ANNUAL REPORT 2018

ZEDER INVESTMENTS LIMITED

ZEDER IS AN ACTIVE INVESTOR

IN THE BROAD AGRIBUSINESS INDUSTRY, WITH A SPECIFIC FOCUS ON THE FOOD AND BEVERAGE SECTORS.

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

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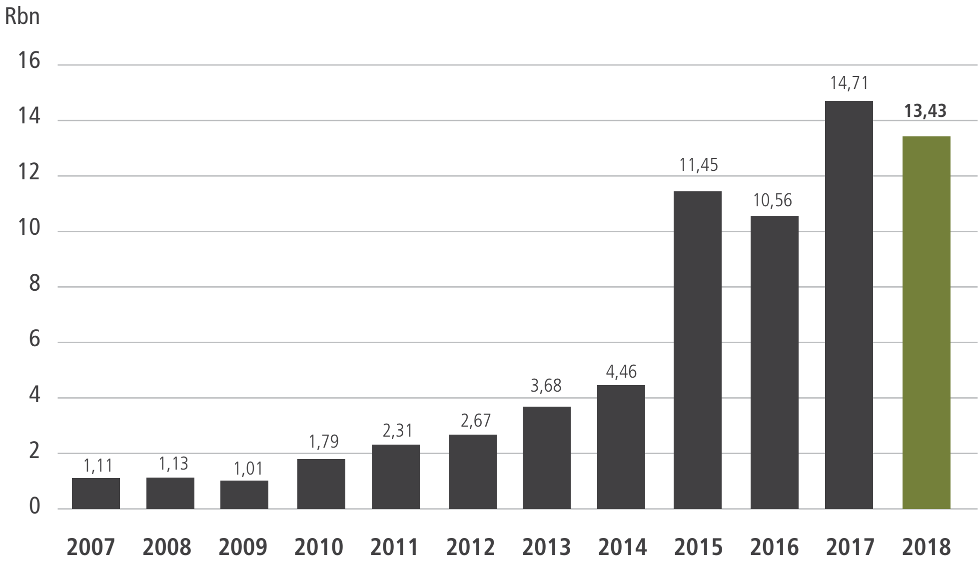
INVESTMENT PORTFOLIO

INTRINSIC VALUE



TOTAL *SUM-OF-THE-PARTS VALUE*
AS AT 28 FEBRUARY 2018

R13 427m

Pioneer Foods	**R7 660m**
Capespan	**R2 259m**
Zaad	**R2 043m**
Kaap Agri	**R1 376m**
Agrivision Africa	**R591m**
Quantum Foods	**R246m**
Other	**R33m**
Total investments	**R14 208m**
Cash	**R111m**
Other net assets	**R108m**
Debt funding	**(R1 000m)**
SOTP value	**R13 427m**

BOARD OF DIRECTORS

EXECUTIVE

N (Norman) Celliers (44)[1, 2]
CHIEF EXECUTIVE OFFICER
BEng (Civil), MBA (Oxon), Dip Soc (Oxon)
Appointed 23 July 2012

JH (Johann) le Roux (43)[1, 2]
FINANCIAL DIRECTOR
BAcc (CTA), CA(SA), HDip (Tax)
Appointed 8 September 2016

NON-EXECUTIVE

JF (Jannie) Mouton (71)[1, 2, 5]
NON-EXECUTIVE CHAIRMAN
BCom (Hons), CA(SA), AEP
Appointed 21 August 2006

WL (Wynand) Greeff (48)[1, 2]
FINANCIAL DIRECTOR – PSG GROUP
BCompt (Hons), CA(SA)
Appointed 21 May 2009

PJ (Piet) Mouton (41)[1, 2]
CHIEF EXECUTIVE OFFICER – PSG GROUP
BCom (Mathematics)
Appointed 30 April 2012

INDEPENDENT NON-EXECUTIVE

GD (George) Eksteen (76)[3, 4, 5, 6]
FARMER AND DIRECTOR OF COMPANIES
Appointed 1 September 2009

ASM (Mohammad) Karaan (50)[4]
DIRECTOR OF COMPANIES
BSc Agric, BSc Agric (Hons), MSc Agric
Appointed 6 April 2016

NS (Nonhlanhla) Mjoli-Mncube (59)[3]
DIRECTOR OF COMPANIES
MA (City and Regional Planning), Executive leadership qualifications (Harvard and Wharton, USA), Postgraduate Certificate: Technology Management (Warick, UK)
Appointed 1 June 2016

CA (Chris) Otto (68)[2, 3, 4, 5]
DIRECTOR OF COMPANIES
BCom, LLB
Appointed 21 August 2006

[1] *Member of executive committee*
[2] *Member of social and ethics committee*
[3] *Member of audit and risk committee*
[4] *Member of remuneration committee*
[5] *Member of nomination committee*
[6] *Lead independent director*

CHAIRMAN'S LETTER

BACKGROUND

Zeder is an active investor in the broad agribusiness industry with a specific focus on the food and beverage sectors. The company listed on the Johannesburg Stock Exchange on 6 December 2006 with an intrinsic value of R1,29bn and, as at 28 February 2018, our investment portfolio was valued at approximately R14,2bn. This is an achievement we are proud of. Over the years our strategy has evolved from originally acquiring undervalued minority interests in South African agricultural co-operatives to today owning large strategic and controlling interests in leading companies and organisations where we assist with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns.

REVIEW OF OPERATING ENVIRONMENT

The challenging macro conditions under which Zeder and its portfolio companies traded in recent times has been reported on extensively. Notwithstanding these challenges, we are very proud of the way our management teams have responded and professionally steered their respective companies during this period. We are encouraged by recent improvements in certain macro conditions towards the end of the reporting period. This bodes well for Zeder and its portfolio companies.

PERFORMANCE REVIEW

From an intrinsic value point of view, the value of our underlying investments decreased by 8,0% during the period largely due to a decline in the share price of Pioneer Foods, our largest investment. As at 28 February 2018, our *Sum-of-the-Parts value* was R7,85 per share. With regards to earnings, the challenging cycle prevailed and, understandably, most of Zeder's portfolio companies reported lower earnings compared to the previous reporting period. At a consolidated level, our diversified portfolio construction assisted in minimising some downside volatility and we reported *recurring headline earnings* of 27,6 cents per share, representing a decline of 35,2% compared to the prior year.

CURRENT INVESTMENTS

Our portfolio construction did not change substantially during the reporting period as we largely maintained our exposure to 6 core investments. These provide us with an attractive diversified exposure across the agribusiness spectrum, ranging from strategic agri-inputs to fast-moving consumer goods.

Pioneer Foods (CEO – Tertius Carstens)

Our direct interest in Pioneer Foods is 27,0% and this remains our largest investment valued at R7,66bn, as at 28 February 2018. Pioneer Foods is one of South Africa's leading food companies and boasts a basket of products that include many leading and heritage food and beverage consumer brands. Its financial performance during the past financial year was disappointing amidst very challenging conditions as they reported a decrease of 50% in *adjusted headline earnings* per share for the period ended 30 September 2017. Current short-term performance is expected to improve as the lagging and non-recurring effect of the drought dissipates and the trading environment in South Africa stabilises. The group should continue to deliver on operational and efficiency improvements while also reviewing strategic adjacent opportunities to complement growth in the future.

Capespan (CEO – Tonie Fuchs)

The value of our investment in Capespan is R2,26bn, as at 28 February 2018, and represents a 97,5% interest therein. Capespan is a globally recognised group and South Africa's largest fruit exporter that continues to expand its business, both locally and internationally. While earnings declined during the year, the group largely maintained its intrinsic value as a result of strong net-asset values and expansion activities under way. The ongoing internal restructuring of the fruit and logistics divisions are progressing well and we remain confident that expected returns will be delivered.

Zaad (CEO – Antonie Jacobs)

The value of our investment in Zaad is R2,04bn, as at 28 February 2018, representing an effective interest of 93,2%. During the year Zeder invested a further R145m into Zaad and has committed an additional R200m to fund further growth and investments. Zaad provides Zeder with valuable exposure to the attractive global agricultural seed market as it has controlling interests in companies with a broad basket of agricultural seed and related intellectual property. Through its wholly-owned subsidiaries (Agricol, Klein Karoo Seed Marketing and Bakker Brothers) it has a history spanning more than 50 years of developing and owning leading seed genetics in southern Africa and the Netherlands.

Kaap Agri (CEO – Sean Walsh)

Our investment in Kaap Agri was valued at R1,38bn, as at 28 February 2018, and represents an interest of 40,9%. During the year Kaap Agri listed successfully on the Johannesburg Stock Exchange with its expanded business model. Today, it is increasingly a retail services group that supplies a variety of products and services to both the agricultural sector and the general public. It generates revenue across 200 operating points in South Africa and Namibia and managed to continue delivering encouraging profits despite the severe drought in southern Africa. Kaap Agri's strategy of diversification has delivered credible results over the past few years and should bode well going forward.

Agrivision Africa (Zambia CEO – Stuart Kearns)

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

Quantum Foods (CEO – Hennie Lourens)

Our 27,7% interest in Quantum Foods was obtained following its unbundling from Pioneer Foods in October 2014. Since its separate listing, the company has repositioned itself and is today focused on its three core divisions of animal feeds, live birds and eggs. It is following a strategy of addressing operational efficiencies in its established operations while growing organically and acquisitively inside South Africa but also in select African markets. After a very challenging period, Quantum Foods delivered strong results and is positioned to potentially benefit from the favourable commodity cycle that is currently under way.

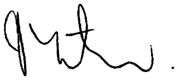
THE YEAR AHEAD

Looking ahead we are anticipating an improvement in the broader operating environment for most of our portfolio companies as the challenging conditions associated with the severe drought gives way to an improved environment. This should bode well for Zeder over the medium term. Furthermore, we will continue to drive for continued improvements and investments within our existing portfolio companies while increasing our efforts to add additional platforms. We believe our current portfolio provides us with a strong platform and foundation from where growth and value extraction can be derived. We continuously evaluate new investment opportunities and are confident that Zeder will deliver attractive results to our shareholders going forward.

APPRECIATION

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

I would like to extend a special word of thanks to Norman Celliers, our CEO, his team, my fellow directors and the Zeder Exco for their valuable contributions during the past year and for everyone's efforts to establish a stronger foundation for growth in the coming years.



Jannie Mouton
Chairman

OUR TRACK RECORD

Year ended February	2007	2008	2009	2010
SOTP – pre mgmt liability (Rbn)	1,29	1,31	1,17	2,07
SOTP – post mgmt liability (Rbn)	1,11	1,13	1,01	1,79
Mgmt fee liability (Rm)[2]	175	178	160	281
Mgmt fees paid – base (Rm)	(8)	(26)	(36)	(45)
Mgmt fees paid – performance (Rm)				
Market capitalisation (Rbn)	1,63	1,57	0,89	1,83
Recurring headline earnings (Rm)	137	119	196	208
Headline earnings/(loss) (Rm)	137	207	153	152
Dividend (Rm)	11	30	43	39
Number of shares:				
Issued shares *(net of treasury)* (m)	571	605	611	978
Weighted shares (m)	490	583	609	881
Per share:				
SOTP – pre mgmt fee liability (R)	2,25	2,16	1,92	2,11
SOTP – post mgmt fee liability (R)	1,95	1,87	1,65	1,83
Share price (R)	2,85	2,60	1,46	1,87
Recurring headline earnings (cents)	27,8	21,0	32,2	23,6
Headline earnings/(loss) (cents)	27,8	35,4	25,2	17,3
Dividend (cents)	2,0	5,0	7,0	4,0

SOTP – Sum-of-the-Parts

Mgmt – Management

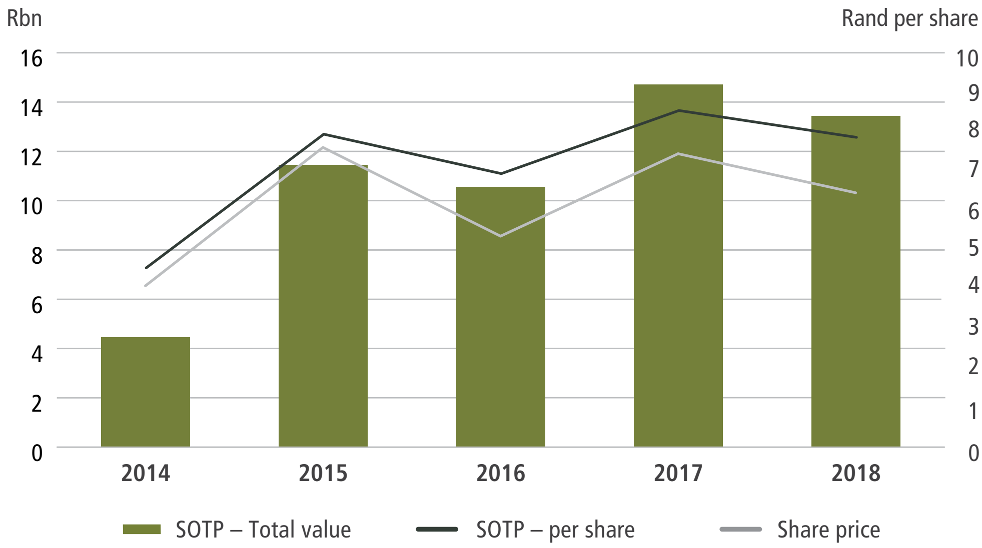
[1] Represents see-through SOTP

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

	2011	2012	2013[1]	2014[1]	2015	2016	2017	**2018**
	2,68	3,09	4,26	5,16	13,26	12,23	14,71	**13,43**
	2,31	2,67	3,68	4,46	11,45	10,56	14,71	**13,43**
	365	420	580	703	1 808	1 667		
	(53)	(48)	(59)	(59)	(118)	(155)	(75)	
				(59)	(118)			
	2,56	2,51	3,33	4,01	10,97	8,15	12,88	**11,03**
	265	273	251	300	414	632	691	**474**
	185	300	196	260	257	545	(770)	**425**
	39	39	39	44	79	137	190	**189**
	978	978	978	980	1 444	1 523	1 725	**1 710**
	978	978	978	980	1 172	1 490	1 622	**1 717**
	2,74	3,15	4,35	5,26	9,18	8,03	8,53	**7,85**
	2,37	2,73	3,76	4,54	7,93	6,93	8,53	**7,85**
	2,62	2,57	3,40	4,09	7,60	5,35	7,44	**6,45**
	27,1	27,9	25,7	30,6	35,3	42,4	42,6	**27,6**
	18,9	30,7	20,1	26,6	22,0	36,5	(47,5)	**24,8**
	4,0	4,0	4,0	4,5	5,5	9,0	11,0	**11,0**

REVIEW OF OPERATIONS

INTRINSIC VALUE



Year ended February	2014	2015	2016	2017	2018
SOTP (Rbn)	4,46	11,45	10,56	14,71	**13,43**
SOTP per share (R)	4,54	7,93	6,93	8,53	**7,85**
Market capitalisation (Rbn)	4,01	10,97	8,15	12,88	**11,03**
Share price (R)	4,09	7,60	5,35	7,44	**6,45**
Recurring headline earnings (Rm)	300	414	632	691	**474**
Recurring headline earnings per share (cents)	30,6	35,3	42,4	42,6	**27,6**
Headline earnings/(loss) (Rm)	260	257	545	(770)	**425**
Headline earnings/(loss) per share (cents)	26,6	22,0	36,5	(47,5)	**24,8**
Dividend (Rm)	44	79	137	190	**189**
Dividend per share (cents)	4,5	5,5	9,0	11,0	**11,0**

SOTP – Sum-of-the-Parts

OVERVIEW

Zeder is an investor in the broad agribusiness industry, with a specific focus on the food and beverage sectors. Its underlying investment portfolio was valued at R14,21bn on 28 February 2018. Zeder's 27,0% interest in Pioneer Foods remains its largest investment, representing 53,9% (2017: 62,7%) of the portfolio.

STRATEGY

Zeder is a long-term investor that owns large, strategic interests in companies and plays an active role therein. It assists with the determination of appropriate long-term strategies, optimal allocation of capital and ongoing measurement and monitoring of performance. During the year under review, Zeder dedicated most of its efforts to existing investments while evaluating select new and adjacent opportunities. Zeder continues to drive for additional growth from its existing investment platforms while aiming to add to its portfolio when opportune.

REVIEW OF OPERATING ENVIRONMENT

Zeder and its portfolio companies traded under challenging macro conditions during the period under review. Political uncertainty and the further deterioration of the fiscal stance of South Africa eroded business and consumer confidence; local and regional economic growth remained constrained while the impact and effects of the concurrent record drought had to be managed. Understandably, most of its investee companies reported weaker earnings for their corresponding reporting periods due to the aforementioned and, in large part, factors that are unlikely to reoccur. Combined, these factors weighed on Zeder's financial results. Notwithstanding these challenges and financial results, most portfolio companies delivered acceptably against operational targets and should improve or recover during the next reporting cycle as some of the aforementioned factors improved significantly towards the end of the financial year.

FINANCIAL RESULTS

The two key benchmarks which Zeder believes to measure performance by are *SOTP 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 market-related valuations for unlisted investments, decreased by 8,0% during the reporting period to R7,85 as at 28 February 2018.

	29 Feb 2016		28 Feb 2017		28 Feb 2018	
Company	**Interest (%)**	**Rm**	**Interest (%)**	**Rm**	**Interest (%)**	**Rm**
Pioneer Foods	27,2	7 574	27,1	9 538	**27,0**	**7 660**
Capespan	96,6	2 027	98,1	1 975	**97,5**	**2 259**
Zaad	92,3	1 246	91,4	1 531	**93,2**	**2 043**
Kaap Agri	39,4	758	39,8	1 321	**40,9**	**1 376**
Agrivision Africa	55,9	614	55,6	614	**56,0**	**591**
Quantum Foods	26,4	168	26,7	193	**27,7**	**246**
Other		44		39		**33**
Total investments		12 431		15 211		**14 208**
Cash		118		173		**111**
Other net assets		(18)		120		**108**
Debt funding		(306)		(798)		**(1 000)**
***SOTP value* pre mgmt fee liability**		12 225		14 706		**13 427**
Mgmt fee liability[1]		(1 667)				
***SOTP value* post mgmt fee liability**		10 558		14 706		**13 427**
Number of shares in issue *(net of treasury shares)* (million)		1 523		1 725		**1 710**
***SOTP value* per share (rand)**		6,93		8,53		**7,85**

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

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

Recurring headline earnings

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

Audited	29 Feb 2016 Rm	28 Feb 2017 Rm	Change (%)	28 Feb 2018 Rm
***Recurring headline earnings* from investments**	805	821	*(29,8)*	**576**
Management (base) fee	(155)	(75)		
Net interest, taxation and other income and expenses	(18)	(55)		**(102)**
Recurring headline earnings	632	691	*(31,4)*	**474**
***Non-recurring* headline earnings**				
Management fee internalisation charge		(1 449)		
Other	(87)	(12)		**(49)**
Headline earnings/(loss)	545	(770)	*n/a*	**425**
Non-headline items	237	(26)		**(171)**
Attributable earnings/(loss)	782	(796)	n/a	**254**
Weighted average number of shares in issue *(net of treasury shares)* (million)	1 490	1 622		**1 717**
Recurring headline earnings per share (cents)	42,4	42,6	*(35,2)*	**27,6**
Headline earnings/(loss) per share (cents)	36,5	(47,5)	*n/a*	**24,8**
Attributable earnings/(loss) per share (cents)	52,5	(49,1)	*n/a*	**14,8**

Zeder's *recurring headline earnings* per share was 27,6 cents for the year ended 28 February 2018, reflecting a decrease of 35,2% compared to the 42,6 cents reported for the prior year. This result is due to a combination of decreases reported by Pioneer Foods, Capespan, Zaad and Agrivision Africa, increases reported by Kaap Agri and Quantum Foods and the positive effects of the internalisation of the base management fee.

Following the once-off management fee internalisation charge of R1,45bn to the income statement in the prior year, *headline earnings* per share increased from a loss of 47,5 cents in the prior year, to a profit of 24,8 cents in the current year. The *recurring headline earnings* was offset by net *non-recurring* losses of R49m (2017: R1,46bn), which consists mainly of the adverse accounting effect of Pioneer Foods' historical BEE transaction given the increase in its share price.

Attributable earnings per share increased from a loss of 49,1 cents in the prior year to a profit of 14,8 cents in the current year as a result of the aforesaid, offset by net *non-headline* losses of R171m (2017: R26m), which consists mainly of the recognition of deferred tax on the transfer of the Golden Wing Mau associate to equity securities and goodwill impairments at investee level.

Pioneer Foods

Pioneer Foods reported a 50% decrease in adjusted headline earnings per share from continuing operations for the year ended 30 September 2017. This decrease was largely due to constrained local and regional trading conditions and an unfavourable procurement position on maize following the severe drought in the northern part of South Africa during the 2015/16 season. Continuing initiatives to enhance operating margins through cost mitigation and efficiency interventions delivered sound cash flow generation during the year and this allowed Pioneer Foods to declare a dividend equal to that of the prior year. Pioneer Foods remains one of the leading food companies in South Africa and is well positioned for recovery during their 2018 financial year.

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

Capespan

Capespan is an unlisted group with a history spanning more than 70 years. Its core business activities are focused on the production, procurement, distribution and marketing of fruit worldwide, while it also owns and operates several strategic logistical and terminal assets in southern Africa. The group has evolved and diversified in recent years to the extent that it today combines asset-intensive divisions, underpinned with strong net asset values, with earnings generating divisions that require less capital investments but offer scalable earnings growth optionality.

For its financial year ended 31 December 2017, Capespan reported a decline of 27.6% in recurring headline earnings per share while it maintained its SOTP valuation due to the aforementioned net asset value underpin on its farming operations and associate investments. The negative lag-effects of El Niño and corresponding drought conditions continued to have a negative effect on overall fruit volumes in most procurement territories, the impact of which was not recoverable through higher market pricing. The group made significant progress during the year in its continued efforts to reposition itself in order to achieve its long-term growth objectives.

Capespan's summarised financial information is set out below:

Summarised income statement Key metrics	**Dec 2015 Rm**	**Dec 2016 Rm**	**Dec 2017 Rm**
Revenue	7 688	8 311	**6 619**
EBITDA	299	250	**241**
EBITDA margin	*3,9%*	*3,0%*	***3,6%***
EBIT	220	155	**123**
EBIT margin	*2,9%*	*1,9%*	***1,9%***
Net finance costs	(38)	(39)	**(55)**
Income from associates	72	42	**68**
Recurring headline earnings	171	98	**78**
Headline earnings	136	90	**62**
WANOS (m)	323	338	**364**
Recurring HEPS (R)	0,53	0,29	**0,21**
Net asset value per share (R)*	6,26	5,27	**5,01**

** Dec 2016 financial figures restated.*

WANOS – Weighthed average number of shares

Summarised statement of financial position **Key metrics**	**Dec 2015** **Rm**	**Dec 2016** **Rm**	**Dec 2017** **Rm**
Total assets	4 189	3 937	**3 929**
Non-current assets	2 372	2 486	**2 698**
Current assets	1 817	1 451	**1 231**
Total liabilities	2 107	1 986	**2 065**
Non-current liabilities	727	720	**868**
Current liabilities	1 380	1 266	**1 197**
Total equity	2 082	1 951	**1 864**

Summarised cash flow information **Key metrics**	**Dec 2015** **Rm**	**Dec 2016** **Rm**	**Dec 2017** **Rm**
Cash flow from operating activities	249	113	**216**
Cash flow from investing activities	(592)	(398)	**(305)**
Cash flow from financing activities	253	209	**(9)**
Net decrease in cash and equivalents	(90)	(76)	**(98)**

Zeder shareholding	**Feb 16**	**Feb 17**	**Feb 18**
	96,6%	98,1%	**97,5%**

The group follows an operationally integrated model with regards to its core business activities and has complementary associate investments in companies that operate in strategic links of the value chain. This assists the group with market access and efficient operations where required. The divisions are summarised and explained below:

Farming

The farming division has been established over the past six years to complement the group's historical core fruit procurement and marketing activities. The objective of this division is to provide the group with primary production expertise and access to select fruit commodities during specific production periods as required to optimally service our customers around the world. The farming assets range from greenfield projects to large established commercial farming and packing enterprises and the group has positioned itself as a leading commercial grower in a relatively short period. At present, our controlled farming investments and operations are located primarily in South Africa and Namibia and comprise 948 hectares of grapes, 304 hectares of citrus and 625 hectares, including hectares farmed for associates, of pome fruit respectively. Numerous investments have been made in expanding production that will contribute to results over the medium to longer term as the biological assets mature.

Farming **Key metrics**	**Dec 2015** **Rm**	**Dec 2016** **Rm**	**Dec 2017** **Rm**
Revenue	524	642	**525**
EBITDA	96	86	**73**
EBIT	66	50	**20**
Assets	1 119	1 364	**1 292**

Fruit and associate investments

The fruit division consists of fruit procurement and marketing teams across Europe, Asia, Africa and North America that procure fresh fruit from predominantly southern hemisphere producers to market and sell to predominantly formal retail customers in northern hemisphere markets. During the past year, the fruit division traded 32,6m cartons of fruit with 54% originating in South Africa and Namibia and 46% from non-South African production countries. To complement the fruit marketing activities, strategic minority interests have been obtained through investments in China, Germany, Hong Kong and India.

Fruit Key metrics	Dec 2015 Rm	Dec 2016 Rm	Dec 2017 Rm
Revenue	6 909	7 455	**5 897**
EBITDA	69	87	**48**
EBIT	56	65	**34**
Assets (exclude investments in associates)	1 737	1 285	**1 820**
Number of associate investments	5	8	**8**
Share of associate's *recurring headline earnings**	72	44	**53**
Total investment in associates	767	745	**209**

* *Financial figures restated.*

Logistics

The logistics division largely represents the group's investments and operations related to port-based terminals in South Africa and Mozambique. It consists of large strategic key side facilities in the ports of Cape Town, Port Elizabeth and Durban with complementary infrastructure and services in Maputo as well as the border crossing between South Africa and Mozambique near Komatipoort. The group and related facilities were historically equipped and licensed to only handle fresh produce but have been expanded and adapted over the past 36 months to include general cargo, break-bulk and agri-bulk offerings. In addition to its core business of handling fresh produce in port terminals, it is now positioned to handle a broader range of cargo including manganese, cement and agricultural commodities.

Logistics Key metrics	Dec 2015 Rm	Dec 2016 Rm	Dec 2017 Rm
Revenue	523	511	**620**
EBITDA	172	122	**171**
EBIT	136	84	**120**
Assets	488	476	**552**

Zaad

Zaad is positioned as a strategic holding company that invests and operates in the specialised agri-inputs industry. It currently owns, develops, imports and distributes a broad range of agricultural seeds in Africa, Europe and other international emerging markets. Its portfolio of companies represents a proud history spanning more than 50 years and it exports to more than 100 countries. During the period under review, it added to its solid foundation of Agricol, Klein Karoo Seed Marketing, Gebroeders Bakker and Farm AG, with a 35% equity investment in May Seed, the largest private sector breeder, producer and distributor of agricultural seed in Turkey. The numerous potential synergies between Zaad and May Seed should yield additional attractive returns. These investments ensure improved portfolio, product, IP and geographic mix and strategic market access.

Zaad reported a 16,7% decrease in recurring headline earnings per share for its financial year ended 31 January 2018. This decline was largely due to lower sales from its South African operations during the aforementioned drought. Zaad continues to pursue growth and investment opportunities. Accordingly, Zeder invested an additional R145m during the period under review and have committed to invest a further R200m during the first half of the next financial year to fund further acquisitions and investments in research and development. 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:

Summarised income statement Key metrics	**Feb 2016# Rm**	**Jan 2017* Rm**	**Jan 2018 Rm**
Revenue	1 217	1 344	**1 409**
EBITDA	223	222	**223**
EBITDA margin	*18,3%*	*16,5%*	***15,8%***
EBIT	188	185	**173**
EBIT margin	*15,4%*	*13,8%*	***12,3%***
Recurring headline earnings	98	133	**123**
Headline earnings	98	119	**117**
WANOS (m)	20	22	**24**
Recurring HEPS (R)	4,97	6,04	**5,03**
Net asset value per share (R)	41,28	41,86	**46,90**

Summarised statement of financial position Key metrics	**Feb 2016# Rm**	**Jan 2017* Rm**	**Jan 2018 Rm**
Total assets	1 782	2 049	**2 475**
Non-current assets	570	793	**1 014**
Current assets	1 212	1 256	**1 461**
Total liabilities	973	1 129	**1 326**
Non-current liabilities	179	243	**258**
Current liabilities	794	886	**1 068**
Total equity	809	920	**1 149**

Summarised cash flow information Key metrics	**Feb 2016 Rm**	**Jan 2017* Rm**	**Jan 2018 Rm**
Cash flow from operating activities	33	22	**(88)**
Cash flow from investing activities	(114)	(274)	**(227)**
Cash flow from financing activities	(30)	190	**127**
Net decrease in cash and equivalents	(111)	(62)	**(188)**

Zeder shareholding	**Feb 2016**	**Feb 2017**	**Feb 2018**
	92,3%	91,4%	**93,2%**

* *Zaad changed its year-end from February to January and restated for a 12-month comparative.*

\# *Financial figures restated.*

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.

Kaap Agri

Kaap Agri is a diversified group that specialises in retailing and trading in agricultural, fuel and related retail markets in southern Africa. It supplies a variety of products and services to the agri sector and the general public. It has been in existence for more than 100 years and has more than 200 operating points throughout South Africa and Namibia. With its strategic footprint, infrastructure, facilities and client network, the group follows a differentiated market approach, bolstering the core retail business with financial, grain handling and agency services.

Despite a challenging macro environment, the group delivered encouraging results for its financial year ended 30 September 2017, with headline earnings per share having increased by 17,9%. Its strategy of product and geographic diversification bodes well, while its recent focus on adding non-agri income streams and improving efficiencies continues to gain traction. A highlight of the period under review was the successful listing of Kaap Agri on the JSE main board on 26 June 2017.

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

Agrivision Africa

Agrivision Africa currently owns and operates two large-scale commercial farming operations and a milling business in Zambia. It has developed extensive irrigated productive farmland since 2011 and is continuously evaluating expansion opportunities. After rapid expansion, the focus during the past 24 months has been on achieving acceptable operational efficiencies, while navigating an extremely volatile and challenging phase in the macro and business cycle of Zambia and related regional markets.

While this strategy has yielded positive operational results, the corresponding financial performance has been disappointing as the subdued commodity price cycle and lagging drought effects continued to negatively impact the farming results. Agrivision Africa reported a R55m recurring headline loss for its financial year ended 31 December 2017, as opposed to a R40m recurring headline profit in the previous year.

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

Summarised income statement Key metrics	**Dec 2015 US$'000**	**Dec 2016 US$'000**	**Dec 2017 US$'000**
Revenue	31 711	39 718	**34 994**
EBITDA	2 199	7 326	**(6 506)**
EBITDA margin	*6,9%*	*18,4%*	***(18,6%)***
EBIT	(955)	4 305	**(10 190)**
EBIT margin	*(3,0%)*	*10,8%*	***(29,1%)***
Recurring headline (loss)/earnings*	(3 615)	1 726	**(4 700)**
Headline (loss)/earnings*	(5 955)	4 065	**(4 700)**

Summarised statement of financial position Key metrics	**Dec 2015 US$'000**	**Dec 2016 US$'000**	**Dec 2017 US$'000**
Total assets	79 119	110 095	**94 004**
Non-current assets*	44 671	79 389	**70 809**
Current assets	34 448	30 706	**23 195**
Total liabilities	42 294	35 792	**32 668**
Non-current liabilities	15 238	16 434	**11 909**
Current liabilities	27 056	19 358	**20 759**
Total equity	36 825	74 303	**61 336**

* *Dec 2016 financial figures restated.*

Summarised cash flow information **Key metrics**	**Dec 2015 US$'000**	**Dec 2016 US$'000**	**Dec 2017 US$'000**
Cash flow from operating activities	(8 786)	989	**5 057**
Cash flow from investing activities	(7 999)	(3 164)	**(2 627)**
Cash flow from financing activities	25 994	(3 641)	**(4 404)**
Net increase/(decrease) in cash and equivalents	9 209	(5 816)	**(1 974)**

Zeder shareholding	**Feb 2016**	**Feb 2017**	**Feb 2018**
	55,9%	55,6%	**56,0%**

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

Farming **Key metrics**	**Dec 2015 US$'000**	**Dec 2016 US$'000**	**Dec 2017 US$'000**
Total land owned (hectares)	19 219	19 219	**19 219**
Total hectares developed for commercial agriculture (hectares)	6 811	6 811	**7 011**
Of which is equipped for full irrigation by centre pivot (hectares)	4 721	4 721	**4 721**
Revenue	24 417	35 301	**21 089**
EBITDA	10 060	10 502	**3 355**
EBIT	7 587	8 073	**285**

Milling **Key metrics**	**Dec 2015 US$'000**	**Dec 2016 US$'000**	**Dec 2017 US$'000**
Maize milling – capacity (tons)	60 000	60 000	**68 400**
Maize milling – milled (tons)	49 182	50 563	**41 938**
Wheat milling – capacity (tons)	24 000	24 000	**26 400**
Wheat milling – milled (tons)	15 988	16 074	**23 382**
Revenue	21 140	21 797	**21 841**
EBITDA	1 641	125	**(585)**
EBIT	959	(255)	**(977)**

Quantum Foods

Quantum Foods is a diversified feeds and poultry business providing quality animal protein to select South African and African markets. Having weathered adverse market conditions over the past couple of years, Quantum Foods released strong results for their financial year ended 30 September 2017, reporting a 74,0% increase in headline earnings per share. 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 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 whilst 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 JF Mouton fulfils the role of non-executive chairman, Mr N Celliers that of chief executive officer and Mr JH le Roux that of financial director. Mr JF Mouton (chairman) is not an independent director and Mr GD Eksteen fulfills the role as the 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	10 Apr 2017	17 Jul 2017	4 Oct 2017	30 Jan 2018
JF Mouton (chairman)	✔	✔	✔	✔
N Celliers	✔	✔	✔	✔
GD Eksteen	✔	✔	✔	✔
WL Greeff	✔	✔	✔	✔
ASM Karaan	✔	✔	✔	✔
JH le Roux	✔	✔	✔	✔
NS Mjoli-Mncube	✔	✔	✔	✔
PJ Mouton	✔	✔	✔	✔
CA Otto	✔	✔	✔	✔

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. This has not been necessary to date as new appointees have been familiar with the group's operations and the environment in which it operates. Consideration will be given to an 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.

The nomination committee has adopted and approved a policy on voluntary targets for gender diversity. The voluntary target, which were approved in the previous year, were to ensure that at least one female director was appointed. The board, through the nomination committee, complied with the set voluntary target. The nomination committee will continue to discuss and annually agree all measurable targets for achieving gender 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, Prof ASM Karaan, Mrs NS Mjoli-Mncube and Mr CA Otto 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 as directors. Summarised curricula vitae for these directors are included from pages 71 to 72 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 is 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 diversity, skill and experience. The nomination committee considered the past performance of and contributions made by the directors.

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

The board has a formal charter which:

- Identifies, defines and records the responsibilities, functions and composition of the Board; and
- Serves as a reference for new directors.

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

- Promoting the interests of stakeholders;
- Formulation and approval of strategy;
- Retaining effective control; and
- Ultimate accountability and responsibility for the performance and affairs of the company.

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

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

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

The members of the Zeder Executive Committee and Mr CA Otto, are responsible for performing the duties of the Zeder Social and Ethics Committee.

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 five Zeder directors, namely Messrs PJ Mouton (non-executive chairman), N Celliers (executive), JH le Roux (executive), WL Greeff (non-executive) and JF Mouton (non-executive). Messrs JA Holtzhausen (legal advisor and sponsor representative) and Chemus Taljaard (tax advisor) attends the Exco as permanent invitees, while there is a standing invitation for non-executive directors to attend.

The Exco meets regularly and is primarily responsible for the allocation and investing of the company's resources, including capital.

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

NOMINATION COMMITTEE

The nomination committee comprises Messrs JF Mouton (chairman), GD Eksteen and CA Otto, all being non-executive directors, with the majority being independent.

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 30 January 2018 and all members were present.

REMUNERATION COMMITTEE

The Zeder Remuneration Committee ("RemCom") comprises Messrs CA Otto (chairman), GD Eksteen and ASM Karaan. These members are all independent non-executive directors.

The RemCom met once during the past year on 19 February 2018 and all members were present.

Executive directors' remuneration is set out on page 39 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 30 to 41 of this annual report, will be presented to shareholders for a non-binding advisory vote.

In terms of the roles and responsibilities of the RemCom, the RemCom review and approve, 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 RemCom provides strategic guidance and input to the other remuneration committees in the wider group and each investee has it's 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 three independent non-executive directors, namely Messrs CA Otto (chairman), GD Eksteen and Mrs NS Mjoli-Mncube. Mr GD Eksteen has been a member for the past eight and a half years, Mr CA Otto for the past four years and Mrs NS Mjoli-Mncube for the past one and a half years.

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.

The audit and risk committee met twice during the past financial year:

AUDIT AND RISK COMMITTEE ATTENDANCE	10 Apr 2017	4 Oct 2017
CA Otto (chairman)	✔	✔
GD Eksteen	✔	✔
NS Mjoli-Mncube	✔	✔

A report by the audit and risk committee has been provided on page 44 of this annual report. The audit and risk committee operates in accordance with a board-approved charter. The audit and risk committee conducted its affairs in compliance with, and discharged its responsibilities in terms of, its charter for the year ended 28 February 2018.

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 performed the following statutory duties, in accordance with the charter, during the period under review:

- Satisfied itself that the external auditor is independent of the company, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Ensured that the appointment of the auditor complied with the Companies Act, and any other legislation relating to the appointment of an auditor;
- Agreed to the engagement letter, terms, audit plan and budgeted fees for the 2018 financial year;
- Approved the nature and extent of non-audit services that the external auditor may provide;
- Nominated for election at the annual general meeting, PricewaterhouseCoopers Inc. as the external audit firm. In terms of section 92 of the Act dealing with the rotation of auditors, Mr D de Jager was appointed as engagement leader on 19 June 2015;
- 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;
- Reviewed the financial function, accounting policies and the group financial statements for the year ended 28 February 2018 and, based on the information provided to the audit and risk committee, considers that the group complies, in all material respects, with the requirements of the Companies Act and IFRS;
- Considered the JSE's latest report on the pro-active monitoring of financial statements for compliance with IFRS;
- Satisfied itself in terms of the JSE Listings Requirements 3.84(g)(i) that the financial director has 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.

SOCIAL AND ETHICS COMMITTEE

The Zeder Social and Ethics Committee ("social and ethics committee"), which comprises the 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; and
- 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 social and ethics committee is satisfied with the social and ethical matters relating to Zeder and its subsidiaries.

COMPANY SECRETARY

Zeder Corporate Services Proprietary Limited is the company secretary of Zeder. The company secretary acts as conduit between the board and the group. The company secretary is responsible for board administration, liaison 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 45 of this annual report.

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 internal audit departments and that the current systems of internal control and risk management for the group are effective.

GOVERNANCE OF INFORMATION TECHNOLOGY

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

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

INTEGRATED REPORTING AND DISCLOSURE

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

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

SUSTAINABILITY

Financial reporting and stakeholder communication

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

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

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

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

Dealing in securities

In accordance with the Listings Requirements of the JSE, 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

During the previous year under review, the board approved an 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 electronic news service established by the JSE ("SENS") and follows the general principle of the JSE Listings Requirements that shareholders should enjoy fair and equal treatment.

Conflicts of interests

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

Safety, health and environment

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

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

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

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

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

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

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

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

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

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

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

REMUNERATION REPORT

The company has adopted a three-part remuneration report comprising this background statement, the forward-looking 2019 Remuneration Policy, and the implementation report that illustrates the outcomes of the 2018 Remuneration Policy over the past financial year. In line with the JSE 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 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 ("RemCom") views increased total shareholder return through sustainable growth in share price and dividends as a basis to deliver value to shareholders over time. From 1 March 2017, and in line with the aforementioned approach, Zeder does not pay short-term incentives (i.e. cash bonuses) to executives and believes that executive management's decision-making should be long-term focused. Aligned with this philosophy, the executives should be rewarded where value creation is demonstrated, without excessive risk-taking in the short term.

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

SHAREHOLDER ENGAGEMENT AND NON-BINDING VOTE

Remuneration governance is a priority for Zeder and thus we are submitting the Remuneration Policy and Implementation Report for a non-binding advisory vote by shareholders at each annual general meeting (see ordinary resolution numbers 8 to 9 in the Notice of Annual General Meeting on pages 72 and 73).

The RemCom is of the view that Zeder's Remuneration Policy and Implementation Report continue to achieve their stated objectives and the RemCom looks forward to a positive outcome in this regard.

In the event of a 25% or more dissenting vote on the Remuneration Policy or Implementation Report, the RemCom 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 or 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 RemCom believes it has achieved its objectives set out in the 2018 Remuneration Policy. There were no material deviations from this Remuneration Policy.

Chris Otto
Chairman

ZEDER'S REMUNERATION POLICY

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

1. ZEDER'S OPERATIONS AT HEAD OFFICE LEVEL

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

1.1.1. Zeder Management

As at 28 February 2018, the total employees at head office level comprised 6 individuals. These individuals are dedicated fulltime to the day-to-day management and administration of Zeder, active engagement with investee companies as well as the sourcing of new investment opportunities. These 6 individuals comprise the chief executive officer (CEO), financial director (FD), 1 financial manager, 1 financial accountant, 1 investment analyst and 1 corporate assistant.

Services related to corporate finance, tax, advisory and information technology 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 Zeder Executive Committee ("Exco") is a fully functioning Exco that 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, the Zeder's head office strategic, advisory and employment costs are limited to that of the 6 aforementioned employees and the aforementioned strategic advisory fee paid to the PSG Group. For the year ended 28 February 2018, Zeder's internal net operating and employment costs were R22,0m while the strategic advisory fees paid to the PSG Group totalled R5,3m. The total head office operating costs therefore amounted to approximately 0,20% of Zeder's Sum-of-the-Parts value as at the reporting date, being significantly lower than the management fees generally charged in the alternative asset management industry.

2. THE ROLE OF THE REMUNERATION COMMITTEE

2.1. The Zeder Remuneration Committee ("RemCom") 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 RemCom 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 RemCom 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 RemCom, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (share options) elements of remuneration, as well as between short-term (base salary) and long-term (share options) financial performance objectives.

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

Group	Focus	Strategic view	Remuneration	Longest period of remuneration deferral
CEO and FD	• Formulate, drive and oversee implementation of strategy • Active management of the company • Active participation on investee boards and Exco's	Longest term	Base salary, 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 are 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. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

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

3.3.2. Bonuses

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

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

3.3.3. Share options

Zeder shareholders adopted a share incentive scheme on 29 August 2016, operated through the Zeder 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 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 RemCom, 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 *New requirement - 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 amongst others board and Exco representation;
- Identifying suitable investment opportunities with high growth prospects;
- Implementation of investment/disinvestment decisions taken by the Zeder Board and Executive Committee;
- 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, whilst enhancing shareholder returns.

3.4. Mechanics of the share incentive scheme *continued*

3.4.1. Award continued

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 RemCom. In calculating the annual share option awards, the strike value of unvested share options and, where applicable funded investments are taken into account. The factors currently applied to the CEO and FD are 9 and 7 respectively.

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

3.4.2. Vesting

The RemCom 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:

- Due to the nature of the scheme, participants will only benefit from the share incentive scheme should there be acceptable share price appreciation over the long term.

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;
- In the case of the executive directors, they also need to meet the minimum shareholding requirement as set out under 3.4.3 *New requirement - 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%.
- In the case of the executive directors, they also need to meet the minimum shareholding requirement as set out under 3.4.3 *New requirement - minimum shareholding*.

3.4.2.3. Basis for using Total Shareholder Return

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

3. REMUNERATION OF EXECUTIVES AND EMPLOYEES continued

3.4. Mechanics of the share incentive scheme *continued*

3.4.3. New requirement – minimum shareholding

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

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

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

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

	Options awarded prior to 28 Feb 2018	Options awarded on/after 28 Feb 2018
Award:		
• Director to meet personal key performance measures; and		✔
• 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; and	✔	✔
• Director to meet personal key performance measures; and		✔
• 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; and	✔	✔
• Director to meet personal key performance measures; and		✔
• Zeder's Total Shareholder Return hurdle is met; and		✔
• 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 RemCom 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. Mechanics of the share incentive scheme *continued*

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 RemCom has decided that, from 1 March 2018, the Zeder SIT will no longer provide such loan funding to participants for exercising their share options.

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

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

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

3.4.6.2. Existing loans will continue to be non-recourse, but will become full recourse on 28 February 2021 and the *minimum-security cover ratio* (currently 1,3x) 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 RemCom, as security for the loans payable.

3.4.7. Exercise period

Given the suspension of any further loan funding to participants, the Exercise Period has been extended from 30 days to 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 RemCom, 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, has necessitated an upward adjustment to the proposed fee structure for Zeder's financial year ending 28 February 2019, as set out in the table below:

	Proposed annual fee Feb 2019 R	Actual annual fee Feb 2018 R
Zeder Board		
Chairman		
Member	250 000	**140 000**
Zeder Audit and Risk Committee		
Chairman	175 000	**100 000**
Member	150 000	**50 000**
Zeder Remuneration Committee		
Chairman	75 000	**20 000**
Member	50 000	**10 000**
Zeder Social and Ethics Committee		
Chairman		

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 Zeder Remuneration committee ("RemCom") is satisfied that Zeder complied with the remuneration policy and has implemented a remuneration policy, which has been approved by the board and shareholders.

BASE SALARY (AND BONUSES IN PREVIOUS YEAR)

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 that warranted higher increases.

Bonuses were determined and recorded in the financial year following that to which the performance relates. 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.

The base salaries (and bonuses in previous year) of executive management comprised the following elements:

Audited	**2018**			**2017**		
Executive director	**Total base approved R'000**	**Less 30% deferred R'000**	**Total paid R'000**	**Base salary R'000**	**Performance related R'000**	**Total paid R'000**
N Celliers[1,2]	**6 800**	**(2 040)**	**4 760**	2 817	3 432	6 249
JH le Roux[1,2,3]	**3 750**	**(1 125)**	**2 625**	802	1 284	2 086

[1] *During the year under review, 30% of the basic salary of the executive directors' annual base salary was deferred for a period of 12 months and is payable in monthly contributions in the ensuing year. The deferred payments carry interest at the SARS official rate to compensate for loss in time value of money and include reference to the fact that it 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 any short-term bonuses.*

[3] *Mr JH le Roux was appointed during the previous year. The basic salary and company contributions received by Mr JH le Roux during the previous year relates only to the period during which he served as an executive director.*

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 RemCom reviewed the performance of individuals against the target criteria and approved the vesting thereof where target criteria were met.

Audited **Executive director**	Grant date	Number of share options as at 28 Feb 2017	Number of share options granted/vested during the year	Number of share options as at 28 Feb 2018	Cost to participant at vesting price R'000	Market value to participant as at 28 Feb 2018 R'000	Unrealised gains to participant as at 28 Feb 2018 R'000
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Trust							
N Celliers	20/04/2012	437 744	(437 744)				
	28/02/2013	337 837		337 837	1 124 997	2 179 049	1 054 052
	28/02/2014[1]	2 496 950		2 496 950	10 237 495	16 105 328	5 867 833
	28/02/2015	393 969		393 969			
	29/02/2016	789 990		789 990	3 926 250	5 095 436	1 169 186
	28/02/2017	1 792 402		1 792 402			
	28/02/2018		4 016 442	4 016 442	25 745 393	25 906 051	160 658
		6 248 892	**3 578 698**	**9 827 590**	**41 034 135**	**49 285 864**	**8 251 729**
JH le Roux	28/02/2014	609 756	(304 878)	304 878	1 250 000	1 966 463	716 463
	28/02/2015	97 276		97 276			
	29/02/2016	373 113	(93 278)	279 835	1 390 780	1 804 936	414 156
	28/02/2017	1 787 037		1 787 037			
	28/02/2018		2 319 528	2 319 528	14 868 174	14 960 956	92 782
		2 867 182	**1 921 372**	**4 788 554**	**17 508 954**	**18 732 355**	**1 223 401**
Total		**9 116 074**	**5 500 070**	**14 616 144**	**58 543 089**	**68 018 219**	**9 475 130**
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust							
N Celliers	28/02/2013	6 096		6 096	374 904	1 325 880	950 976
	28/02/2014	4 054		4 054	337 414	881 745	544 331
	28/02/2015	7 399		7 399	1 012 479	1 609 283	596 804
	29/02/2016	7 341		7 341	1 308 827	1 596 668	287 841
		24 890	**–**	**24 890**	**3 033 624**	**5 413 576**	**2 379 952**
JH le Roux	29/02/2016	3 467		3 467	618 131	754 073	135 942
		3 467	**–**	**3 467**	**618 131**	**754 073**	**135 942**
Total		**28 357**	**–**	**28 357**	**3 651 755**	**6 167 649**	**2 515 894**

[1] *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, 0% (2017: 25%) of these share options vested.*

NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of non-executive directors is reviewed annually by the Zeder Exco and thereafter referred to the RemCom, 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.

A thorough review and benchmarking of the non-executive directors' fees with comparable listed companies has necessitated an upward adjustment to the proposed fee structure for the Zeder financial year ending 28 February 2019. The RemCom 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	
Non-executive director[1,2]	**Proposed 2019 R'000**	**Total paid 2018 R'000**	**Total paid 2017 R'000**
GD Eksteen	450	**268**	131
ASM Karaan[3]	300	**200**	50
N Mjoli-Mncube[3]	400	**258**	68
CA Otto[1]	500	**328**	25
WA Hanekom[3]			63
	1 650	**1 054**	337

[1] *Messrs JF Mouton, PJ Mouton and WL Greeff do not receive any emoluments for services rendered to the company, as the Zeder Group was previously managed by PSG Corporate Services Proprietary Limited ("PSGCS") in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Limited and its investee companies (including the Zeder Group). Effective from 1 September 2016, when the aforementioned management agreement was internalised, the Zeder Group pays a strategic fee to PSGCS for services rendered to the company and a non-executive director's fee to Mr CA Otto. Mr AE Jacobs, who resigned during the previous year, also did not receive any emoluments for services rendered to the company, but received cash-based remuneration from Zaad Holdings Limited ("Zaad"), a subsidiary that relates to his employment as chief executive officer of Zaad.*

[2] *During the year under review, effective 1 March 2017, the method of paying directors' fees changed subsequent to the approval of the directors' emoluments at the annual general meeting of Zeder. Directors' fees were always paid during October and the following April and are now payable in August and February. Based on the aforementioned change, a total of R254 000 paid during the year under review, relates to the 2017 financial year.*

[3] *Prof ASM Karaan and Mrs N Mjoli-Mncube were appointed during the previous year and Mr WA Hanekom resigned during the previous year.*

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.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

These summarised consolidated financial statements comprise a summary of the audited consolidated annual financial statements of Zeder Investments Limited ("Zeder") for the year ended 28 February 2018.

The consolidated annual financial statements, including these summarised 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.

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act of South Africa and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit related services performed.

This committee also acted as the statutory audit committee of those public company subsidiaries that are legally required to have such a committee.

The committee has satisfied itself that the financial function, including the financial director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the company are working effectively.

A board-approved audit and risk committee charter stipulating, *inter alia*, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the audit and risk committee charter, as well as relevant legal and regulatory responsibilities.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2018, as well as these summarised consolidated financial statements, and, based on the information provided to the committee, considers that the company and group companies comply, in all material respects, with the requirements of the Companies Act and International Financial Reporting Standards.

Chris Otto
Chairman

17 April 2018
Stellenbosch

The directors are responsible for the maintenance of adequate accounting records and to prepare 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 these 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 International Financial Reporting Standards; 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.

These summarised consolidated financial 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 summarised 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.

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

The annual financial statements, including these summarised consolidated financial statements, set out on pages 46 to 69 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

JF Mouton
Chairman

N Celliers
Chief executive officer

JH le Roux
Financial director

17 April 2018
Stellenbosch

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

17 April 2018
Stellenbosch

OVERVIEW

Zeder Investments Limited ("Zeder") is an investor in the broad agribusiness industry with a specific focus on the food and beverage sectors.

OPERATING RESULTS

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

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

- Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 8,0% during the year to R7,85 per share compared to a like-for-like R8,53 per share as at 28 February 2017.

Earnings performance

- Zeder's recurring headline earnings per share was 27,6 cents for the year ended 28 February 2018, reflecting a decrease of 35,2% compared to the 42,6 cents reported for the prior year. This result is due to a combination of decreases reported by Pioneer Foods, Capespan, Zaad and Agrivision Africa, increases reported by Kaap Agri and Quantum Foods and the positive effects of the internalisation of the base management fee.
- Following the once-off management fee internalisation charge of R1,45bn to the income statement in the prior year, headline earnings per share increased from a loss of 47,5 cents in the prior year, to a profit of 24,8 cents in the current year. The recurring headline earnings was offset by net non-recurring losses of R49m (2017: R1,46bn), which consists mainly of the adverse accounting effect of Pioneer Foods' historical BEE transaction given the increase in its share price.
- Attributable earnings per share increased from a loss of 49,1 cents in the prior year to a profit of 14,8 cents in the current year as a result of the aforesaid, offset by net non-headline losses of R171m (2017: R26m), which consists mainly of the recognition of deferred tax on the transfer of the Golden Wing Mau associate to equity securities and goodwill impairments at investee level.
- Profit for the year amounted to R208,4m (2017: loss of R741,7m), while the earnings attributable to equity holders of the group amounted to a profit of R253,9m (2017: loss of R795,9m).

STATED CAPITAL

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

No ordinary shares were issued during the year under review. During the prior year, the company issued 207 661 758 ordinary shares as part of an asset-for-share transaction (mostly notably the internalisation of the management fee transaction).

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

During the prior year, Zeder constituted the Zeder Group Share Incentive Trust. Zeder acquired 7 892 310 Zeder ordinary shares (treasury shares) in order to enable the Zeder Group Share Incentive Trust to fulfil any obligations to participants in terms of the initial share options that were awarded to and accepted by the participants, prior to 28 February 2017 when the participants were still employees of PSG Corporate Services Proprietary Limited under the aforementioned management agreement.

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 2018 '000**	**Total 2017 '000**
In issue (gross of treasury shares)	**1 715 179**	1 730 515
Held by share incentive trust	**(5 001)**	(5 837)
Held by executives through loan funding advanced	**(8 299)**	(2 636)
In issue (net of treasury shares)	**1 701 879**	1 722 042

DIVIDENDS

On 17 April 2018, the company declared a final dividend of 11 cents (2017: 11 cents) per share from income resources in respect of the year ended 28 February 2018, which is payable on 14 May 2018.

EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the reporting date and the date of approval of the consolidated annual financial statements.

DIRECTORS

The directors of the company at the date of this report are set out on page 5.

DIRECTORS' EMOLUMENTS

Directors' remuneration

Audited	Short-term incentives			Long-term incentives			
	Basic salary			Non-cash gains from exercise of share options			
	Total approved R'000	Less 30% deferred R'000	Total paid R'000	R'000	Fees R'000	Total 2018 R'000	Total 2017[8] R'000
Executive							
N Celliers[1,2]	6 800	(2 040)	4 760	1 957		6 717	6 249
JH le Roux[1,2,3,6]	3 750	(1 125)	2 625	855		3 480	2 086
Non-executive							
GD Eksteen[4]					268	268	131
ASM Karaan[3,4]					200	200	50
N Mjoli-Mncube[3,4]					258	258	68
CA Otto[4,5]					328	328	25
JF Mouton[5]							
PJ Mouton[5]							
WL Greeff[5]							
WA Hanekom[3]							63
AE Jacobs[3,7]							1 416
	10 550	(3 165)	7 385	2 812	1 054	11 251	10 088

[1] *During the year under review, 30% of the basic salary of the executive directors' 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 include reference to the fact that it 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 any short-term bonuses.*

[3] *Messrs JH le Roux, ASM Karaan and Mrs N Mjoli-Mncube were appointed during the previous year and Messrs WA Hanekom and AE Jacobs resigned during the previous year.*

[4] *During the year under review, effective 1 March 2017, the method of paying directors' fees changed subsequent to the approval of the directors' emoluments at the annual general meeting of Zeder. Directors' fees were always paid during October and the following April and are now payable in August and February. Based on the aforementioned change a payment of R254 000 paid during the year under review, relates to the 2017 financial year.*

[5] *These directors do not receive any emoluments for services rendered to the company, as the Zeder group was previously managed by PSGCS in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Limited and its investee companies (including the Zeder group). Effective from 1 September 2016, when the aforementioned management agreement was internalised, the Zeder group pays a strategic fee to PSGCS for services rendered to the company and a non-executive directors fee to Mr CA Otto from September 2016.*

[6] *The basic salary and company contributions received by Mr JH le Roux, during the previous year, relate only to the period during which he served as an executive director.*

[7] *The cash-based remunerations received by Mr AE Jacobs, during the previous year, relate to his employment as chief executive officer of Zaad Holdings Limited, a subsidiary, only for the period which he served as a non-executive director.*

[8] *2017 reflect total basic salary paid during the previous year and exclude the non-cash gains of share options not previously reported. For comparative purposes, the non-cash gains of share options for Messrs N Celliers and JH le Roux were R10.9m and R1m, respectively.*

Members of the Zeder Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises Messrs PJ Mouton (chairman), N Celliers (chief executive officer), JH le Roux (financial director), WL Greeff and JF Mouton. N Celliers and JH le Roux's remuneration are included above and the other Exco members' remuneration is disclosed in PSG Group Limited's annual report available at *www.psggroup.co.za.*

Equity-based remuneration

Audited	Number of share options as at 28 Feb 2017	Number of share options during the year – Granted	Number of share options during the year – Vested
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Trust			
N Celliers	437 744		(437 744)
	337 837		
	2 496 950		
	393 969		
	789 990		
	1 792 402		
		4 016 442	
	6 248 892	4 016 442	(437 744)
JH le Roux	609 756		(304 878)
	97 276		
	373 113		(93 278)
	1 787 037		
		2 319 528	
	2 867 182	2 319 528	(398 156)
Total	9 116 074	6 335 970	(835 900)
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust			
N Celliers	6 096		
	4 054		
	7 399		
	7 341		
	24 890		
JH le Roux	3 467		
Total	28 357		

[8] *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, 0% (2017: 25%) of these share options vested.*

	Market price per share on vesting date R	Vesting price per share R	Date granted	Number of share options as at 28 Feb 2018	Cost to participant at vesting price R'000	Market value to participant as at 28 Feb 2018 R'000	Unrealised gains to participant as at 28 Feb 2018 R'000
	7,04	2,57	20/04/2012				
		3,33	28/02/2013	**337 837**	**1 124 997**	**2 179 049**	**1 054 052**
		4,10	28/02/2014[8]	**2 496 950**	**10 237 495**	**16 105 328**	**5 867 833**
		7,71	28/02/2015	**393 969**			
		4,97	29/02/2016	**789 990**	**3 926 250**	**5 095 436**	**1 169 186**
		7,29	28/02/2017	**1 792 402**			
		6,41	28/02/2018	**4 016 442**	**25 745 393**	**25 906 051**	**160 658**
				9 827 590	**41 034 135**	**49 285 864**	**8 251 729**
	6,45	4,10	28/02/2014	**304 878**	**1 250 000**	**1 966 463**	**716 463**
		7,71	28/02/2015	**97 276**			
	6,45	4,97	29/02/2016	**279 835**	**1 390 780**	**1 804 936**	**414 156**
		7,29	28/02/2017	**1 787 037**			
		6,41	28/02/2018	**2 319 528**	**14 868 174**	**14 960 956**	**92 782**
				4 788 554	**17 508 954**	**18 732 355**	**1 223 401**
				14 616 144	**58 543 089**	**68 018 219**	**9 475 130**
		61,50	28/02/2013	**6 096**	**374 904**	**1 325 880**	**950 976**
		83,23	28/02/2014	**4 054**	**337 414**	**881 745**	**544 331**
		136,84	28/02/2015	**7 399**	**1 012 479**	**1 609 283**	**596 804**
		178,29	29/02/2016	**7 341**	**1 308 827**	**1 596 668**	**287 841**
				24 890	**3 033 624**	**5 413 576**	**2 379 952**
		178,29	29/02/2016	**3 467**	**618 131**	**754 073**	**135 942**
				28 357	**3 651 755**	**6 167 649**	**2 515 894**

DIRECTORS' SHAREHOLDING

	Beneficial		Non-beneficial	Total shareholding 2018		Total shareholding 2017	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	**Number**	**%**
N Celliers		**7 253 114**		**7 253 114**	**0,424**	6 815 370	0,394
JH le Roux		**1 045 838**		**1 045 838**	**0,061**	647 682	0,037
GD Eksteen		**6 683 585**	**250 000**	**6 933 585**	**0,405**	6 933 585	0,401
N Mjoli-Mncube		**48 983**		**48 983**	**0,003**	48 983	0,003
CA Otto			**80 000**	**80 000**	**0,005**	80 000	0,005
JF Mouton[9]						80 000	0,005
WL Greeff		**80 000**		**80 000**	**0,005**	80 000	0,005
	–	**15 111 520**	**330 000**	**15 441 520**	**0,903**	14 685 620	0,850

[9] *During the year under review, Mr Mouton donated his ordinary shares to the Jannie Mouton Stigting. These shares were still held by the foundation at the reporting date.*

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

Also refer to the shareholder analysis in note 12 to the summarised consolidated financial statements.

SECRETARY

The secretary of the company is Zeder Corporate Services Proprietary Limited. Please refer to the company information section for its business and postal addresses.

AUDITOR

At the date of this report, PricewaterhouseCoopers Inc. held office in accordance with the Companies Act of South Africa.

OPINION

The summarised consolidated financial statements of Zeder Investments Limited, set out on pages 54 to 68 of the Zeder Investments Annual Report 2018, which comprise the summarised consolidated statement of financial position as at 28 February 2018, the summarised consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of Zeder Investments Limited for the year ended 28 February 2018.

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

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised 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 summarised 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 summarised consolidated financial statements and the audited consolidated annual financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated annual financial statements.

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 17 April 2018. 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 SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summarised 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 summarised 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

17 April 2018
Stellenbosch

	2018 Rm	2017 Rm
Assets		
Non-current assets	**10 298**	9 835
Property, plant and equipment	**1 626**	1 640
Intangible assets	**606**	666
Biological assets (bearer plants)	**406**	364
Investment in ordinary shares of associates and joint ventures	**6 636**	6 833
Loans to associates and joint ventures	**136**	80
Equity securities	**688**	46
Loans and advances	**100**	111
Deferred income tax assets	**61**	58
Employee benefits	**39**	37
Current assets	**3 103**	3 336
Biological assets (agricultural produce)	**152**	122
Inventories	**1 286**	1 319
Trade and other receivables	**1 274**	1 414
Loans and advances	**38**	36
Current income tax assets	**27**	23
Cash, money market investments and other cash equivalents	**326**	422
Non-current assets held for sale (note 6)	**7**	
Total assets	**13 408**	**13 171**
Equity and liabilities		
Ordinary shareholders' equity	**8 269**	8 291
Non-controlling interests	**327**	407
Total equity	**8 596**	8 698
Non-current liabilities	**2 276**	1 320
Deferred income tax liabilities	**222**	94
Borrowings	**1 939**	1 015
Derivative financial liabilities	**24**	94
Employee benefits	**91**	117
Current liabilities	**2 536**	3 153
Borrowings	**1 428**	1 958
Trade and other payables	**994**	1 092
Derivative financial liabilities	**15**	
Current income tax liabilities	**34**	37
Employee benefits	**65**	66
Total liabilities	**4 812**	4 473
Total equity and liabilities	**13 408**	**13 171**
Net asset value per share (cents)	**485,8**	480,6
Tangible net asset value per share (cents)	**450,2**	442,0

	2018 Rm	2017 Rm
Revenue	**8 485**	10 209
Cost of sales	**(6 996)**	(8 546)
Gross profit	**1 489**	1 663
Income		
Change in fair value of biological assets	**195**	224
Investment income	**77**	67
Net fair value gains/(losses)	**45**	(7)
Other operating income	**116**	29
Total income	**433**	313
Expenses		
Management fees (note 2)		(75)
Management fee internalisation charge (note 2)		(1 449)
Marketing, administration and other expenses	**(1 671)**	(1 562)
Total expenses	**(1 671)**	(3 086)
Net income from associates and joint ventures		
Share of profits of associates and joint ventures	**472**	629
Impairment of associates and joint ventures (note 3)	**(1)**	
Net loss on dilution of interest in associates (note 3)	**(29)**	(8)
Net income from associates and joint ventures	**442**	621
Profit/(loss) before finance costs and taxation	**693**	(489)
Finance costs	**(289)**	(232)
Profit/(loss) before taxation	**404**	(721)
Taxation	**(196)**	(21)
Profit/(loss) for the year	**208**	(742)
Profit/(loss) attributable to:		
Owners of the parent	**254**	(796)
Non-controlling interests	**(46)**	54
	208	(742)
Earnings per share and number of shares in issue		
Earnings/(loss) per share (cents)		
Recurring headline	**27,6**	42,6
Headline (basic) (note 3)	**24,8**	(47,5)
Headline (diluted)	**23,7**	(49,7)
Attributable (basic)	**14,8**	(49,1)
Attributable (diluted)	**14,0**	(51,3)
Number of shares (m)		
In issue	**1 715**	1 731
In issue (net of treasury shares)	**1 702**	1 725
Weighted average	**1 717**	1 622
Diluted weighted average	**1 719**	1 624

	2018 Rm	2017 Rm
Profit/(loss) for the year	**208**	(742)
Other comprehensive income for the year, net of taxation	**(16)**	(470)
Items that may be reclassified to profit or loss		
Currency translation adjustments	**(100)**	(423)
Share of other comprehensive income of associates	**64**	(43)
Items that may not be reclassified to profit or loss		
Gains/(losses) from changes in financial and demographic assumptions of post-employment benefit obligations	**20**	(4)
Total comprehensive income for the year	**192**	(1 212)
Attributable to:		
Owners of the parent	**257**	(1 193)
Non-controlling interests	**(65)**	(19)
	192	(1 212)

	2018 Rm	2017 Rm
Ordinary shareholders' equity at end of the year	**8 269**	8 291
Ordinary shareholders' equity at beginning of the year	**8 291**	8 251
Shares issued		1 449
Shares purchased and cancelled	**(94)**	
Net movement in treasury shares	**(23)**	(50)
Total comprehensive income for the year	**257**	(1 193)
Transactions with non-controlling interests	**18**	(37)
Other movements	**10**	8
Dividends paid	**(190)**	(137)
Non-controlling interests at end of the year	**327**	407
Non-controlling interests at beginning of the year	**407**	442
Shares issued	**8**	25
Total comprehensive income for the year	**(65)**	(19)
Transactions with non-controlling interests	**(5)**	(31)
Other movements	**2**	3
Dividends paid	**(20)**	(13)
Total equity	**8 596**	8 698
Dividend per share (cents)	**11,0**	11,0

	2018 Rm	2017 Rm
Cash generated from operations (note 7)	**267**	97
Investment income	**342**	314
Finance costs and taxation paid	**(297)**	(235)
Cash flow from operating activities	**312**	176
Acquisition of subsidiaries		(115)
Cash acquired from acquisition of subsidiary (note 4)	**1**	
Proceeds from sale of subsidiaries (note 5)	**27**	
Acquisition of associates and joint ventures	**(183)**	(109)
Loans granted to associates and joint ventures	**(52)**	(69)
Additions to property, plant and equipment	**(213)**	(311)
Proceeds from disposal of property, plant and equipment	**25**	35
Additions to intangible assets	**(97)**	(89)
Acquisition of equity securities	**(6)**	(1)
Proceeds from sale of equity securities	**9**	
Other	**76**	(66)
Cash flow from investment activities	**(413)**	(725)
Capital contributions by non-controlling interests	**4**	25
Shares purchased and cancelled	**(94)**	
Purchase of treasury shares	**(27)**	(62)
Treasury shares sold	**5**	11
Dividends paid to group shareholders	**(190)**	(137)
Dividends paid to non-controlling interests	**(20)**	(13)
Borrowings repaid	**(1 333)**	(289)
Borrowings drawn	**1 660**	866
Other	**(10)**	(53)
Cash flow from financing activities	**(5)**	348
Net decrease in cash and cash equivalents	**(106)**	(201)
Exchange differences on cash and cash equivalents	**10**	(61)
Cash and cash equivalents at beginning of the year	**422**	684
Cash and cash equivalents at end of the year	**326**	422

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These summarised consolidated financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including IAS 34 Interim Financial Reporting; the South African Institute of Charted Accountants ("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 South African Companies Act; and the Listings Requirements of the JSE for preliminary reports.

The accounting policies applied in the preparation of these summarised consolidated financial statements are consistent in all material respects with those used in the prior year's annual financial statements. The group adopted the various revisions to IFRS which were effective for its financial year ended 28 February 2018, however, these revisions have not resulted in material changes to the group's reported results or disclosures in these summarised consolidated financial statements.

In preparing these summarised 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 group annual financial statements for the year ended 28 February 2017.

2. MANAGEMENT FEES AND MANAGEMENT FEE INTERNALISATION CHARGE

The base and performance management fees were payable during the first half of the prior year to PSG Corporate Services Proprietary Limited ("PSGCS"), a subsidiary of PSG Group Limited, the company's ultimate holding company, in terms of the PSG management agreement. In accordance with the management agreement, PSGCS provided management services, including corporate, secretarial, advisory, investment and financial services and all related aspects thereto, to the Zeder group of companies.

During the prior year and effective 1 September 2016, Zeder internalised the management agreement, and issued 207 661 758 ordinary shares to PSGCS, valued at R1,45bn. The rights to the acquired management agreement, did not meet the recognition criteria for intangible assets in terms of IFRS, and was consequently accounted for in the income statement as a non-recurring headline expense. It should be noted that this was a once-off charge, with no further management fees payable to PSGCS in terms of this agreement.

3. HEADLINE EARNINGS/(LOSS)

	2018 Rm	2017 Rm
Profit/(loss) attributable to equity holders of the company	**254**	(796)
Non-headline items	**171**	26
Gross amounts		
Net profit on sale of subsidiary companies (note 5)	**(85)**	
Net loss on dilution of interest in associates	**29**	8
Impairment of associates and joint ventures	**1**	
Fair value gain resulting from transfer of associated company to equity security	**(15)**	
Non-headline items of associates and joint ventures	**7**	12
Impairment of intangible assets and goodwill	**123**	5
Net loss on sale and impairment of property, plant and equipment	**10**	2
Other	**(1)**	1
Non-controlling interests	**(49)**	(2)
Taxation	**151**	
Headline earnings/(loss)	**425**	(770)

During the year under review, the group, through Capespan Group Limited ("Capespan") merged its Asian operations with Golden Wing Mau to form JWM Asia and therefore 70% of its business operations were sold to JWM Asia and Capespan retained a 30% shareholding in JWM Asia (refer note 5).

The current year impairment relates to computer software at a restructured United Kingdom operation, intellectual property at Klein Karoo Seed Marketing, where there is no foreseeable future commercialisation of the specific seed line, and on goodwill at Mpongwe Milling, following two consecutive loss-making years.

4. SUBSIDIARIES ACQUIRED

The Logistic Company Proprietary Limited

During October 2017, Zeder invested in a start-up company in the technology, transport and logistics industries. The Logistic Company Proprietary Limited ("TLC") had limited operations prior to investment. Zeder paid R4m for a subscription of newly issued ordinary shares, representing 51% of the issued share capital of TLC. Goodwill (less than R1m) arose in respect of, *inter alia*, synergies pertaining to the integration of logistical activities within the Zeder group of companies. Accounting for TLC's business combination has been finalised.

4. SUBSIDIARIES ACQUIRED continued

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

	TLC Rm
Property, plant and equipment	1
Cash, money market investments and other cash equivalents	1
Borrowings	(1)
Trade and other payables	(1)
Total identifiable net assets	
Subscription of newly issued ordinary shares	4
Total consideration transferred	**4**
Cash consideration paid with regards to subscription of newly issued shares	(4)
Shares issued	4
Cash and cash equivalents acquired	1
Net cash inflow from business combination	**1**

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

Had TLC been consolidated with effect from 1 March 2017 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R1,6m and profit after tax of R0,9m.

5. SUBSIDIARIES SOLD

Capespan Japan Limited and Metspan Hong Kong Limited

During July 2017, the group, through Capespan Group Limited ("Capespan") merged its Asian operations with Golden Wing Mau to form JWM Asia. Capespan therefore sold 70% of its business operations to JWM Asia and retained a 30% shareholding in JWM Asia.

Capespan sold the business operations of Capespan Japan Limited ("Capespan Japan"), a fruit marketing company situated in Japan, to JWM Asia, for a cash consideration of R3m.

Capespan sold the business operations of Metspan Hong Kong Limited ("Metspan"), a fruit marketing company situated in Hong Kong, to JWM Asia, for a cash consideration of R57m.

5. SUBSIDIARIES SOLD continued

Nichebrands Proprietary Limited

During January 2018, the group, through Zaad Holdings Limited disposed of its 100% interest in Nichebrands Proprietary Limited ("Nichebrands") for R1, resulting in a gain on disposal of R5m due to previously recognised losses.

The summarised assets and liabilities recognised at the respective disposal dates were:

	Capespan Japan Rm	Metspan Rm	Nichebrands Rm	Total Rm
Property, plant and equipment	1	1	4	6
Intangible assets	1	11		12
Deferred income tax assets			4	4
Loans and advances	1	1	(35)	(33)
Inventories	16	6	20	42
Trade and other receivables	73	82	11	166
Cash, money market investments and other cash equivalents	18	15		33
Borrowings			(1)	(1)
Trade and other payables	(34)	(63)	(8)	(105)
Current income tax liabilities		(1)		(1)
Total identifiable net assets	76	52	(5)	123
Transfer to investment in ordinary shares of associates		(26)		(26)
Transfer to loans to associates	(73)	(49)		(122)
Profit on sale of subsidiaries' operations (note 3)		80	5	85
Cash proceeds on sale	3	57		60
Cash and cash equivalents given up	(18)	(15)		(33)
Net cash flow on disposal of subsidiaries' operations	(15)	42		27

6. NON-CURRENT ASSETS HELD FOR SALE

As at 28 February 2018, property, plant and equipment within the Capespan UK operations, through Capespan Group Limited, amounting to R7m is presented as non-current assets held for sale in the current year following the adoption of a plan to sell the assets.

7. CASH GENERATED FROM OPERATIONS

	2018 Rm	2017 Rm
Profit/(loss) before taxation	**404**	(721)
Investment income	**(77)**	(67)
Finance costs	**291**	232
Depreciation and amortisation	**203**	180
Net fair value (gains)/losses	**(43)**	2
Net profit on sale of interest in subsidiary company	**(85)**	
Share of profits of associates and joint ventures	**(472)**	(629)
Net loss on dilution of interest in associates	**29**	8
Impairment of associates and joint ventures	**1**	
Impairment of intangible assets and goodwill	**123**	5
Net loss on sale and impairment of property, plant and equipment	**10**	2
Changes in fair value of biological assets	**(195)**	(224)
Net harvest short-term biological assets	**60**	67
Other non-cash items	**(7)**	(24)
Management fee internalisation charge		1 449
	242	280
Change in working capital and other financial instruments	**204**	(30)
Additions to biological assets	**(179)**	(153)
Cash generated from operations	**267**	97

8. FINANCIAL INSTRUMENTS

8.1 Financial risk factors

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

The summarised consolidated financial statements do not include all financial risk management information and disclosures as set out in the annual financial statements, and therefore they should be read in conjunction with the group's annual financial statements for the year ended 28 February 2018. Risk management continues to be carried out throughout the group under policies approved by the respective boards of directors.

8.2 Fair value estimation

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

Level 1

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

Level 2

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

Level 3

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

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.

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.

8. FINANCIAL INSTRUMENTS continued

8.2 Fair value estimation continued

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

Audited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 February 2018				
Assets				
Equity securities	**9**		**679**	**688**
Opening balance			**44**	
Transfer from associates to equity securities			**700**	
Disposal			**(7)**	
Fair value losses			**8**	
Exchange differences			**(66)**	
Liabilities				
Derivative financial liabilities			**39**	**39**
Opening balance			**94**	
Disposals			**(47)**	
Fair value gains			**(15)**	
Finance costs			**7**	
28 February 2017				
Assets				
Equity securities		2	44	46
Opening balance			72	
Disposal			(23)	
Fair value losses			(5)	
Liabilities				
Derivative financial liabilities			94	94
Opening balance			65	
Additions			25	
Fair value gains			(3)	
Finance costs			7	

9. SEGMENTAL REPORTING

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

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

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

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

SOTP is a key valuation tool used to measure the group's performance. In determining *SOTP value*, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the statement of financial position since the latter are predominantly measured using the relevant accounting standards which include historical cost and the equity accounting method.

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

Audited	**2018 Rm**	**2017 Rm**
Recurring headline earnings segmental analysis:		
Segments		
Food, beverages and related services	**394**	582
Agri-related retail, trade and services	**102**	89
Agri-inputs	**110**	124
Agri-production	**(30)**	26
Recurring headline earnings from investments	**576**	821
Management (base) fee		(75)
Net interest, taxation and other income and expenses	**(102)**	(55)
Recurring headline earnings	**474**	691
***Non-recurring* headline earnings**		
Management fee internalisation charge		(1 449)
Other	**(49)**	(12)
Headline earnings/(loss)	**425**	(770)
Non-headline items (note 3)	**(171)**	(26)
Attributable earnings/(loss)	**254**	(796)

9. SEGMENTAL REPORTING continued

Audited	**2018 Rm**	**2017 Rm**
SOTP segmental analysis:		
Segments		
Food, beverages and related services	**10 169**	11 706
Agri-related retail, trade and services	**1 405**	1 360
Agri-inputs	**2 043**	1 531
Agri-production	**591**	614
Cash and cash equivalents	**111**	173
Other net assets	**108**	120
Debt funding	**(1 000)**	(798)
SOTP value	**13 427**	14 706
***SOTP value* per share (rand)**	**7,85**	**8,53**
Profit before tax segmental analysis:		
Segments		
Food, beverages and related services	**479**	638
Agri-related retail, trade and services	**93**	89
Agri-inputs	**102**	123
Agri-production	**(156)**	29
Management fees and other income and expenses	**(114)**	(1 600)
	404	**(721)**
IFRS revenue (revenue and investment income) segmental analysis:		
Segments		
Food, beverages and related services	**6 672**	8 359
Revenue	**6 621**	8 311
Investment income	**51**	48
Agri-inputs	**1 412**	1 325
Revenue	**1 398**	1 314
Investment income	**14**	11
Agri-production	**467**	585
Revenue	**466**	584
Investment income	**1**	1
Unallocated investment income (mainly head office interest income)	**11**	6
	8 562	10 275

10. RELATED-PARTY TRANSACTIONS

Related-party transactions similar to those disclosed in the group's annual financial statements for the prior year ended 28 February 2017 took place during the year under review, except treasury shares allocated to executive directors in terms of a share incentive scheme, were recognised on loans granted on or prior to 28 February 2018. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment*.

11. EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the reporting date and the date of approval of these annual financial statements.

12. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
Range of shareholding				
1 – 20 000	**10 700**	**75,3**	**56 828 117**	**3,3**
20 001– 50 000	**1 609**	**11,3**	**52 596 983**	**3,1**
50 001 – 100 000	**807**	**5,7**	**58 350 721**	**3,4**
100 001 – 500 000	**843**	**5,9**	**180 960 844**	**10,6**
500 001 – 1 000 000	**123**	**0,9**	**84 484 393**	**4,9**
Over 1 000 000	**125**	**0,9**	**1 276 956 594**	**74,7**
	14 207	**100,0**	**1 710 177 652**	**100,0**
Treasury shares				
– Employee share scheme	**1**		**5 001 469**	
	14 208		**1 715 179 121**	
Public and non-public shareholding				
Non-public				
– Directors[1]	**6**	**0,1**	**15 441 520**	**0,9**
– PSG Financial Services Limited	**1**	**0,0**	**747 715 417**	**43,7**
Public	**14 201**	**99,9**	**947 020 715**	**55,4**
	14 208	**100,0**	**1 710 177 652**	**100,0**

Major shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2018		
PSG Financial Services Limited (wholly-owned subsidiary of ultimate holding company, PSG Group Limited)	**747 715 417**	**43,7**
Public Investment Corporation (including Government Employees Pension Fund)[2]	**140 779 498**	**8,2**
	888 494 915	**51,9**

[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 is hereby given of the annual general meeting of shareholders of Zeder Investments Limited ("Zeder" or "the company") to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch, on Friday, 22 June 2018, at 8:30 ("the AGM").

PURPOSE

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

AGENDA

Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit and risk committee for the year ended 28 February 2018.

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

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

Note:
For ordinary resolutions numbers 1 to 9 (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 resolutions numbers 10 to 11 to be adopted, at least 75% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.

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, including Pioneer Foods.

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 a 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 a diversified investment 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 PSG Group. He currently serves on the boards of various companies as a non-executive director, including PSG Group, Capitec and Kaap Agri.

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 ("Listings Requirements") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act") require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

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

Note:
For avoidance of doubt, all references 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 is Zeder's lead independent director and currently serves on the boards of various companies as a non-executive director.

2.2 Ordinary resolution number 5

"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 Mjoli-Mncube

A summary of Nonhlanhla's curriculum vitae has been included in paragraph 1.2.

2.3 Ordinary resolution number 6

"Resolved, subject to the approval of ordinary resolution number 3, that Mr CA Otto, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary curriculum vitae of Mr CA (Chris) Otto

A summary of Chris's curriculum vitae has been included in paragraph 1.3.

The reason for ordinary resolutions numbers 4 to 6 (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 7

"Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the company for the ensuing year on the recommendation of the audit and risk committee of the company. The individual designated auditor will be nominated by PricewaterhouseCoopers Inc., subject to the approval by the audit and risk committee of the company."

The reason for ordinary resolution number 7 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.

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

Ordinary resolution number 8

"Resolved that the company's remuneration policy (excluding the directors' fees paid to the non-executive directors for their services as directors and membership of board committees), as set out on pages 32 to 37 to this annual report, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 8 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 AGM. This enables shareholders to express their views on the remuneration policy adopted by the Zeder Remuneration committee of the company. The effect of ordinary resolution number 8, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 8 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

Ordinary resolution number 9

"Resolved that the company's implementation report in regard to the remuneration policy, as set out on pages 39 to 41 to this annual report, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for and effect of ordinary resolution number 9 is that King IV™ recommends that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 9, if passed, will be to endorse the company's implementation report on the 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 and its implementation.

6. AMENDMENTS TO THE ZEDER GROUP SHARE INCENTIVE TRUST DEED

Ordinary resolution number 10

"Resolved that the existing trust deed of the Zeder Group Share Incentive Trust ("Zeder SIT Deed"), which contains the terms of and governs the company's share incentive scheme, be amended as set out in Annexure A to this notice of AGM."

The reason for ordinary resolution number 10 is to obtain the approval of shareholders to amend the Zeder SIT Deed, such approval being required in terms of paragraph 14.2, read with paragraph 14.1, of Schedule 14 of the Listings Requirements.

The amendments are proposed in response to requests and feedback from certain investors and shareholders in relation to the existing share incentive scheme, given market trends. The amendments to the trust deed will provide more flexibility and introduce potential measurement criteria when awarding options to management, as well as ensure potential gearing is reduced. It also provides clarity on provisions where required or for the avoidance of doubt.

The proposed amendments do not alter the fundamental mechanism for the awarding or vesting of share options, the vesting period or the determination of the strike price, but allow for certain performance criteria to be considered in connection with the vesting of share options and provide for potential minimum shareholdings that executive directors would need to hold in Zeder, in order to qualify for the vesting of share options.

This gives more flexibility to comply with future market requirements or trends.

The share incentive scheme previously allowed for loan funding to be provided to scheme beneficiaries in respect of the strike price of the share options exercised. Under the proposed amendments, loans will in future no longer be provided and the security requirements in respect of existing loans that were previously granted, will increase.

The amended trust deed will still provide for the net equity settlement of share options, which may, at the discretion of the board, occur through the delivery of shares or by way of a cash payment.

The effect of ordinary resolution number 10, if passed, will be that the proposed amendments to the Zeder SIT Deed, as set out in Annexure A to this notice of AGM, are approved.

For this resolution to be adopted at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution. In determining whether the requisite number of votes have been achieved to adopt this resolution, the votes attaching to any shares held by the Zeder Group Share Incentive Trust and the votes attaching to ordinary shares acquired in terms of the share incentive scheme and owned or controlled by persons who are existing participants in the share incentive scheme, and which may be impacted by this resolution, will not be taken into account.

A copy of the current Zeder SIT Deed is available for inspection by shareholders at the company's registered address.

7. GENERAL AUTHORITY TO ISSUE ORDINARY 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 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 the aggregate, 10% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shares issued to the Zeder Group Share Incentive Trust ("the Trust") or options granted by the Trust in accordance with the Listings Requirements shall not diminish the number of ordinary shares that comprise the 10% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 10% of the issued ordinary shares (net of treasury shares) of the company amounts to 171 517 912 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 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 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 to 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 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 Listings Requirements and the memorandum of incorporation of the company.

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 each special resolution must be exercised in favour thereof.

8. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolution number 1:

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

	Proposed annual remuneration[1,2]			
Committee member	Board member R	Audit and risk R	Remune-ration R	Total R
GD Eksteen	250 000	150 000	50 000	450 000
ASM Karaan	250 000		50 000	300 000
NS Mjoli-Mncube	250 000	150 000		400 000
CA Otto[3,4]	250 000	175 000	75 000	500 000
Total	1 000 000	475 000	175 000	1 650 000

1 *With effect from 1 March 2018.*
2 *No fees are payable in respect of the Zeder Social & Ethics Committee.*
3 *Chairman of Zeder Audit and Risk committee.*
4 *Chairman of Zeder Remuneration committee."*

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

9. INTER-COMPANY FINANCIAL ASSISTANCE

9.1 Special resolution number 2: Inter-company financial assistance

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

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

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

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act), that the board of the company may deem fit to any company or corporation that is related or inter-related to the company ("related" or "inter-related" will herein have the meaning attributed to it 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 or corporation that is related or inter-related to the 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 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 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 company or corporation which is related or inter-related to the company and/or any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the company or any related or inter-related company or corporation. This means that the company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the company or its subsidiaries. A typical example of where the company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolution 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);
- 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;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's memorandum of incorporation have been met.

10. SPECIAL RESOLUTION NUMBER 4: SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDIARIES

"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 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 the aggregate, in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act, and that since the solvency and liquidity test was applied, there have been no material changes to the financial position of the company and its subsidiaries ("the group");
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five-business-day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf; and
- the company may not effect a repurchase during any prohibited period as defined in terms of the 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 Listings Requirements."

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

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

11. OTHER BUSINESS

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

Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the group would not be compromised as to the following:

    - the group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
    - the consolidated assets of the group will, at the time of the AGM and at the time of making such determination, be in excess of the consolidated liabilities of the group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;
    - the ordinary capital and reserves of the group after the repurchase will remain adequate for the purpose of the business of the group for a period of 12 months after the AGM and after the date of the share repurchase; and
    - the working capital available to the group after the repurchase will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the AGM.

    General information in respect of major shareholders, material changes and the share capital of the company is contained in the annual report of which this notice forms part, as well as the full set of annual financial statements, being available on Zeder's website at *www.zeder.co.za* or which may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

2. The directors, whose names appear on page 5 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by the Listings Requirements.

3. Special resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous AGM held on 23 June 2017.

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, 11 May 2018.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at the AGM is Friday, 15 June 2018, with the last day to trade being Tuesday, 12 June 2018.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed should reach the transfer secretaries of the company at the address given below by no later than 08:30 on Wednesday, 20 June 2018, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

Zeder Corporate Services (Pty) Ltd
Per L van der Merwe
Company secretary

14 May 2018
Stellenbosch

THE ZEDER GROUP SHARE INCENTIVE TRUST

The following amendments are proposed to the Zeder Group Share Incentive Trust deed ("Trust Deed"):

1.1 by the insertion of a new clause 1.1.1A after the existing clause 1.1.1 of the Trust Deed, to read as follows –

"1.1.1A ***"After-Tax Gain"*** *bears the meaning ascribed thereto in clause 24A.3.1;"*

1.2 by the deletion of the words "*30 (thirty)*", "*following*" and "*, subject to*" and the insertion of the words "*180 (one hundred and eighty)*", "*commencing on*" and "*or*" in clause 1.1.13 of the Trust Deed, to read as follows –

"1.1.13 ***"Exercise Period"*** *means the <u>180 (one hundred and eighty)</u> day period <u>commencing on</u> the applicable Vesting Date <u>or</u> any extension thereof pursuant to clause 21.3;"*

1.3 by the insertion of a new clause 1.1.18A after the existing clause 1.1.18 of the Trust Deed, to read as follows –

"1.1.18A ***"Market Price"*** *means the price per Share at the closing of trade on the JSE on the relevant Option Exercise Date;"*

1.4 by the insertion of a new clause 1.1.19A after the existing clause 1.1.19 of the Trust Deed, to read as follows –

"1.1.19A ***"Minimum Shareholding for Executive Directors"*** *means such minimum number(s) of Shares, if any, required to be held by an executive Director, for such Director to qualify for –*

1.1.19A.1 any award of Options occurring on or after 28 February 2018; and

1.1.19A.2 the vesting of any Options awarded on or after 28 February 2018,

as may be determined by the Board in its sole discretion, from time to time;"

1.5 by the insertion of a new clause 1.1.23A after the existing clause 1.1.23 of the Trust Deed, to read as follows –

"1.1.23A ***"Performance Measures"*** *means such performance measures, if any, as may be determined by the Board in its sole discretion, from time to time, and which need to be met for any Options awarded to a Participant on or after 28 February 2018 to vest and/or for further Options to be awarded, which performance measures may include, but will not be limited to, any one or more of the following –*

1.1.23A.1 the Participant in question meeting key performance objectives; and/or

1.1.23A.2 the Company meeting a specified total shareholder return hurdle;"

1.6 by the deletion of clause 8.1.17 of the Trust Deed in its entirety and replacing it with a new clause 8.1.17, to read as follows:

"8.1.17 "[intentionally left blank]";

1.7 by replacing the words "*effect any loans under the Share Scheme*" with the words *"comply with the obligations of the Trustees under this Trust Deed"*, replacing the words "*repayment of any previous*" with the words "*repay any previous*" and replacing the words "*Trustees shall be met out of*" with the words "*Trust shall be met out of*" in clause 16.2 of the Trust Deed, so that the first paragraph of clause 16.2 will thereafter read as follows:

"16.2 Subject to the provisions of this Deed, the purchase or subscription price of Shares acquired by the Trust pursuant to the Share Scheme, the costs incurred in the acquisition of such Shares, any duties payable upon the transfer of Shares, any disbursements and expenditure incurred by the Trustees in their capacity as such, any amount due to the Trustees in terms of clause 14, any amount in respect of which a Trustee has been lawfully indemnified in terms of clause 15 and any money required to <u>comply with the obligations of the Trustees under this Trust Deed</u> or <u>repay any previous</u> borrowings by the <u>Trust shall be met out of</u> –"

1.8 by the insertion of a new clause 18.1A before the existing clause 18.1 of the Trust Deed, to read as follows:

"18.1A The Board may, from time to time, determine and set –

18.1A.1 the Performance Measures which will apply to the awarding and/or vesting of Options awarded on or after 28 February 2018; and

18.1A.2 the Minimum Shareholding for Executive Directors which will apply to the awarding and vesting of Options to executive Directors, where such Options are awarded on or after 28 February 2018."

1.9 by the insertion of the words "*, the Performance Measures and/or Minimum Shareholding for Executive Directors which will apply to the awarding and/or vesting of such Options (if applicable)*" and "*the Performance Measures and/or Minimum Shareholding for Executive Directors which will apply to the awarding and/or vesting of such Options (if applicable), the*" and by replacing the words "*determined by the Trustees*" with the words "*determined by the Board*", in clause 18.1 of the Trust Deed, to read as follows –

*"18.1 The Board, subject to clause 19.4, may from time to time instruct and authorise the Trustees in writing to award Options to such Employees selected by it to participate in this Scheme ("the Resolution"). The Resolution shall specify the name of the Employee, the number of Options, the Option Date, the Strike Price<u>, the Performance Measures and/or Minimum Shareholding for Executive Directors which will apply to the awarding and/or vesting of such Options (if applicable)</u> and any other relevant terms and conditions as may be determined by the Board. Each such Option shall be offered for purchase at the Strike Price. The Trustees shall as soon as practicable award the Options to the persons named in the Resolution, which award shall be in writing and specify the number of Options, the Option Date, the Strike Price, <u>the Performance Measures and/or Minimum Shareholding for Executive Directors which will apply to the awarding and/or vesting of such Options (if applicable), the</u> obligation of the Participant to adhere strictly to the terms of this Deed (which shall be made available at all times to any Participant) and any other relevant terms and conditions as may be <u>determined by the Board</u> provided that, should the Initial Options be awarded the number, Vesting Dates and Strike Price of those Initial Options shall be as set out in **Annexure A** hereto."*

1.10 by the insertion of a new clause 18.6 after the existing clause 18.5 of the Trust Deed, to read as follows –

"18.6 The Board may, in future, resolve that the award and/or exercise of Options occur in terms of a mechanism other than as specified in this Trust Deed, which could involve share appreciation rights, nil paid share options or another appropriate mechanism, provided that, to the extent that such change would necessitate an amendment to this Deed requiring shareholder approval in terms of the JSE Listings Requirements, such amendment shall not be effected without the approval of Shareholders being obtained."

1.11 by the insertion of a new clause 20.1.1A after the existing clause 20.1.1 of the Trust Deed, to read as follows –

"20.1.1A may be subject to the fulfilment and meeting of certain Performance Measures, as set out in the Resolution and written award referred to in clause 18.1, if applicable;"

1.12 by the insertion of a new clause 20.1.1B after the newly inserted clause 20.1.1A of the Trust Deed, to read as follows –

"20.1.1B may, in respect of executive Directors, be subject to the retaining of a Minimum Shareholding for Executive Directors, as set out in the Resolution and written award referred to in clause 18.1, if applicable;"

1.13 by the insertion of a new clause 20.1.6A after the existing clause 20.1.6. of the Trust Deed, to read as follows –

"20.1.6A may, at the election of the Participant in accordance with clause 24A, be settled on a net equity basis as set out in clause 24A;"

1.14 by the deletion of clause 20.1.8 of the Trust Deed in its entirety and the replacement thereof with a new clause 20.1.8, to read as follows –

"20.1.8 shall, pursuant to the exercise of an Option, be settled upon a Participant –

20.1.8.1 by way of the delivery of Shares, or

20.1.8.2 in the event that the Participant elects to have the Options settled on a net equity basis in accordance with clause 24A, either by the delivery of Shares or by the Company making a cash payment to the Participant, in lieu of Shares, as the Board may elect, in its sole discretion,

it being recorded that, for purposes of International Financial Reporting Standard 2, irrespective of the manner in which the options are settled, the foregoing shall be an equity-settled share-based payment transaction;"

1.15 by the insertion of the words "*save as provided for in clause 24A,*" in clause 20.1.9 of the Trust Deed, to read as follows –

"20.1.9 <u>save as provided for in clause 24A,</u> shall be awarded on the basis that the number of Scheme Shares to be delivered to a Participant, and the discharge of the Strike Price in respect of such Shares, shall be on a delivery versus payment method in accordance with the provisions of this Trust Deed; and"

1.16 by the insertion of a new clause 20.5.1A after the existing clause 20.5.1 of the Trust Deed, to read as follows –

"20.5.1A in relation to Options awarded on or after 28 February 2018, to the extent that the Performance Measures applicable to such Option (if any), have not been fulfilled, met or achieved, unless the Board resolves otherwise in its sole discretion;"

1.17 by the insertion of a new clause 20.5.1B after the newly inserted clause 20.5.1A of the Trust Deed, to read as follows –

"20.5.1B in relation to Options awarded on or after 28 February 2018, to the extent that any executive Director ceases to hold the Minimum Shareholding for Executive Directors applicable to such Option (if any), unless the Board resolves otherwise in its sole discretion;"

1.18 by the insertion of the word "*otherwise*" in clause 20.5.3 of the Trust Deed, to read as follows –

"20.5.3 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, ceases to be employed by any Group Company for any reason whatsoever, save to any extent expressly <u>otherwise</u> contemplated in terms of clause 25 below;"

1.19 by replacing each reference to the words "*30 (thirty) days*" appearing in clause 21.2 of the Trust Deed, with the words "*180 (one hundred and eighty) days*", to read as follows:

*"21.2 An Option must be exercised during the applicable Exercise Period of such Option ("**Option Exercise Date**") and such exercise, and the Scheme Shares acquired pursuant to such exercise, shall be governed by the applicable provisions of this Trust Deed. For the avoidance of any doubt, and having regard to the provisions of clauses 20.5.1 and 21.1, the Exercise Period for Options falling due at the First Vesting Date, the Second Vesting Date, the Third Vesting Date and the Fourth Vesting Date (as the case may be) shall be within 180 (one hundred and eighty) days of each of such First Vesting Date, Second Vesting Date, Third Vesting Date and Fourth Vesting Date (as the case may be). Likewise, for the avoidance of any doubt, the Exercise Period for an Initial Option shall be within 180 (one hundred and eighty) days of the Vesting Date (as specified in **Annexure A** hereto) of such Initial Option."*

1.20 by the deletion of the words "*Subject to the provisions of the Act and in amplification of clauses 8.1.15 and 8.1.17,*", "*shall, in their absolute and unfettered discretion, with the prior written approval of the Board, be*", "*shall include*" and "*("**the loan**"), subject to the following terms and conditions*" in clause 24.1 of the Trust Deed and the insertion of the words "*It is recorded that,*", "*were*", "*included*", "*and/or the Original Trust Deed*" and "*, net of a deposit paid by the Borrower, if applicable ("**Existing Loans**")*" to read as follows –

*"24.1 It is recorded that, in respect of any Beneficiary (or the relevant executor or legal representative of a Beneficiary's deceased estate) ("**Borrower**") who has exercised all or part of his Options in such manner as is contemplated in terms of this Trust Deed, the Trustees ("**Lender**") were entitled to provide financial assistance to the Borrower for the purpose of assisting the Borrower in fulfilling the monetary obligations arising due to the exercise of all or part of his Options in terms of this Trust Deed and/or the Original Trust Deed, which obligations included,* inter alia, *the payment of the Strike Price in respect of such Options so exercised and any Beneficiary Taxation, net of a deposit paid by the Borrower, if applicable ("**Existing Loans**").*

1.21 by the insertion of a new clause 24.1A after the existing clause 24.1 of the Trust Deed, to read as follows –

"24.1A As from the Signature Date, however, the Trustees shall no longer be entitled to grant any financial assistance to a Beneficiary (or the relevant executor or legal representative of a Beneficiary's deceased estate) for the purpose of assisting such person in fulfilling the monetary obligations arising due to the exercise, following the Signature Date, of all or part of his Options in terms of this Trust Deed."

1.22 by the deletion of clauses 24.1.1 to 24.1.6 (inclusive) of the Trust Deed in its entirety and the replacement thereof with a new clause 24.1B after the newly inserted 24.1A, to read as follows –

"24.1B Notwithstanding the provisions of clause 24.1A, the Existing Loans shall continue to remain in force and shall be subject, inter alia, *to the following terms and conditions –*

24.1B.1 at the time such loan was advanced, the Borrower was required to provide the Lender with a deposit equal to at least 10% (ten percent) of the loan value in cash on the applicable Option Exercise Date;

24.1B.2 the Borrower shall be required to pledge and cede in securitatem debiti *such number of Shares (whether or not they are the Scheme Shares to be delivered to the Borrower as contemplated in this clause 24) as is equal to (or more than) 130% (one hundred and thirty percent) of the loan value, unless the Trustees on reasonable grounds decide otherwise, with the value of such security to be calculated with reference to the aggregate Market Price of the Shares pledge and ceded, provided that the abovementioned minimum security level of 130% (one hundred and thirty percent) for Existing Loans shall, with effect from 28 February 2019, increase to 150% (one hundred and fifty percent) and, with effect from 29 February 2020, increase to 200% (two hundred percent) and, with effect from 28 February 2021, increase to 300% (three hundred percent) ("**the Security**");*

24.1B.3 to the extent that the value of the security as calculated by the Lender continues to fall below aforementioned percentage in clause 24.1B.2 above for a period of at least 5 (five) business days, the Lender shall be entitled to forthwith perfect all or part of the Security so as to reduce any outstanding balance in respect the loan and in so doing restore the requisite percentage cover, to the extent adequate additional security Shares are not provided by the Borrower;

24.1B.4 any outstanding balance in respect of the total amount borrowed by the Borrower from time to time shall attract interest at the South African Revenue Services fringe benefit rate, which shall accrue and be compounded annually in arrears;

24.1B.5 the capital amount outstanding in respect of the loan, together with all interest accrued thereon, must be repaid in full within 3 (three) years of such capital amount having been advanced to the Borrower by the Lender, save where the Borrower is an executive Director of the Company, in which case; it must be paid in full within 7 (seven) years of such capital amount having been advanced by the Lender to such Borrower.

24.1B.6 subject to the provisions of clause 24.1A and notwithstanding the provisions of clause 24, if the Borrower ceases to be an Employee at any time while any amount (whether capital or interest) in respect of the loan is outstanding, the full amount of the loan plus all interest that accrued thereon shall become due and payable within 7 (seven) days of written notice thereof by the Lender to the Borrower and interest at the prime rate of interest plus 3% (three percent) shall thereafter be payable on any outstanding amount unless the Lender resolves otherwise. The Lender shall furthermore be entitled to forthwith perfect all or part of the security so as to effect repayment of the full loan amount, including interest, that may be outstanding."

1.23 by the insertion of a new clause 24A after the existing clause 24 of the Trust Deed, to read as follows –

24A NET EQUITY SETTLEMENT

24A.1 Notwithstanding any of the other provisions of this Trust Deed, in the event that a Beneficiary wishes to exercise his Options in terms of the Trust Deed, but is unable to, or elects not to, pay the aggregate Strike Price due in respect of such Options being exercised and the Beneficiary Taxation due in relation to the exercise of such Options, the Beneficiary may elect (in writing, together with his written notice to the Company that he is exercising his Options) to have all (and not only a portion) of his Options so exercised, settled on a net equity basis as set out in this clause 24A.

24A.2 Where a Beneficiary has, in accordance with the provisions of clause 24A.1, elected to have his Options settled on a net equity basis in accordance with the provisions of clause 24A.1 above, the Company will settle –

24A.2.1 the Beneficiary's After-Tax Gain through the issue or other transfer of fully paid Shares to the Beneficiary or by making a cash payment in lieu of Shares to the Beneficiary, as may be determined by the Board in its sole discretion; and

24A.2.2 the Beneficiary Taxation due in respect of the Options being exercised, on behalf of the Beneficiary.

*24A.3 The "**After Tax Gain**" of the Beneficiary will be determined as follows –*

*24A.3.1 First, the "**Taxable Gain**" of the Beneficiary will be determined using the following formula –*
***Taxable Gain** = Market Value less the Strike Value*
Where
***Market Value** = the number of Options exercised multiplied by the Market Price per Share on the Option Exercise Date*
***Strike Value** = the number of Options exercised multiplied by the Strike Price per Share*

*24A.3.2 Next, the "**After-Tax Gain**" will be determined using the following formula –*
After-Tax Gain = Taxable Gain less the Tax Payable
*The "**Tax Payable**" will be calculated on the Taxable Gain based on the applicable income tax rate which applies to the Beneficiary.*

24A.4 The After-Tax Gain will then be settled by the Company, either by making a cash payment to the Beneficiary in lieu of Shares, or by the issue and allotment of such number of Shares by the Company, or by the transfer of such number of Shares by the Trust, within 10 (ten) business days following the relevant Option Exercise Date, as determined using the formula set out below, as may be elected by the Board in its sole discretion –

Number of Shares = After-Tax Gain divided by the Market Price Per Share on the Option Exercise Date

Rounded to the nearest full number, as no fractions of Shares will be issued.

24A.5 For the avoidance of doubt, an illustrative example is set out below:

		Net settlement	Full settlement
1	Number of Options exercised	**100**	**100**
2	Strike Price per Share	**R4**	**R4**
3	Strike Value (1 x 2)	**R400**	**R400**
4	Market Price per Share	**R7**	**R7**
5	Market Value (1 x 4)	**R700**	**R700**
6	Taxable Gain (5 – 3)	**R300**	**R300**
7	Tax rate applicable (assumed)	**45%**	**45%**
8	Tax Payable (6 x 7)	**R135**	**R135**
9	After-Tax Gain (6 – 8)	**R165**	**R165**
10	Total Strike Value & Tax Payable in cash by Beneficiary (3 + 8)	**n/a**	**R535**
11	Number of Shares to be issued at Market Price (9 / 4), if not settled by way of a cash payment	**24**	**n/a**

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

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

For use at the annual general meeting of ordinary shareholders of the company to be held at 08:30 at Spier Wine Estate, Baden Powell Drive, Stellenbosch on Friday, 22 June 2018 ("the AGM").

I/We (full name in print) ____

of (address) ____

being the registered holder of ______________________________ordinary shares hereby appoint:

1. ____ or failing him/her,

2. ____ or failing him/her,

3. the chairman of the AGM,

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

	Number of shares		
	In favour of	Against	Abstain
1.1 Ordinary resolution number 1: To 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 Mrs NS Mjoli-Mncube 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			
3. Ordinary resolution number 7: To re-appoint PricewaterhouseCoopers Inc. as the auditor			
4. Ordinary resolution number 8: Non-binding endorsement of Zeder's remuneration policy			
5. Ordinary resolution number 9: Non-binding endorsement of Zeder's implementation report			
6. Ordinary resolution number 10: Amendments to the Zeder Group Share Incentive Trust Deed			
7. Ordinary resolution number 11: General authority to issue ordinary shares for cash			
8. Special resolution number 1: Remuneration of non-executive directors			
9.1 Special resolution number 2: Inter-company financial assistance			
9.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company			
10. Special resolution number 4: Share repurchases by the company and its subsidiaries			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided should you wish to vote all of your shares.

Signed at ________________________ on this ________ day of ____________________ 2018.

Signature(s) ____

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

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

NOTES

1. A Zeder shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

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

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

4. Proxy forms should be lodged with the Transfer Secretaries of the company, Computershare Investor Services Proprietary Limited, to be received at any of the addresses below, by them not later than Wednesday, 20 June 2018 at 08:30 (South African time), provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM:
   By telefax: *+27 11 688 5238;*
   By e-mail: *proxy@computershare.co.za;*
   By hand: *Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; or*
   By post: *PO Box 61051, Marshalltown, 2107, South Africa (please note that postal delivery by the due date is at the risk of the shareholder).*

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

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer 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 attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

ADMINISTRATION

DETAILS OF ZEDER INVESTMENTS LIMITED

Registration number: 2006/019240/06
Share code: ZED
ISIN code: ZAE000088431

SECRETARY AND REGISTERED OFFICE

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

TRANSFER SECRETARY

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

CORPORATE ADVISOR AND SPONSOR

PSG Capital Proprietary Limited

AUDITOR

PricewaterhouseCoopers Inc.

PRINCIPAL BANKER

FirstRand Bank Limited

WEBSITE ADDRESS

www.zeder.co.za

SHAREHOLDERS' DIARY

	2018
Financial year-end	28 February
Profit announcement	17 April
Annual general meeting	22 June
Interim profit announcement	9 October

GREYMATTER & FINCH # 12176