD Eksteen[2]	**595**	450
WL Greeff[1]		
RM Jansen[2]	**554**	
ASM Karaan	**330**	300
NS Mjoli-Mncube	**440**	400
PJ Mouton[1]		
CA Otto[2,3]	**1 024**	500
	2 943	1 650

[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] *Independent board fees in total of R350 000 paid in October 2019 for the services rendered in relation to the disposal of Pioneer Foods shares was approved by the shareholders at the 30 September 2019 general meeting.*

[3] *In the previous year Mr CA Otto was appointed as the Chairman of the Zeder board of directors. Previously the Chairman's fee was included in the PSG Strategic Input Fee, therefore no Chairman's fee was approved by the shareholders at the 2018 AGM. At the 2019 AGM a fee of R450 000 was approved by the shareholders and the proportional amount of R112 500 was paid to Mr CA Otto in August 2019.*

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 ("**social and ethics committee**"), which comprises the members of the Exco and Mr CA Otto (chairman and non-executive director), is a statutory committee which assists the board in monitoring the company's activities, having regard to any relevant legislation, legal requirements and prevailing codes of best practice relating to matters which include:

- Social and Economic Development
- Good corporate citizenship
- The environment, health and public safety
- Client 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.

This report by the social and ethics committee is prepared in accordance with the requirements of the Companies Act of South Africa, No. 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 29 February 2020.

Zeder Investments believes in conducting its business in a responsible manner, with due regard for the potential impact thereof on the environment in which it operates at large.

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.

Chris Otto
Chairman
2 June 2020
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

- In Zambia, Zaad supports the Nayamba Trust School in Chisamba for under-privileged children where around 380 children are benefiting. The support involves running a program to make the school economically self-sustainable. Zaad provides material and logistical support, as well as security for the school as to ensure a safe learning environment for the pupils. Zaad also assists with the teaching of agriculturally based subjects by providing material for planting, and visits to the trial plots.
- Capespan provides early language and literacy development of children from historically disadvantaged communities in South Africa, in partnership with Wordworks and SmartStart. Training has been conducted in the Sundays River Valley community. The programme is funded by the local Blue Hand supported and co-funded Place of Hope and Mercy Community Centre. The centre currently accommodates 180 pre-school children. During June 2019 a new day care facility was added to the existing 4 classrooms at the centre which accommodates 30 babies.
- 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 2019, long-term development programmes were continued 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.
- Farm worker PC and life skills training rooms were constructed in funding partnership between the Waitrose Foundation and Blue Hand on both Oorkant and Omdraai Valam Farms, which is also utilized as after-school care homework centres for local farms' children.
- Capespan Namibia donated N$0.1m 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.
- 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

  b) a programme in Animal Production at NQF level 3

  c) a programme in Plant Production at NQF level 3

  Kaap Agri's investment to the Academy during the year was approximately R3m.
- During the year, Kaap Agri continued the Young Starts Programme, run in partnership with Technogirl Trust. The programme is aimed to provide young adult women 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 44 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.
- Quantum Foods made a contribution of R0.5m 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 R1.1m 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 has schools (Pre-school, Junior School and Main School) at its Somawhe Estates facility for all permanent workers' children up to grade 9 where an average of 364 children are benefitting.
- Agrivision Zambia Mkushi Estates continues to support the Local Primary and Secondary School (Katuba School) by providing free transport for the school children.
- The Logistics Group contributes to the Symphonia of South Africa. Beneficiaries of this organization primarily includes principals of schools (to become change leaders in their respective schools), teachers, scholars and the wider community in highly impoverished areas of South Africa.
- The Logistics Group supports the Bright Star Life skills training project through donations. The project is coordinated by Badisa Tygerberg and is aimed to facilitate growth and insight within foster children.
- The Logistics Group contributed a total amount of R1m towards training and development. This includes bursaries to employees of the entire group and/or their children. A total of 27 learners have been employed in the group companies as part of learnership programmes. The Logistics Group has partnered with eDeaf, an organization which strives to improve the social and economic lives of the deaf community by providing a variety of empowerment and skills development training programmes. 12 of these eDeaf learners have benefited from this initiative.

CORPORATE SOCIAL INVESTMENT

CONTINUED

SKILLS DEVELOPMENT

- Internal Employee training has continued for the Agrivision Group as part of the requirements under FSSC22000 and GlobalG.A.P control points and compliance criteria. Trainings were conducted for all employees in Health and Safety, Silo Safety, Responsible use and Handling of Plant Protection Products, Hygiene and machine safety. Trainers included the ESG Manager, Human Resource Managers and Quality Control Manager respectively
- Agrivision ran a two months internship program for three students at its Mpongwe Milling Plant under mechanical fitting, welding and electrical programmes.
- Agrivision provided 8 tractor drivers and 2 workshop managers with training in Planter Optimization by AFRI Agri Services.

SUSTAINABLE USE OF THE ENVIRONMENT

- In South Africa, Zaad is involved in the International Seed Federations Legacy Project which aims to support a community centre in the Mfuleni township of Cape Town. The legacy project will help construct tunnels for vegetable production, sustainable energy and water supply as well as a sports field for soccer and netball for young children.
- Agrivision Africa funded the Mpongwe Forestry department in expanding the local government tree nursery and the raising of 15000 assorted trees which will be planted around public institutions and Agrivision farms. This is to compensate for the trees cut during land clearing of the fields in line with the requirements as enshrined in the Environmental Management Act of Zambia No. 12 of 2011.
- Agrivision has planted a total of 5000 gum trees at its farm in Mkushi. The trees were planted around critical areas prone to soil erosion. The trees will also add to our carbon sink and help in the sequestration of carbon to offset the operating emissions.

COMMUNITY OUTREACH

- 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. Two professional nurses have been appointed who travel between Capespan's 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 more than 800 migrant farm workers arriving on Capespan's Farms.
- From 2017, fortified porridge is supplied to all pre-school children attending the Northern Capespan Farms Pre-School centres.
- Distribution of personal hygiene hampers to 200 female workers on Capespan farms.
- The 2019 Blue Hand sport development programme included distribution of full soccer team kits, trophies and cash prices to the Capespan Farms soccer teams who participated in the Blue Hand soccer tournament held in September 2019 on the sports field at Omdraai Valam Farm. This facility was further developed with the additional construction of a club house facility.
- Vegetable tunnels located on the Capespan Northern Cape farms have continued to produce 2 harvests since January 2019. During September 2019 an additional 11 tunnels were established on the Valam Omdraai and Norriseep Farms and an additional 1 tunnel in the local Lutzburg residential community.
- 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 16 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 2019 beneficiaries of a total amount of R0.2m.

- Agrivision Zambia allowed more than 150 members of the local community to glean maize from the company's fields in Mkushi in order to help alleviate the hunger situation due to poor rainfall in the region.
- Agrivision has continued to make its monthly donations of white bread flour to an orphanage (Itimpi Mission) in Kitwe.
- Agrivision Zambia spearheaded the renovation of the 50km Machiya Government Gravel Road in Mpongwe District. This was done in conjunction with other commercial farmers.
- Both of Agrivisions farming operations have clinics on the farm. The clinic at Mkushi Estates is operated by a community health worker employed by the company while the two clinics at Somawhe Estates are operated by a Registered Nurse and Clinical Officer also employed by the company. Medication disbursed to employees is done at no charge. At the Company's Somawhe Estates operation, these clinics are also open to the broader community and not just the workers.
- 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

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The summary consolidated financial statements comprise a summary of the audited consolidated annual financial statements of Zeder Investments Limited ("**Zeder**") for the year ended 29 February 2020.

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

FOR THE YEAR ENDED 29 FEBRUARY 2020

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, No. 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 reappointment 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 2020 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 and recommended changes to the ordinary dividend policy to board of directors for approval;
- Reviewed the accounting policies and financial statements for the year ended 29 February 2020 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 proactive monitoring of financial statements for compliance with IFRS;
- Ensured that the appropriate financial reporting procedures exist and are operating;
- 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; and
- 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 Zeder Investments Limited for the past 14 years, while the designated external audit partner has served in such capacity for the past 5 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.

RM Jansen
Chairman
29 May 2020
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 the requirements of 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 of South Africa; 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 audit and risk committee.

These 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.

These summary consolidated financial statements, set out on pages 65 to 89 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

Chris Otto
Chairman
29 May 2020
Stellenbosch

Norman Celliers
Chief executive officer

Johann 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
29 May 2020
Stellenbosch

DIRECTORS' REPORT

OVERVIEW

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

OPERATING RESULTS

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

Noteworthy transactions

- In line with the relevant announcements, circulars and shareholder approvals obtained, Zeder disposed of its entire interest in Pioneer Foods on 23 March 2020 for a total consideration of R6.41bn.

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

- Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments, and internal valuations for unlisted investments, increased by 5.8% during the reporting period to R5.97 as at 29 February 2020.

Earnings performance

- *Recurring* headline earnings per share increased by 18.4% to 32.8 cents mainly due to improved performance from most of Zeder's underlying investee companies.
- Headline earnings per share decreased by 47.5% to 23.7 cents mainly due to the non-recurrence of the upward fair value adjustment of Capespan's investment in Joy Wing Mau prior to its disposal in the prior year.
- Attributable earnings per share increased by 532.7% to 32.9 cents mainly due to the reversal of the non-headline impairment charge recognised by Zeder on its associate investment in Pioneer Foods in the prior year, partly offset by impairments of non-financial assets.
- Profit for the year amounted to R599m (2019: R122m), while the earnings attributable to equity holders of the group from continued operations amounted to a loss of R234m (2019: profit of R374m).

STATED CAPITAL

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

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.

Audited	**Total 2020 '000**	**Total 2019 '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 received	**(8 299)**	(8 299)
In issue *(nett of treasury)*	**1 701 879**	1 701 879

DIVIDENDS

No final dividend was declared to the ordinary shareholder during the year under review (2019: 11 cents per share). However on 1 April 2020, the company declared a special dividend of 230 cents per share from income resources, as a result of the disposal of Pioneer Foods, which was paid on 28 April 2020. Following the significant special dividend, the directors have resolved to amend the Zeder dividend policy. Going forward the payment of dividends will be conditional on the group having sufficient reserves to fund its operations, investments and growth plans.

EVENTS SUBSEQUENT TO THE REPORTING DATE

During the year under review the Pepsico Inc. group made an offer to the Pioneer Foods ordinary shareholders to acquire all of Pioneer Foods' issued ordinary shares for a cash consideration of R110 per share. As at 29 February 2020, the company transferred its investment in Pioneer Foods (previously classified as an investment in associate) to non-current assets held for sale (refer notes 4.1 and 13.1). Subsequent to year-end, the Competition Commission Tribunal approval was obtained and all suspensive conditions were met.

Subsequent to year-end and out of the proceeds of the Pioneer Foods disposal, Zeder declared a special dividend of 230 cents per share (payable on 28 April 2020) and settled it's redeemable preference share debt obligations in full.

As a result of the global coronavirus pandemic and corresponding international health and economic crises unfolding, South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While Zeder and its portfolio companies will not be immune to these challenges, many of the portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations, albeit at significantly reduced demand conditions. In addition, the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis. The company currently has no external debt and has cash resources available to assist portfolio companies during this time. The short- to medium term severity thereof and consequent impact on the profitability and valuation of our investments, however, remain uncertain.

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 and PJ Mouton. Messrs N Celliers and JH le Roux's remuneration is included above and the other Exco members' remuneration is disclosed in PSG Group Limited's annual report.

DIRECTORS' SHAREHOLDING

	Beneficial		Non-beneficial	Total shareholding 2020		Total shareholding 2019	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	**Number**	**%**
N Celliers		**7 340 499**		**7 340 499**	**0.429**	7 340 499	0.429
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
NS 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**	15 528 905	0.908

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 the approval of the annual consolidated financial statements.

Also refer to Annexure A on page 89 of this annual report detailing the shareholder analysis.

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 88 of the Zeder Investments Limited Annual Report 2020, which comprise the summary consolidated statement of financial position as at 29 February 2020, 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 29 February 2020.

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) Listing 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 29 May 2020. 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 Listing 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
29 May 2020
Stellenbosch

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 29 FEBRUARY 2020

Audited	Feb 20 Rm	Feb 19 Rm
Assets		
Non-current assets	**4 815**	9 492
Property, plant and equipment	**1 599**	1 699
Right-of-use assets (note 1.2)	**425**	
Intangible assets	**805**	669
Biological assets (bearer plants)	**413**	426
Biological assets (agricultural produce)	**15**	15
Investment in ordinary shares of associates and joint ventures	**1 272**	6 291
Loans to associates and joint ventures		166
Equity securities	**31**	30
Deferred income tax assets	**140**	74
Employee benefits	**42**	43
Loans and advances	**73**	79
Current assets	**3 862**	3 300
Biological assets (agricultural produce)	**158**	151
Derivative financial assets	**1**	
Loans to associates and joint ventures	**40**	6
Loans and advances	**16**	16
Trade and other receivables	**1 814**	1 416
Inventories	**1 413**	1 218
Current income tax assets	**9**	60
Cash, money market investments and other cash equivalents	**411**	433
Non-current assets held for sale (note 5)	**5 470**	1
Total assets	**14 147**	12 793

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 29 FEBRUARY 2020 CONTINUED

Audited	Feb 20 Rm	Feb 19 Rm
Equity and liabilities		
Ordinary shareholders' equity	**7 974**	8 096
Non-controlling interests	**344**	316
Total equity	**8 318**	8 412
Non-current liabilities	**1 445**	2 101
Deferred income tax liabilities	**121**	93
Borrowings	**646**	1 880
Lease liabilities (note 1.2)	**556**	
Derivative financial liabilities	**24**	25
Employee benefits	**98**	103
Current liabilities	**4 368**	2 280
Borrowings	**2 870**	1 192
Lease liabilities (note 1.2)	**76**	
Derivative financial liabilities		1
Trade and other payables	**1 309**	993
Employee benefits	**70**	63
Current income tax liabilities	**43**	31
Non-current liabilities held for sale (note 5)	**16**	
Total liabilities	**5 829**	4 381
Total equity and liabilities	**14 147**	12 793
Net asset value per share (cents)	**468.5**	475.7
Tangible asset value per share (cents)	**421.2**	436.3

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2020

Audited	Feb 20 Rm	Feb 19 Rm
Revenue	7 492	7 641
Cost of sales	(5 623)	(6 154)
Gross profit	1 869	1 487
Income		
Change in fair value of biological assets	225	194
Investment income	51	90
Net fair value gains	79	469
Other operating income	40	34
Total income	395	787
Expenses		
Marketing, administration and other expenses	(2 078)	(1 728)
Net monetary gain (note 1)	118	
Total expenses	(1 960)	(1 728)
Net income from associates and joint ventures		
Share of profits of associates and joint ventures	247	319
Impairment of associates (note 2)	(298)	(31)
Net (loss)/gain on dilution of interest in associates (note 2)	(1)	7
Net (loss)/income from associates and joint ventures	(52)	295
Profit before finance costs and taxation	252	841
Finance costs	(351)	(324)
(Loss)/profit before taxation	(99)	517
Taxation	(97)	(110)
(Loss)/profit for the year from continued operations	(196)	407
Profit/(loss) for the year from discontinued operations (note 5)	795	(285)
Profit for the year	599	122
Profit attributable to:		
Owners of the parent	561	89
Continued operations	(234)	374
Discontinued operations	795	(285)
Non-controlling interests	38	33
	599	122

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2020 CONTINUED

Audited	Feb 20 Rm	Feb 19 Rm
DILUTIVE EARNINGS, EARNINGS PER SHARE AND NUMBER OF SHARES		
Dilutive earnings (Rm)		
Headline	**403**	743
Attributable	**560**	65
Earnings per share (cents)		
Recurring headline	**32.8**	27.7
Continued operations	**15.4**	10.4
Discontinued operations	**17.4**	17.3
Headline (basic) (note 2)	**23.7**	45.1
Continued operations	**7.1**	27.4
Discontinued operations	**16.6**	17.7
Headline (diluted)	**23.7**	43.6
Continued operations	**7.1**	26.8
Discontinued operations	**16.6**	16.8
Attributable (basic)	**32.9**	5.2
Continued operations	**(13.8)**	21.9
Discontinued operations	**46.7**	(16.7)
Attributable (diluted)	**32.9**	3.8
Continued operations	**(13.8)**	21.4
Discontinued operations	**46.7**	(17.6)
Number of shares (million)		
In issue	**1 715**	1 715
In issue *(net of treasury shares)*	**1 702**	1 702
Weighted average	**1 702**	1 702
Diluted weighted average	**1 702**	1 704

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29 FEBRUARY 2020

Audited	Feb 20 Rm	Feb 19 Rm
Profit for the year	**599**	122
Other comprehensive loss for the year, net of taxation	**(389)**	(90)
Items that may be reclassified to profit or loss		
Currency translation adjustments including hyperinflation effect	**(201)**	(48)
Share of other comprehensive loss of associates and joint ventures	**(188)**	(39)
Items that may not be reclassified to profit or loss		
Losses from changes in financial and demographic assumptions of post-employment benefit obligations		(3)
Total comprehensive income for the year	**210**	32
Attributable to:		
Owners of the parent	**218**	11
Continued operations	**457**	27
Discontinued operations	**(239)**	(16)
Non-controlling interests	**(8)**	21
	210	32

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 FEBRUARY 2020

Audited	Feb 20 Rm	Feb 19 Rm
Ordinary shareholders' equity at beginning of the year	**7 918**	8 247
Previously reported	**8 096**	8 269
Adjustment due to initial application of IFRS 16 (2019: IFRS 9) (note 1.1)	**(178)**	(22)
Total comprehensive income for the year	**218**	11
Net movement in treasury shares	**1**	1
Transactions with non-controlling interests	**(8)**	9
Other movements	**33**	16
Dividends paid	**(188)**	(188)
Ordinary shareholders' equity at end of the year	**7 974**	8 096
Non-controlling interests at beginning of the year	**311**	325
Previously reported	**316**	327
Adjustment due to initial application of IFRS 16 (2019: IFRS 9) (note 1.1)	**(5)**	(2)
Total comprehensive (loss)/income for the year	**(8)**	21
Shares issued	**3**	11
Transactions with non-controlling interests	**54**	(21)
Other movements	**1**	2
Dividends paid	**(17)**	(22)
Non-controlling interests at end of the year	**344**	316
Total equity	**8 318**	8 412
Dividend per share (cents)		11.0

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 FEBRUARY 2020

Audited	Feb 20 Rm	Feb 19 Rm
Cash generated from operations (note 3)	**337**	79
Investment income	**314**	385
Finance cost and taxation paid	**(393)**	(601)
Cash flow from operating activities	**258**	(137)
Acquisition of subsidiaries (note 4.1)	**(32)**	(44)
Cash acquired from acquisition of subsidiary		3
Proceeds from disposal of subsidiaries	**53**	4
Net loans granted to associates and joint ventures	**(9)**	(48)
Additions to property, plant and equipment	**(202)**	(177)
Proceeds from disposal of property, plant and equipment	**27**	19
Additions to intangible assets	**(112)**	(116)
Acquisition of equity securities		(1)
Proceeds from disposal of equity securities	**6**	1 161
Other	**51**	42
Cash flow from investing activities	**(218)**	843
Capital contributions by non-controlling interests		6
Treasury shares sold	**1**	1
Dividends paid to group shareholders	**(188)**	(188)
Dividends paid to non-controlling interests	**(17)**	(22)
Borrowings repaid	**(630)**	(1 030)
Borrowings drawn	**894**	651
Lease liabilities	**(73)**	
Other	**(20)**	(11)
Cash flow from financing activities	**(33)**	(593)
Net increase in cash and cash equivalents	**7**	113
Exchange differences on cash and cash equivalents including hyperinflation effect	**(29)**	(6)
Cash and cash equivalents at beginning of the year	**433**	326
Cash and cash equivalents at end of the year	**411**	433

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These summary consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for abridged reports, and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require abridged reports 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 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 29 February 2020.

The accounting policies applied in the preparation of the summary consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements. However, the group adopted the various revisions to IFRS which were effective for its financial year ended 29 February 2020, 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 16 *Leases* (refer note 1.1). The group applied hyperinflation accounting in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29") for the first time during the current year. The comparative summary consolidated financial statements were not restated.

In preparing these summary consolidated 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 2019. However the group exercised judgement for the first time in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, joint arrangements and associates is the currency of a hyperinflationary economy. The economy of Zimbabwe was assessed and considered to be hyperinflationary.

As a result of the first time application of IAS 29, the results and financial positions of the group's Zimbabwean subsidiaries have been expressed in terms of the measuring units current at the reporting date. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and the current year hyperinflation adjusted equity balances are recognised in other comprehensive income. The impact of implementing IAS29, increased the group's profit after tax with R35.9m during the year under review and was treated as a *non-recurring* item. The general price indices, as published by the Reserve Bank of Zimbabwe, were used in adjusting the historic cost local currency results and financial positions of the group's Zimbabwean subsidiaries. The general price index as at the end of the reporting period was 563.9. As at 29 February 2020, the cumulative three-year inflation rate was 831.25%.

1.1 Adoption of IFRS 16 *Leases* ("IFRS 16")

IFRS 16, adopted by the group effective 1 March 2019, is a new standard and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures ROU assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

Transition:

The group elected, as permitted by IFRS 16, not to restate comparative financial statements. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet 1 March 2019.

The group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 *Leases*:

- Applied the exemption not to recognise ROU assets and liabilities for leases with less than a 12-month lease term.
- Low-value assets. All leases that meet the criteria of a lease of a low-value asset are accounted for on a straight-line basis over the lease term.
- Use a single discount rate for a portfolio of leases with reasonably similar characteristics.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 *Leases* and interpretation 4 *Determining whether an Agreement contains a lease.*

Extension options:

Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors such as significant leasehold improvements, the importance of the underlying assets to the group's operations, and past practice within the group, were taken into account to determine reasonable certainty.

Impacts on the financial statements on transition:

On transition to IFRS 16, the group recognised the lease liabilities, at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition date, and the corresponding ROU assets was measured on a retrospective basis as if the new rules had always been applied.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES continued

1.1 Adoption of IFRS 16 Leases ("IFRS 16") continued

The impact on transition is recognised below as at 1 March 2019:

Audited	1 Mar 2019 Rm
Recognition of right-of-use assets	441
Recognition of lease liabilities	(641)
Derecognition of previously recognised straightlining lease liability	(2)
Deferred tax impact	38
Share of opening balance adjustment of retained earnings of associates and joint ventures on transition[1]	(19)
Adjustment due to initial application of IFRS 16 on 1 March 2019	(183)
Ordinary shareholders' equity	(178)
Non-controlling interests	(5)

[1] *IFRS 16 also has an impact on the retained earnings opening balances 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 16 on the underlying associates and joint ventures financial assets and liabilities.*

Lease liability reconciliations at 1 March 2019:

Audited	1 Mar 2019 Rm
Non-cancellable operating lease commitments disclosed as at 28 February 2019	1 037
Less: lease payments associated with low-value items recognised on a straight-line basis as expense	(34)
Less: lease payment associated with short-term leases recognised on a straight-line basis as expense	(6)
Less: adjustments as a result of different treatment of leases	(91)
	906
Less: discounting effect using the incremental borrowing rate	(265)
Lease liability recognised at the date of transition	641

1.2 Reconciliation of Right-of-use assets and Lease liabilities

29 February 2020 (audited)	Right-of-use assets Rm	Lease liabilities Rm
Balances recognised at initial application (1 Mar 2019)	441	(641)
Transfers of existing finance leases	23	(19)
New leases entered into	64	(63)
Completion/cancellation of leases	(1)	1
Payments		137
Finance cost		(64)
Depreciation	(81)	
Exchange differences including hyperinflation effect	(2)	5
Transferred to held for sale	(15)	12
Other movements (e.g. remeasurements)	(10)	11
Subsidiaries acquired	6	(11)
Closing balance	**425**	**(632)**

Also in relation to those leases under IFRS 16, the group recognised depreciation and finance costs, instead of operating lease expenses. During the year ended 29 February 2020, the group recognised R81m of depreciation in marketing, administration and other expenses and R64m of finance costs for the leases.

There were no significant impact on earnings for the year ended 29 February 2020 as a result of the adoption of IFRS 16.

2. HEADLINE EARNINGS

Audited	Feb 20 Rm	Feb 19 Rm
Profit for the year attributable to owners of the parent	**561**	89
Non-headline items	**(157)**	678
Gross amounts		
Profit on disposal of subsidiaries' operations	**(2)**	
Net fair value gain resulting from disposal of subsidiary and step up of associate and joint venture to subsidiary	**(58)**	
Impairment of associates	**298**	31
Net loss/(gain) on dilution of interest in associates	**1**	(7)
Non-headline items of associates and joint ventures	**(8)**	
Non-headline items of discontinued operations (note 5)	**(512)**	586
Net loss on sale and impairment of property, plant and equipment	**108**	2
Impairment of intangible assets and goodwill	**46**	66
Other	**3**	
Non-controlling interests	**(20)**	(1)
Taxation	**(13)**	1
Headline earnings	**404**	767
Continued operations	**121**	466
Discontinued operations	**283**	301

During the year under review, Zeder reversed the prior year impairment charge recognised on its associate investment in Pioneer Foods, countered by its impairment on its investments in two associates, Quantum Foods and Kaap Agri due to the recent decline in their JSE listed share prices. Other impairments include impairments in other Capespan associates, goodwill from two subsidiaries and Agrivision Africa's fair value uplift on the initial take-on of property, plant and equipment of the milling and farming operations.

During the previous year, Zeder impaired its investments in two associates, Pioneer Foods and Quantum Foods due to the decline in their JSE listed share prices, as well as goodwill relating to the investment in Agrivision Africa as a result of tough trading conditions in Zambia.

3. CASH GENERATED FROM OPERATIONS

Audited	Feb 20 Rm	Feb 19 Rm
(Loss)/profit before taxation	**(99)**	517
Investment income	**(51)**	(90)
Finance costs	**351**	324
Depreciation and amortisation	**297**	219
Changes in fair value of biological assets	**(225)**	(194)
Net fair value gains	**(11)**	(425)
Profit on disposal of subsidiaries' operations	**(2)**	
Net fair value gain resulting from disposal of subsidiary and step up of associate and joint venture to subsidiary	**(58)**	
Share of profits of associates and joint ventures	**(247)**	(319)
Impairment of associates	**298**	31
Net loss/(gain) on dilution of interest in associates	**1**	(7)
Net loss on sale and impairment of property, plant and equipment	**108**	2
Impairment of intangible assets and goodwill	**46**	66
Impairment of loans to associates	**89**	
Impairment/(reversal of impairment) of trade and other receivables	**46**	(6)
Net harvest short-term biological assets	**98**	105
Net monetary gain	**(70)**	
Other non-cash items	**(68)**	2
	503	225
Changes in working capital and other financial instruments	**49**	21
Additions to biological assets	**(215)**	(167)
Cash generated from operations	**337**	79

4. ACQUISITION OF SUBSIDIARIES AND PROCEEDS FROM DISPOSAL OF SUBSIDIARIES

4.1 Acquisition of subsidiaries

GAP Chemicals Proprietary Limited ("GAP Chemicals")

On 1 September 2019 the group, through Zaad, exercised its call option to acquire the remaining 50.3% shareholding, together with the shareholder claims, in GAP Chemicals for a total consideration of R111m. The remaining portion of the purchase consideration and balance of the loan claim is payable in cash in or around May 2020 and included in the Trade and other payables.

Farm-Ag International Proprietary Limited ("Farm-Ag")

On 1 September 2019 the group, through Zaad, exercised its call option to acquire the remaining 50.0% shareholding in Farm-Ag for a total consideration of R32m. The remaining portion of the purchase consideration is payable in cash in or around May 2020 and included in the Trade and other payables.

The expected synergies associated with the aforementioned business combinations include, *inter alia*, broadening the Zaad group's product range, cross selling a wider range of chemical products to existing clients of the Zaad group and vice versa, with both acquirees having a strong footprint in Africa which will allow Zaad to expand into new markets, as well as improved utilisation of the Zaad group's existing distribution network.

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

Audited	GAP Chemicals Rm	Farm-Ag Rm	Total Rm
Identifiable net assets acquired	123	122	245
Transfer from investment in ordinary shares of associates	(101)	(35)	(136)
Non-controlling interest		(66)	(66)
Goodwill recognised	89	11	100
Cash purchase consideration	111	32	143
Cash consideration paid	(75)	(16)	(91)
Cash and cash equivalents acquired	4	55	59
Net cash flow for subsidiaries acquired	(71)	39	(32)

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

Had GAP Chemicals been consolidated with effect from 1 March 2019 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R387m and loss after tax of R8m.

Had Farm-Ag been consolidated with effect from 1 March 2019 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R262m and profit after tax of R10m.

4.2 Proceeds from disposal of subsidiaries

Aggrigate Investments Proprietary Limited ("Aggrigate")

On 1 August 2019, the group, through Capespan, disposed of a Northern Cape Grape farming subsidiary, Aggrigate, for a consideration of R36m.

Dormell Properties 485 Proprietary Limited ("Dormell")

On 1 August 2019, the group, through Capespan, disposed of a Northern Cape Grape farming subsidiary, Dormell,for a consideration of R17m.

Seed Brothers Proprietary Limited ("Seed Brothers")

On 1 September 2019, the group, through Zaad disposed of its shareholding in Seed Brothers for a consideration of R101.

The summarised assets and liabilities effectively disposed of was:

Audited	**Aggrigate Rm**	**Dormell Rm**	**Seed Brothers Rm**	**Total Rm**
Property, plant and equipment	**14**	**6**		**20**
Biological assets	**18**	**11**		**29**
Deferred income tax assets			**2**	**2**
Equity securities	**1**			**1**
Inventories	**1**		**33**	**34**
Trade and other receivables	**1**		**1**	**2**
Deferred tax liability	**(1)**			**(1)**
Borrowings			**(36)**	**(36)**
Total identifiable net assets	**34**	**17**	**–**	**51**
Profit on sale of subsidiaries	**2**			**2**
Net cash flow on disposal of subsidiaries	**36**	**17**	**–**	**53**

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

5. NON-CURRENT ASSETS/LIABILITIES HELD FOR SALE/DISCONTINUED OPERATIONS

As at 29 February 2020, the non-current assets held for sale and discontinued operation comprise mainly of the investment in Pioneer Foods (associate) of R5.05bn as a result of the offer received from the Pepsico Inc. group to acquire all of Pioneer Foods issued ordinary shares at a cash consideration of R110 per share. The scheme of arrangement was approved by the Zeder and Pioneer Foods ordinary shareholders and subsequent to the reporting date, by the Competition Tribunal.

The remaining portion of the non-current assets/liabilities held for sale comprise of investments in associates held through Capespan (Goodview and Van Wylick) of R108m and other assets (R311m) and liabilities (R16m) of Zaad's investment in Klein Karoo Saad Bemarking, all of which are in the process of being sold.

In the prior year, it included property in Gauteng amounting to R0.6m, subsequently sold during the year.

Financial performance and cash flow information relating to the discontinued operation for the year to the date of disposal is set out below:

Audited	Feb 20 Rm	Feb 19 Rm
Net income from associates and joint ventures		
Equity accounted earnings	**264**	318
Reversal of/(impairment) of associates	**617**	(617)
Net (loss)/profit on sale/dilution of interest	**(86)**	14
Profit/(loss) for the year from discontinued operation	**795**	(285)
Cash flow from operating activities	**189**	213
Cash and cash equivalents at end of year	**189**	213

Non-headline items of the discontinued operations comprise mainly of the reversal of/(impairment) of associates and net (loss)/profit on sale/dilution of interest.

6. FINANCIAL INSTRUMENTS

6.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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 29 February 2020. 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. These instruments are included in level 1 and comprise primarily JSE-listed equity securities classified as "fair value through profit and loss".

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.

Instrument	Valuation technique	Main inputs
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable – prices available publicly
Equity securities	Closing price on recognised over-the-counter platforms	Not applicable – prices available publicly

6. FINANCIAL INSTRUMENTS continued

6.2 Fair value estimation continued

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.

Certain equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities. Based on the assumption that the over-the-counter prices of the traded equity securities were 20% (2019: 20%) higher/lower for the full year, the fair value would have been R4.3m (2019: R4.7m) higher/lower than the current fair value.

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate. Based on the assumption that the interest rates were 1% (2019: 1%) higher/lower for the full year, with all other variables (e.g. the relevant subsidiary's board-approved budgeted profits) held constant, the fair value would have been R0.7m (2019: R0.1m) higher/lower than the current fair value.

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 2019.

The carrying 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
29 February 2020				
Assets				
Cash and cash equivalents – money market fund	82			82
Derivative financial assets		1		1
Equity securities		2	29	31
	82	3	29	114
Opening balance			29	
Disposals			(6)	
Fair value gains			7	
Disposal of subsidiaries			(1)	
Liabilities				
Derivative financial liabilities			24	24
Opening balance			25	
Fair value gains			(4)	
Finance cost			3	

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	

7. SEGMENTAL REPORTING

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

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 the *recurring* headline earnings of 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 items 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 profit and loss). Associates' and subsidiaries' once-off gains and losses are excluded from *recurring* headline earnings and included in *non-recurring* headline items.

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

SOTP is a valuation tool used to measure Zeder's performance. The *SOTP value* is calculated using the quoted market prices for all JSE-listed investments, and internal 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.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

7. SEGMENTAL REPORTING continued

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

Recurring headline earnings segmental analysis: Audited	**Food, beverages and related services[1] Rm**	**Logistical services[1] Rm**
29 February 2020		
Recurring headline earnings from investments	**315**	**125**
Continued operations	**19**	**125**
Discontinued operations	**296**	
Net interest, taxation and other income and expenses		
***Recurring* headline earnings**	**315**	**125**
Continued operations	**19**	**125**
Discontinued operations	**296**	
Other *non-recurring* headline earnings[2]	**(96)**	**(6)**
Headline earnings	**219**	**119**
Continued operations	**(64)**	**119**
Discontinued operations	**283**	
Non-headline items	**(46)**	**(9)**
Attributable earnings	**173**	**110**
Continued operations	**(91)**	**110**
Discontinued operations	**264**	
28 February 2019		
Recurring headline earnings from investments	250	122
Continued operations	(44)	122
Discontinued operations	294	
Net interest, taxation and other income and expenses		
***Recurring* headline earnings**	250	122
Continued operations	(44)	122
Discontinued operations	294	
Other *non-recurring* headline earnings[2]	314	
Headline earnings	564	122
Continued operations	263	122
Discontinued operations	301	
Non-headline items	6	(1)
Attributable earnings	570	121
Continued operations	252	121
Discontinued operations	318	

Agri-related retail, trade and services Rm	Agri-inputs Rm	Agri- production Rm	Unallocated (mainly head office) Rm	Total Rm
114	**163**	**8**		**725**
114	**163**	**8**		**429** **296**
			(166)	**(166)**
114	**163**	**8**	**(166)**	**559**
114	**163**	**8**	**(166)**	**263** **296**
7	**24**		**(84)**	**(155)**
121	**187**	**8**	**(250)**	**404**
121	**187**	**8**	**(250)**	**121** **283**
(1)		**(24)**	**237**	**157**
120	**187**	**(16)**	**(13)**	**561**
120	**187**	**(16)**	**(544)** **531**	**(234)** **795**
115	124	(7)		604
115	124	(7)		310 294
			(133)	(133)
115	124	(7)	(133)	471
115	124	(7)	(133)	177 294
(10)	(6)		(2)	296
105	118	(7)	(135)	767
105	118	(7)	(135)	466 301
1	(8)		(676)	(678)
106	110	(7)	(811)	89
106	110	(7)	(208) (603)	374 (285)

7. SEGMENTAL REPORTING continued

Audited	Feb 20 Rm	Feb 19 Rm
Earnings per share (cents)		
Recurring headline earnings per share	**32.8**	27.7
Continued operations	**15.4**	10.4
Discontinued operations	**17.4**	17.3

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

[2] *During the year,* non-recurring *items comprised mainly of the impairment of loans to associates and restructuring costs, countered by a net monetary gain due to Zimbabwe being classified as a hyperinflationary economy for the first time during the year. During the previous year,* non-recurring *items comprised mainly of the upward fair value adjustment reflecting the disposal value of Capespan's investment in Joy Wing Mau.*

	Feb 20 Rm	Feb 19 Rm
***SOTP* segmental analysis:**		
Segments		
Food, beverages and related services[1]	**7 535**	6 098
Continued operations	**1 187**	1 409
Discontinued operations	**6 348**	4 689
Logistical services[1]	**1 028**	978
Agri-related retail, trade and services	**742**	978
Agri-inputs	**2 034**	2 235
Agri-production	**242**	493
Cash and cash equivalents	**83**	254
Other net assets	**40**	109
Debt funding	**(1 500)**	(1 500)
SOTP value	**10 204**	9 645
***SOTP value* per share (rand)**	**5.97**	5.64

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

Audited	Feb 20 Rm	Feb 19 Rm
(Loss)/profit before tax from continued operations segmental analysis:		
Segments		
Food, beverages and related services[1]	**716**	640
Continued operations	**(79)**	925
Discontinued operations	**795**	(285)
Logistical services[1]	**179**	178
Agri-related retail, trade and services	**114**	104
Agri-inputs	**264**	131
Agri-production	**(48)**	(22)
Management fees and other income and expenses (including impairments)	**(529)**	(799)
Profit before tax	**696**	232
(Profit)/loss for the year from discontinued operations	**(795)**	285
(Loss)/profit before tax from continued operations	**(99)**	517

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

IFRS revenue (revenue and investment income) segmental analysis:		
Segments		
Food, beverages and related services[1]	**3 969**	4 796
Revenue	**3 952**	4 762
Investment income	**17**	34
Logistical services[1]	**939**	848
Revenue	**937**	837
Investment income	**2**	11
Agri-inputs	**2 128**	1 652
Revenue	**2 113**	1 636
Investment income	**15**	16
Agri-production	**491**	407
Revenue	**490**	406
Investment income	**1**	1
Unallocated investment income (mainly head office interest income)	**16**	28
IFRS revenue	**7 543**	7 731

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

8. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

Capital commitments, contingencies and suretyships similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2019 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 2019 took place during the year under review.

10. EVENTS SUBSEQUENT TO THE REPORTING DATE

During the year under review the Pepsico Inc group made an offer to the Pioneer Foods ordinary shareholders to acquire all of Pioneer Foods' issued ordinary shares for a cash consideration of R110 per share. As at 29 February 2020, the company transferred its investment in Pioneer Foods (previously classified as an investment in associate) to non-current assets held for sale (refer notes 5). Subsequent to year-end, the Competition Commission Tribunal approval was obtained and all suspensive conditions were met.

Subsequent to year-end and out of the proceeds of the Pioneer Foods disposal, Zeder declared a special dividend of 230 cents per share (payable on 28 April 2020) and settled it's redeemable preference share debt obligations in full.

As a result of the global coronavirus pandemic and corresponding international health and economic crises unfolding, South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While Zeder and its portfolio companies will not be immune to these challenges, many of the portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations, albeit at significantly reduced demand conditions. In addition, the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis. The company currently has no external debt and has cash resources available to assist portfolio companies during this time. The short- to medium term severity thereof and consequent impact on the profitability and valuation of our investments, however, remain uncertain.

Apart from the above, the directors are unaware of any matter or event which is material to the financial affairs of the group that have 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 29 FEBRUARY 2020

GROUP	Shareholders Number	Shareholders %	Shares held Number	Shares held %
Range of shareholding				
1 – 20 000	**7 792**	**74.4**	**36 052 165**	**2.2**
20 001 – 50 000	**1 114**	**10.6**	**36 598 486**	**2.1**
50 001 – 100 000	**641**	**6.1**	**46 814 152**	**2.7**
100 001 – 500 000	**704**	**6.7**	**154 040 399**	**9.0**
500 001 – 1 000 000	**117**	**1.1**	**80 954 242**	**4.7**
Over 1 000 000	**119**	**1.1**	**1 355 718 208**	**79.3**
	10 487	**100.0**	**1 710 177 652**	**100.0**
Treasury shares				
– Employee share scheme	**1**		**5 001 469**	
	10 488		**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	**10 480**	**99.9**	**946 293 856**	**55.3**
	10 487	**100.0**	**1 710 177 652**	**100.0**
Major shareholders holding 5% or more of shares in issue *(net of treasury shares)* at 29 February 2020				
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]			**147 987 389**	**8.7**
Allan Gray Investment Management[2]			**117 723 209**	**6.9**
Coronation Asset Management Proprietary Limited[2]			**104 279 819**	**6.1**
			1 118 345 308	**65.5**

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

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Limited ("**Zeder**" or "**the company**") to be conducted entirely through electronic media on Friday, 17 July 2020, at 09:00 ("**the AGM**").

IMPACT OF COVID-19 PANDEMIC ON THE AGM

As a result of the COVID-19 pandemic and the uncertainty around the level of restrictions that will be applicable at the time of the AGM, the AGM will be conducted entirely through electronic means, rather than physically, as contemplated in section 63(2) (a) of the Companies Act.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

1. register online using the online registration portal at *www.smartagm.co.za,* prior to the commencement of the AGM; or
2. make a written application (Annexure A included in this notice ("**Form A**")) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to *proxy@computershare.co.za*, so as to be received by the transfer secretaries by no later than 09:00 on Wednesday, 15 July 2020, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would still need to submit their voting instructions via their Central Securities Depository Participants ("**CSDP**") or broker or obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM electronically.

The transfer secretaries shall, by no later than 09:00 on Thursday, 16 July 2020, notify participants who had notified the transfer secretaries in accordance with paragraph 1 of the *Electronic Participation* section of this notice, by email of the relevant details through which participants can participate electronically.

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 29 February 2020.

The annual report, of which this notice forms part, contains the summary consolidated financial statements and the aforementioned reports. The consolidated annual financial statements, including the unmodified audit opinion, are available on Zeder's website at *www.zeder.co.za.* In addition, electronic copies of the consolidated annual financial statements may be requested and obtained, at no charge, from the company at *cosec@zeder.co.za* and from PSG Capital.

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

Note:
For ordinary resolutions numbers 1 to 10 (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 11 to be adopted, at least 75% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.

NOTICE OF ANNUAL GENERAL MEETING

1. RETIREMENT AND RE-ELECTION OF DIRECTORS

1.1 Ordinary resolution number 1

"Resolved that Prof ASM Karaan, 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 Prof ASM ("Mohammad") Karaan
Mohammad joined the Development Bank of Southern Africa as an economist and later returned to Stellenbosch to join the Rural Foundation as Head of Research. In 1997, he joined the University of Stellenbosch as a lecturer in Agricultural Economics. In October 2008, he became Dean of the Faculty of Agri Sciences at Stellenbosch University. He is a member of the National Planning Commission and holds various directorships in the agribusiness sector.

1.2 Ordinary resolution number 2

"Resolved that Mrs NS Mjoli-Mncube, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers herself for re-election, be and is hereby re-elected as director."

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.

1.3 Ordinary resolution number 3

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

The reason for ordinary resolutions numbers 1 to 3 (inclusive) is that the memorandum of incorporation of the company, the Listings Requirements of the JSE Limited ("**JSE Listings Requirements**") and, to the extent applicable, 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.

2. 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.

2.1 Ordinary resolution number 4

"Resolved that 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
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 5

"Resolved that Mr RM Jansen, 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 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 Community Investment Venture Holdings (Pty) Ltd.

2.3 Ordinary resolution number 6

"Resolved that, subject to the approval of ordinary resolution number 3, 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

A summary of Chris' *curriculum vitae* has been included at paragraph 1.3 above.

2.4 Ordinary resolution number 7

"Resolved that, subject to the approval of ordinary resolution number 2, 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

A summary of Nhlanhla's *curriculum vitae* has been included at paragraph 1.2 above.

The reason for ordinary resolutions numbers 4 to 7 (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.

3. RE-APPOINTMENT OF AUDITOR

Ordinary resolution number 8

"Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the company for the ensuing financial year or until the next annual general meeting of the company, whichever is the later, with the designated auditor being Mr Anton Hugo, 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 8 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 and the JSE Listings Requirements.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

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

Ordinary resolution number 9

"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 9 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 of the company. 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 9, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 9 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.

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

Ordinary resolution number 10

"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 ordinary resolution number 10 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 of the company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 10, if passed, will be to endorse the company's implementation report in relation to its the 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 and its implementation.

Note:
Should 25% or more of the votes exercised in respect of ordinary resolution number 9 or ordinary resolution number 10 be against either resolution, or both resolutions, the company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the company.

6. GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

Ordinary resolution number 11

"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, 5% 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 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the issued ordinary shares (*net of treasury shares*) of the company amounts to 85 438 883 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 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 SENS."

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 11 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.

7. 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[1,2,3,4] Feb 2021 R
Board	
Chairman fee	500 000
Member	275 000
Audit and Risk Committee	
Chairman fee	192 500
Member	165 000
Remuneration Committee	
Chairman fee	82 500
Member	55 000

1 *For the year ending 28 February 2021, the non-executive directors have agreed not to increase their proposed annual remuneration due to COVID-19.*

2 *With effect from 1 March 2020.*

3 *No fees are payable in respect of the Zeder Social and Ethics Committee.*

4 *Proposed annual remuneration exclude VAT.*

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.

8. INTER-COMPANY FINANCIAL ASSISTANCE

8.1 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, if passed, 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.

8.2 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 or of a related or inter-related company or corporation, 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, if passed, 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 wholly-owned 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 wholly-owned 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.

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.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

9. 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 and its subsidiaries ("**the group**") 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 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, if passed, 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 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 as may be required by the Companies Act.

10. 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 ordinary business purposes 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.* Electronic copies of the consolidated annual financial statements may be requested and obtained, at no charge, from the company at *cosec@zeder.co.za*.

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 law and the JSE Listings Requirements.

3. Special resolutions numbers 1 to 4 are renewals of resolutions taken at the previous AGM held on 26 July 2019.

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, 29 May 2020.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to participate and vote at the AGM is Friday, 10 July 2020, with the last day to trade being Tuesday, 7 July 2020.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly submit a copy of their identity document, passport or driver's license to the transfer secretaries via e-mail at *proxy@computershare.co.za*. 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 participate and vote at the AGM may appoint one or more proxies to participate, 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 participating 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 09:00 on Wednesday, 15 July 2020, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via e-mail at *proxy@computershare.co.za* 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 participate in the AGM, 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 and follow the process set out in paragraph 1 of the *Electronic Participation* section on this notice.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to participate 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.

ELECTRONIC PARTICIPATION

1. Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

   a. register online using the online registration portal at *www.smartagm.co.za,* prior to the commencement of the AGM; or

   b. make a written application (Annexure A included in this notice ("**Form A**")) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to *proxy@computershare.co.za*, so as to be received by the transfer secretaries by no later than 09:00 on Wednesday, 15 July 2020, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

   The transfer 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 electronic communication facility.

   For the avoidance of doubt, dematerialised shareholders without "own name" registration would still need to submit their voting instructions via their CSDP or broker or obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM electronically.

2. The transfer secretaries shall, by no later than 09:00 on Thursday, 16 July 2020, notify participants who had notified the transfer secretaries in accordance with paragraph 1 above, by email of the relevant details through which participants can participate electronically.
3. The cost (e.g. mobile data consumption or internet connectivity) of electronic participation in the AGM is for the expense of the participant and will be billed separately by the participant's own service provider.
4. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the company and its directors/employees/company secretary/transfer secretary/service provider against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, 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 and its directors/employees/company secretary/transfer secretary/service provider, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the AGM.
5. The company cannot guarantee there will not be a break in electronic communication that is beyond the control of the company.

By order of the board

Zeder Corporate Services (Pty) Ltd
Per L van der Merwe
Company secretary
2 June 2020
Stellenbosch

ANNEXURE A

FORM A: PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION

1. **Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic means ("participants"), must apply to Computershare, by delivering the duly completed Form A** by e-mail: *proxy@computershare.co.za*; or by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; or by post: Private Bag X9000, Saxonwold, 2132, South Africa (please note that postal delivery by the due date is at the risk of the participant) so as to be received by Computershare by no later than 09:00 on Wednesday, 15 July 2020.

2. **Important notice**

2.1. The transfer secretaries shall, by no later than 09:00 on Thursday, 16 July 2020, notify participants that have delivered valid notices in the form of Form A, by email of the relevant details through which participants can participate electronically.

2.2. The cut-off time to participate in the AGM via electronic means will be at 08:50 on Friday, 17 July 2020. No late dial-in will be accommodated.

Application form

Full name of participant	
ID number	
Email address	
Cell number	
Telephone number: (code and number)	
Name of CSDP or broker (if shares are held in dematerialised format)	
Contact number of CSDP/broker	
Contact person of CSDP/broker	
Number of share certificate (if applicable)	
Signature	
Date	

2.3. **If you are a dematerialised shareholder, please attach to this form the Letter of Representation received from your stockbroker/CSDP to participate the meeting.**

Terms and conditions for participation in the AGM via electronic means

3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the participant and accompanied by the participants' proof of identification.

Participant's name ______________________________

Signature ______________________________ Date ______________

ZEDER
INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
JSE share code: ZED
ISIN code: ZAE000088431
LEI: 37890022AF5FD117D649

("**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 conducted entirely through electronic media on Friday, 17 July 2020, at 09:00 ("**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/our proxy to participate, speak and vote on my/our behalf 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 re-elect Prof ASM Karaan as director			
1.2	Ordinary resolution number 2: To re-elect Mrs NS Mjoli-Mncube as director			
1.3	Ordinary resolution number 3: To re-elect Mr CA Otto as director			
2.1	Ordinary resolution number 4: To re-appoint Mr GD Eksteen as a member of the audit and risk committee			
2.2	Ordinary resolution number 5: To re-appoint Mr RM Jansen as a member of the audit and risk committee			
2.3	Ordinary resolution number 6: To re-appoint Mr CA Otto as a member of the audit and risk committee			
2.4	Ordinary resolution number 7: To re-appoint Mrs NS Mjoli-Mncube as a member of the audit and risk committee			
3.	Ordinary resolution number 8: To re-appoint PricewaterhouseCoopers Inc. as the auditor			
4.	Ordinary resolution number 9: Non-binding endorsement of Zeder's remuneration policy			
5.	Ordinary resolution number 10: Non-binding endorsement of Zeder's implementation report on the remuneration policy			
6.	Ordinary resolution number 11: General authority to issue shares for cash			
7.	Special resolution number 1: Remuneration of non-executive directors			
8.1	Special resolution number 2: Inter-company financial assistance			
8.2	Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company			
9.	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 ______________________________ 2020

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 participate, 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 participating in 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, together with proof of identification and authority to do so (when acting in a representative capacity), should be lodged with the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, to be received, by them not later than Wednesday, 15 July 2020 at 09:00 (South African time), provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via e-mail at *proxy@computershare.co.za* 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: Private Bag X9000, Saxonwold, 2132, 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 secretaries 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 participating the AGM and speaking and voting 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
LEI:37890022AF5FD117D649

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
Private Bag X9000
Saxonwold, 2132

CORPORATE ADVISOR AND SPONSOR
PSG Capital Proprietary Limited

AUDITOR
PricewaterhouseCoopers Inc.

PRINCIPAL BANKER
FirstRand Bank Limited

WEBSITE ADDRESS
www.zeder.co.za

SHAREHOLDERS' DIARY

	2020
Financial year-end	29 February
Profit announcement	17 April
Annual general meeting	17 July
Interim profit announcement	8 October

www.zeder.co.za