ZEDER INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("**Zeder**" or "**the Company**")

PROSPECTUS

PREPARED IN TERMS OF THE LISTINGS REQUIREMENTS AND THE COMPANIES ACT

The definitions commencing on page 3 of this Prospectus apply *mutatis mutandis* throughout this Prospectus, including on this cover page.

This Prospectus is issued in compliance with the Listings Requirements (as revised listing particulars) and the Companies Act, for the purpose of providing information with regard to Zeder. This Prospectus has been prepared on the assumption that the Proposed Transaction will be implemented.

At the date of this Prospectus:

- the authorised share capital of Zeder comprises 2 000 000 000 ordinary shares of no par value and 250 000 000 cumulative, non-redeemable, non-participating preference shares of no par value;
- no Zeder Shares or Zeder Preference Shares are held in treasury;
- the total value of the stated capital account in respect of the Zeder Shares is R1 748 061 000 and the total value of the stated capital account in respect of the Zeder Preference Shares is R0;
- all Zeder Shares in issue rank *pari passu* with each other in all respects, including in respect of voting rights and dividends; and
- all Zeder Preference Shares in issue rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

If the Proposed Transaction is implemented, a maximum of 463 655 648 Consideration Shares will be issued. The Consideration Shares will rank *pari passu* with the existing Zeder Shares in all respects, including in respect of voting rights and dividends.

The Directors, whose names appear on page 7 of this Prospectus, accept, collectively and individually, full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement herein false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this document contains all information required by law and the Listings Requirements.

All advisors whose names and/or reports are contained in this Prospectus have consented in writing to act in the capacity stated and to their names being included in this Prospectus and, if applicable, to the inclusion of their respective reports in this Prospectus in the form and context in which they appear and have not withdrawn their written consents prior to publication hereof.

This Prospectus is not an invitation to the public to subscribe for shares in Zeder. It is issued in compliance with the Listings Requirements and the Companies Act for the purpose of giving information regarding Zeder, including to AVL Shareholders who, in terms of the Scheme or, if applicable, the General Offer, can dispose of their AVL Shares to Zeder in return for the Scheme Consideration Shares or the General Offer Consideration Shares, as applicable.

A copy of this Prospectus in English, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 36 of this Prospectus, was registered by the CIPC on Tuesday, 12 August 2014 in terms of the Companies Act.

Transaction Advisor and Sponsor	Legal Advisor	Auditors	Independent Sponsor to Zeder
PSG CAPITAL	DLA CLIFFE DEKKER HOFMEYR	pwc	questco CORPORATE ADVISORY

Date of issue: 15 August 2014

This Prospectus is available in English only. Copies may be obtained from Zeder, the Transaction Advisor and Sponsor or the Transfer Secretaries, at the addresses set out in the "Corporate Information and Advisors" section of this Prospectus during normal office hours from Friday, 15 August 2014 until Monday, 15 September 2014 (both days inclusive).

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office of Zeder

PSG Corporate Services Proprietary Limited
(Registration number 1996/004840/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Date of incorporation of Zeder

21 June 2006

Place of Incorporation

South Africa

Transaction Advisor and Sponsor of Zeder

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Auditors

PricewaterhouseCoopers Incorporated
(Registration number 1998/012055/21)
Capital Place
15 – 21 Neutron Avenue
Technopark, Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

and at:

PwC Building
Zomerlust Estate
Berg River Boulevard
Paarl, 7646
(PO Box 215, Paarl, 7620)

Independent Sponsor

QuestCo Proprietary Limited
(Registration number 2002/005616/07)
The Pivot
No 1 Monte Casino Boulevard
Entrance D, 2nd Floor
Fourways, 2055
(PO Box 98956, Sloane Park, 2152)

Transactional Bankers of Zeder

FirstRand Bank Limited
(Registration number 1929/001225/06)
25th Floor, Portside Building
5 Buitengracht Street
Cape Town, 8001
(PO Box 911, Cape Town, 8000)

Legal Advisor

Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

TABLE OF CONTENTS

The definitions commencing on page 3 of this Prospectus have been used in the following table of contents.

DEFINITIONS

In this Prospectus and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

"**AVL**"	Agri Voedsel Limited (registration number 2007/015880/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"**AVL Shareholders**"	registered holders of AVL Shares;
"**AVL Shares**"	ordinary shares in the share capital of AVL, having a par value of R0.0388 per share;
"**Auditors**" or "**Independent Reporting Accountants**"	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21), a personal liability company incorporated under the laws of South Africa, full details of which are set out in the "Corporate Information and Advisors" section of this Prospectus;
"**Board**" or "**Directors**"	the board of directors of Zeder, the names of whom are set out on page 7 of this Prospectus and the particulars of whom are set out in **Annexure 2** of this Prospectus;
"**Business Day**"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"**Capespan**"	Capespan Group Limited (registration number 2008/01697/06), a public company duly incorporated with limited liability in terms of the laws of South Africa;
"**Chayton Africa**"	Chayton Africa (registration number 092044 C1/GBC), a company incorporated in accordance with the laws of Mauritius, being a subsidiary of Zeder Africa;
"**Chobe Agrivision**"	Chobe Agrivision Company Limited (registration number 76200), a company incorporated in accordance with the laws of Zambia, being a wholly-owned subsidiary of Chayton Africa;
"**CIPC**"	the Companies and Intellectual Property Commission;
"**Circular**" or "**Category 1 Circular**"	the circular dated 15 August 2014 issued to Zeder Shareholders which contains information regarding the Proposed Transaction;
"**Companies Act**"	the Companies Act (Act No. 71 of 2008), as amended;
"**Consideration Shares**"	means the Scheme Consideration Shares or, if applicable, the General Offer Consideration Shares;
"**Effective Date**"	the Business Day on which the Scheme is to be implemented in accordance with its terms, anticipated to be 20 October 2014 or the Business Day on which the General Offer is to be implemented in accordance with its terms, which date shall be determined in due course;
"**General Offer**"	the voluntary offer to be extended to AVL Shareholders if certain conditions to which the Scheme is subject are not fulfilled (as more fully described in the Scheme Circular);
"**General Offer Consideration**"	the General Offer consideration of 16.2 (sixteen point two) Zeder Shares for each AVL Share disposed of by General Offer Participants in terms of the General Offer, rounded to the nearest whole number and credited as fully paid (the General Offer Consideration will not have a cash alternative);

"**General Offer Consideration Shares**"	the Zeder Shares to be issued by Zeder as the General Offer Consideration, with a maximum of 463 655 648 Zeder Shares to be issued to General Offer Participants as consideration for their AVL Shares;
"**General Offer Participants**"	subject to the failure of the Scheme and the General Offer being made, such AVL Shareholders who accept the General Offer, on such terms as set out more fully in the Scheme Circular;
"**Government**"	the government of the Republic of South Africa;
"**Independent Sponsor**"	Questco Proprietary Limited (registration number 2002/005616/07), a private company with limited liability duly incorporated under the laws of South Africa;
"**JSE**"	the exchange, licensed under the Financial Markets Act, No. 19 of 2012, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"**JSE Listings Requirements**" or "**Listings Requirements**"	the JSE Listing Requirements, as issued by the JSE from time to time;
"**King III**"	the Code of Corporate Practices and Conduct in South Africa representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
"**Last Practicable Date**"	the last Business Day prior to the finalisation of this Prospectus, being Thursday, 31 July 2014;
"**Listing**"	the listing on the main board of the JSE of the Zeder Shares issued to AVL Shareholders as a result of the implementation of the Proposed Transaction;
"**Major Subsidiaries**"	Zeder Financial Services, Capespan and, after the implementation of the Proposed Transaction, AVL;
"**Manager**"	PSG Corporate Services, as the duly appointed nominee of PSG Group;
"**Management Agreement**"	the management agreement between Zeder, Zeder Investments Corporate Services and the Manager, originally concluded on or about 29 September 2006, as subsequently amended on or about 2 April 2008, 18 November 2010 and June 2013, in terms of which the Manager provides the Services to the Zeder Group;
"**MOI**" **or** "**Memorandum of Incorporation**"	the memorandum of incorporation of Zeder;
"**Mpongwe Milling**"	Mpongwe Milling (2009) Limited (registration number 52998), a company incorporated in accordance with the laws of Zambia, a subsidiary of Chobe Agrivision;
"**Proposed Transaction**"	the offer by Zeder to acquire all the AVL Shares in issue which it does not already own, by way of the Scheme, or if certain conditions to which the Scheme is subject are not fulfilled, or where applicable waived (as described more fully in the Scheme Circular), by way of the General Offer;
"**Prospectus**"	this prospectus dated 15 August 2014 and the annexures hereto, which have been prepared in compliance with the JSE Listings Requirements and the Companies Act;
"**PSG Corporate Services**"	PSG Corporate Services Proprietary Limited (registration number 1996/004840/07), a private company incorporated under the laws of South Africa and a wholly-owned subsidiary of PSG Group;
"**PSG Group**"	PSG Group Limited (registration number 1970/008484/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"**R**" or "**Rand**"	the South African Rand, the lawful currency of South Africa;

"**Scheme**"	the scheme of arrangement in terms of section 114 of the Companies Act (made in respect of the AVL Shares) subject to the terms and conditions set out in the Scheme Circular;
"**Scheme Circular**"	the circular to AVL Shareholders, dated 15 August 2014, containing details of the Scheme and the General Offer;
"**Scheme Consideration**"	the Scheme consideration of 16.2 (sixteen point two) Zeder Shares for each AVL Share disposed of by Scheme Participants in terms of the Scheme, rounded to the nearest whole number and credited as fully paid (the Scheme Consideration will not have a cash alternative);
"**Scheme Consideration Shares**"	the Zeder Shares to be issued by Zeder as the Scheme Consideration, with a maximum of 463 655 648 Zeder Shares to be issued to Scheme Participants as consideration for their AVL Shares;
"**Scheme Participants**"	AVL Shareholders who participate in the Scheme;
"**Services**"	means the services to be provided by the Manager in terms of the Management Agreement, as set out in **Annexure 4**;
"**South Africa**"	the Republic of South Africa;
"**Transaction Advisor and Sponsor**"	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company with limited liability duly incorporated under the laws of South Africa;
"**Transfer Secretaries**" or "**Computershare**"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa, full details of which are set out on the inside front cover;
"**Zaad**"	Zaad Holdings Limited (registration number 1991/000478/06), a public company with limited liability duly incorporated under the laws of South Africa;
"**Zeder**" or "**the Company**"	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"**Zeder Africa**"	Zeder Africa Proprietary Limited (registration number 2011/139959/07), a private company incorporated under the laws of South Africa, being a wholly-owned subsidiary of Zeder Financial Services;
"**Zeder Financial Services**"	Zeder Financial Services Limited (registration number 2010/006171/06), a public company incorporated under the laws of South Africa, being a wholly-owned subsidiary of Zeder;
"**Zeder Group**"	Zeder and its subsidiaries, including AVL, which will become a subsidiary of Zeder upon implementation of the Proposed Transaction;
"**Zeder Investments Corporate Services**"	Zeder Investments Corporate Services Proprietary Limited (registration number 2010/009472/07), a private company incorporated under the company laws of South Africa, being a wholly-owned subsidiary of the Company;
"**Zeder Preference Shares**"	cumulative, non-redeemable, non-participating preference shares with no par value in the authorised share capital of Zeder;
"**Zeder Preference Shareholders**"	registered holders of Zeder Preference Shares;
"**Zeder Shareholders**"	registered holders of Zeder Shares; and
"**Zeder Shares**"	ordinary shares with no par value in the issued share capital of Zeder.

ZEDER INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("**Zeder**" or "**the Company**")

Directors

JF Mouton (*Chairman*)*
N Celliers (*Chief Executive Officer*)
WL Greeff (*Financial Director*)
AE Jacobs*
PJ Mouton*
GD Eksteen*#
WA Hanekom*#
CA Otto*#

*Non-executive
#Independent

PROSPECTUS

INTRODUCTION

This Prospectus is issued in compliance with the Listings Requirements (as revised listing particulars) and the Companies Act for the purpose of providing information with regard to Zeder. In terms of paragraph 6.19(g) of the JSE Listings Requirements, a company is required to publish revised listing particulars as soon as it issues in excess of 25% (twenty-five percent) of its issued share capital in a three-month period. The implementation of the Proposed Transaction will result in the Company exceeding this threshold and accordingly the Company is required to publish revised listing particulars.

In addition, this Prospectus is issued to provide information regarding Zeder to AVL Shareholders who, in terms of the Proposed Transaction (as more fully described in the Scheme Circular), can dispose of their AVL Shares to Zeder in return for Zeder Shares which, in terms of the Companies Act, constitutes an offer to AVL Shareholders of Zeder securities, requiring a prospectus.

SECTION ONE – INFORMATION ON THE ZEDER GROUP

1. **NAME, ADDRESS AND INCORPORATION**

Zeder Investments Limited (registration number 2006/019240/06) (previously Friedshelf 766 Limited) was incorporated as a public company on 21 June 2006. The registered office and primary place of business of each of Zeder and the Transfer Secretaries are set out in the "Corporate Information and Advisors" section of this Prospectus. The names, registration numbers, places of incorporation, dates of incorporation, nature of business, and issued capital of Zeder's subsidiaries are set out in **Annexure 1**.

2. **DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES**

2.1 **Board of directors**

The Board comprises:

2.1.1 JF Mouton (*Non-Executive Chairperson*);

2.1.2 N Celliers (*Chief Executive Officer*);

2.1.3 WL Greeff (*Financial Director*);

2.1.4 AE Jacobs (*Non-Executive Director*);

2.1.5 PJ Mouton (*Non-Executive Director*);

2.1.6 GD Eksteen (*Independent Non-Executive Director*);

2.1.7 WA Hanekom (*Independent Non-Executive Director*); and

2.1.8 CA Otto (*Independent Non-Executive Director*).

2.2 **Additional information related to the Directors and the directors of Major Subsidiaries**

2.2.1 **Annexure 2** contains the following information:

2.2.1.1 details of directors and executive management of Zeder and its Major Subsidiaries, including their qualifications, business addresses, identity numbers and experience;

2.2.1.2 Directors' interests in transactions and Zeder Shares;

2.2.1.3 Directors' emoluments;

2.2.1.4 Zeder Shares granted to directors;

2.2.1.5 terms of office and salient terms of service contracts; and

2.2.1.6 Directors' declarations.

2.2.2 In addition, **Annexure 2** contains details of the Directors' and directors of Major Subsidiaries' other directorships and partnerships in the previous five years.

2.2.3 The provisions of the MOI with regard to the following are set out in **Annexure 3**:

2.2.3.1 qualification of Directors;

2.2.3.2 remuneration of Directors;

2.2.3.3 any power enabling the directors to vote on remuneration to themselves or any member of the Board;

2.2.3.4 the borrowing powers exercisable by the Directors and how such borrowing powers can be varied; and

2.2.3.5 retirement or non-retirement of Directors under an age limit.

2.2.4 The provisions of the memoranda of incorporation of Zeder's Major Subsidiaries with regard to the following are also set out in **Annexure 3**:

2.2.4.1 qualification of directors;

2.2.4.2 remuneration of directors;

2.2.4.3 any power enabling the directors to vote on remuneration to themselves or any member of the board of directors; and

2.2.4.4 the borrowing powers exercisable by the directors of Major Subsidiaries and how such borrowing powers can be varied.

2.3 **Borrowing powers**

2.3.1 The borrowing powers of the Company have not been exceeded in the three years prior to this Prospectus. Details of borrowing powers of the Company exercisable by the Directors and the manner in which such borrowing powers may be varied are set out in **Annexure 3** to this Prospectus.

2.3.2 The borrowing powers exercisable by each Major Subsidiary are governed by the memorandum of incorporation of each Major Subsidiary. The relevant extracts from each Major Subsidiary's memorandum of incorporation are set out in **Annexure 3**. The borrowing powers of the Major Subsidiaries have not been exceeded in the three years prior to this Prospectus.

2.3.3 The borrowing powers exercisable by AVL are governed by the memorandum of incorporation of AVL. The relevant extracts from AVL's memorandum of incorporation are set out in **Annexure 3**. The borrowing powers of AVL have not been exceeded in the three years prior to this Prospectus.

2.4 **Zeder's advisors**

The names and business addresses of Zeder's advisors, including its Auditors and the Company Secretary, are set out in the "Corporate Information and Advisors" section of this Prospectus.

2.5 **Management**

The management function of Zeder is outsourced on market related terms to PSG Corporate Services. The salient details of the Management Agreement are set out in **Annexure 4**.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY

3.1 **General description and nature of the business of Zeder and its Major Subsidiaries**

3.1.1 Zeder is a long-term value investor with a primary focus on agribusiness, specifically the food and beverages sectors, and is listed on the JSE's main board.

3.1.2 Zeder's portfolio includes the following investments (through its wholly-owned subsidiary Zeder Financial Services):

3.1.2.1 Zeder holds 48.5% of AVL, which has as its sole investment a shareholding in Pioneer Food Group Limited ("**Pioneer Foods**"), representing a 30.3% economic interest and a 25.3% voting interest in Pioneer Foods. Zeder also has a further direct shareholding in Pioneer Foods representing a 1.4% economic interest and a 1.1% voting interest in Pioneer Foods. Pioneer Foods is a leading food and beverage producer and distributor in Southern Africa, with annual revenue in excess of R20 billion. It boasts an impressive leadership team, intent on optimising current operations and growing into new and international markets by leveraging its broad consumer product basket and state-of-the-art infrastructure. Supplying over 80 countries, Pioneer Foods' product portfolio spans bread, pasta and biscuits to fruit juices, fresh produce and some of the best-known cereal brands. AVL has been carrying on business since 15 December 2011.

3.1.2.2 Zeder has a 72.1% shareholding in Capespan. Capespan is involved in global fruit production, procurement, marketing and distribution. Over the past 70 years Capespan has developed its portfolio into two large complementary divisions, namely Fruit and Logistics, which are increasingly less interdependent and more individually profitable. Capespan has an annual turnover in excess of R7 billion and has operations in 12 countries, providing services and produce to more than 60 countries across four continents. Capespan has been carrying on business since 14 July 2008.

3.1.2.3 Zeder has a 39.9% shareholding in Kaap Agri Limited ("**Kaap Agri**"). Kaap Agri is predominantly a retail, trade and services group which supplies a wide variety of products and services to the agricultural sector and general public, with a market reach that spans over 140 operating points in Southern Africa. Retail trading represents approximately 80% of group operating profits, while group revenue is in excess of R5 billion.

3.1.2.4 Zeder holds 92% of Zaad, which acts as the holding company for Zeder's investments in two seed companies – Agricol and Klein Karoo Seed Marketing (KKS). With over half a century of expertise and trusted heritage to support them, the two companies are well-established producers, marketers and distributors of a wide variety of agricultural seeds across several countries in Africa. Zaad delivered over R700 million in turnover in its most recent financial year and is driving an aggressive growth strategy in Southern Africa. Zaad has been carrying on business since 1 February 1991.

3.1.2.5 Zeder holds 76.7% of Chayton Africa, a Mauritian-based investment company focusing on the grain value chain. It currently has two main investments: Chobe Agrivision, a company focused on the acquisition, development and management of large-scale commercial grain operations, and Mpongwe Milling, a staple foods manufacturer located in the Zambian copperbelt. Despite the high entry cost and challenges associated with farming development in the region, Chayton Africa is in a prime industry position to maximise opportunities in the local and global primary food market. The total irrigated land capacity in the past 18 months of ownership has increased to over 4 100 hectares and continues to grow. Chayton Africa has been carrying on business since 8 December 2009.

3.2 **Share capital**

Information relating to the share capital of Zeder is set out in **Annexure 5**.

3.3 **Incorporation and history**

Zeder was incorporated as a public company on 21 June 2006. Zeder listed on the main board of the JSE on 1 December 2006.

3.4 **Material changes in the business of Zeder**

3.4.1 There have been no material changes in the financial or trading position of Zeder and its Major Subsidiaries since the end of the Company's financial year ended 28 February 2014.

3.4.2 Zeder's portfolio of investments has been refined in recent years by moving from several smaller investments to fewer, larger commitments. This is in line with Zeder's value creation strategy, which relies heavily on focusing efforts and resources on specific investments, and influencing strategy, operations, structures and financing.

3.5 **Prospects**

Zeder's current core investments provide an ideal platform for the Zeder Group to pursue its growth strategy and provide the Zeder Group with a strong presence across the agribusiness industry. These companies show strong growth potential and have well-established operations and exceptional management, qualities that Zeder looks for in its investments.

Despite the challenges of the region, the Board believes that Africa boasts exciting opportunities for investment in the agribusiness industry and for future value creation. Zeder's core strategy remains consistent – to identify areas of potential, to invest its resources in support of that potential and, finally, to work with management to grow those investments into profitable and sustainable enterprises.

Zeder will continue to look actively at adding specific investments to its portfolio in strategic and sizable businesses, with proven track records and sound leadership.

3.6 **Turnover, profit/loss and dividend history**

As required in terms of Regulation 59 read with Regulation 79 of the Companies Act, particulars of the assets and liabilities, gross turnover, the profits or losses (before and after tax) and dividends declared by Zeder in the preceding three periods, being the financial years ended 28 February 2014, 28 February 2013 and 28 February 2012, are contained in **Annexure 6**. The financial information presented in **Annexure 6** has been extracted from the audited financial statements of Zeder for the financial years ended 28 February 2014, 28 February 2013 and 28 February 2012. The report by the Auditors of Zeder in terms of Regulation 79 of the Companies Act is set out in **Annexure 7**.

3.7 **Material commitments, lease payments and contingent liabilities**

As at the Last Practicable Date, Zeder had no material commitments, material lease payments or contingent liabilities.

3.8 **Debentures**

As at the Last Practicable Date, no debentures have been created or issued by Zeder.

3.9 **General description and nature of the business of AVL**

A general description of AVL and the nature of AVL's business is set out in **Annexure 16**.

3.10 **Principal immovable properties**

The situation, area and tenure, including, in the case of leasehold property, the rental and unexpired term of the leases, of the principal immovable properties occupied by the Zeder Group, are detailed in **Annexure 15**.

4. SHARE CAPITAL OF THE COMPANY

4.1 **Annexure 5** contains information relating to:

- the Zeder Shareholders who hold more than 5% of the issued shares of Zeder;
- the authorised and issued Zeder Shares and Zeder Preference Shares since Zeder's incorporation;
- the capital structure of Zeder;
- the rights attaching to the Zeder Shares and the Zeder Preference Shares;
- alteration of share capital since Zeder's incorporation; and
- offers of securities by Zeder and its Major Subsidiaries.

4.2 The salient features of the MOI are set out in **Annexure 3**.

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES

5.1 Clauses 23 and 6 of the MOI, respectively, regulate the voting rights and variation of rights attaching to the Zeder Shares. Extracts of the relevant provisions of the MOI are set out in **Annexure 3.**

5.2 There are no preferential conversion or exchange rights to Zeder Shares and/or Zeder Preference Shares.

5.3 The Zeder Shareholders do not have any redemption rights or preferential rights to profits or capital.

5.4 The rights of Zeder Shareholders and the Zeder Preference Shareholders to participate in dividends, rights to profits or capital, including their rights on liquidation or distribution of capital assets of the Company are determined by clause 38 of the MOI and the relevant extracts are set out in **Annexure 3**.

5.5 Save as set out in **Annexure 5**, no options or preferential right of any kind was or is proposed to be given to any person to subscribe for any securities of Zeder and/or any securities of the Major Subsidiaries.

6. **COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING**

6.1 Within the three years preceding the Last Practicable Date, no commissions have been paid or were payable in respect of any underwriting arrangements.

6.2 No commissions, discounts, brokerages or other special terms have been granted by Zeder within the three years preceding the date of this Prospectus in connection with the issue or sale of any securities, stock or debentures in the capital of Zeder.

7. **MATERIAL CONTRACTS**

7.1 No material contracts have been entered into within the two years prior to the date of this Prospectus by Zeder or any of its Major Subsidiaries.

7.2 Save for the Management Agreement, no material contracts have been entered into by Zeder and/or any of its Major Subsidiaries at any time which contain an obligation or settlement that is material to Zeder or its Major Subsidiaries at the date of this Prospectus.

7.3 A summary of the service agreements for the executive Directors is set out in **Annexure 2**.

7.4 The Zeder Group has not paid any restraint payments and/or secretarial, technical or other fees for services rendered by directors, directly or indirectly, including payments to management companies, a part of which was then paid to a director (save, to the extent applicable, for any portion of the fees that may have been utilised for the remuneration of directors detailed in paragraph 5 of **Annexure 2**).

7.5 No material royalties or items of a similar nature are payable by the Zeder Group.

8. **INTEREST OF DIRECTORS AND PROMOTERS**

Details of Directors' interests in Zeder and Directors' emoluments are set out in **Annexure 2**.

9. **LOANS**

9.1 Details of material loans and borrowings advanced to the Zeder Group as at the Last Practicable Date are set out in **Annexure 8**.

9.2 None of the loans listed in **Annexure 8** have any redemption or conversion rights attaching to them.

9.3 Details of material outstanding loans receivable by the Zeder Group are set out in **Annexure 8**.

9.4 As at the Last Practicable Date, Zeder has undertaken no off-balance sheet financing.

10. **SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH**

10.1 No Zeder Shares were issued or agreed to be issued by Zeder in the three years prior to the Last Practicable Date otherwise than for cash, save for:

10.1.1 the Zeder Shares to be issued in respect of the Proposed Transaction; and

10.1.2 2 099 814 Zeder Shares issued in return for 36 070 AVL Shares and 318 832 ordinary shares in Kaap Agri Limited during May 2014.

10.2 No shares were issued or agreed to be issued by any Major Subsidiary in the three years prior to the Last Practicable Date otherwise than for cash.

11. **PROPERTY ACQUIRED OR TO BE ACQUIRED**

Save for the Proposed Transaction, the Zeder Group has not undertaken any material acquisitions within the last three years and is not currently contemplating any potential material acquisitions.

12. **AMOUNTS PAID OR PAYABLE TO PROMOTERS**

No amount has been paid or proposed to be paid, nor have any securities been issued or proposed to be issued, in the three years preceding the Last Practicable Date to any promoter, or to any partnership, syndicate or other association of which that promoter is or was a member, nor has any cash or securities been paid nor proposed, nor any other benefit given nor proposed to any such promoter, partnership, syndicate or other association in the aforementioned three-year period.

13. PRELIMINARY EXPENSES AND ISSUE EXPENSES

The following expenses and provisions are expected by Zeder, or have been provided for by Zeder in connection with the Proposed Transaction.

Description	Recipient	Amount (Rand)
Zeder expenses		
Corporate advisory fees	PSG Capital	2 500 000
Independent Reporting Accountant	PwC	75 000
Listing fees	JSE	399 955
Documentation fee	JSE	22 674
Printing costs, publication, distribution and advertising	Ince	350 000
Transfer secretarial fees	Computershare	50 000
Independent Sponsor	Questco	150 000
Attorney (1)	Cliffe Dekker Hofmeyr	80 000
Sundry costs	Various	108 554
AVL expenses (2)		
Corporate advisory fees	PSG Capital	2 500 000
Independent Reporting Accountant	PwC	75 000
Printing costs, publication, distribution and advertising	Ince	450 000
Transfer secretarial fees	Computershare	75 000
Fairness opinion	Deloitte and Touche	550 000
Documentation fee	Takeover Regulation Panel	400 000
Sundry costs	Various	108 554
VAT (3)		1 105 263
Total		**9 000 000**

Notes:

1. Relates to legal advice provided by Cliffe Dekker Hofmeyr in respect of the Prospectus and the Scheme Circular.
2. Should the Scheme become unconditional and be implemented, AVL will become a wholly-owned subsidiary of Zeder, with the result that AVL's expected costs in respect of the Scheme will effectively be borne by Zeder. The total transaction costs of R9 million have been utilised for purposes of Zeder's *pro forma* financial information, as detailed in Annexure 1 of the Category 1 Circular.
3. Value added tax inputs are not claimed seeing that the goods and services are not acquired for the purposes of making taxable supplies.

SECTION TWO – INFORMATION ABOUT THE OFFERED SECURITIES

14. **PURPOSE OF THE OFFER**

The purpose of the Scheme and the General Offer is set out in the Category 1 Circular and the Scheme Circular.

15. **TIME AND DATE OF THE OPENING AND CLOSING OF THE OFFER**

The time and date of the opening and closing of the Scheme and the General Offer is set out in the Scheme Circular.

16. **PREVIOUS ISSUES OF SECURITIES**

Details of securities issued by Zeder and its Major Subsidiaries in the three years preceding the Last Practicable Date are set out in **Annexure 5**.

17. **PARTICULARS OF THE OFFER**

The particulars of the Scheme and the General Offer are set out in the Category 1 Circular and the Scheme Circular.

18. **MINIMUM SUBSCRIPTION**

The General Offer is not subject to any minimum subscription for acceptance.

19. **STATEMENT AS TO ADEQUACY OF CAPITAL**

The Directors are of the opinion that the working capital available to the Zeder Group is sufficient for the Zeder Group's present requirements, that is, for at least the next 12 months from the date of issue of this Prospectus.

20. **REPORT BY DIRECTORS AS TO MATERIAL CHANGES**

There have been no material changes in the assets or liabilities of the Zeder Group between the financial year ended 28 February 2014, being the last reported period, and the date of this Prospectus.

21. **STATEMENT AS TO LISTING ON STOCK EXCHANGE**

21.1 All the issued Zeder Shares are listed on the main board of the JSE as a primary listing. No other class of securities is listed on any other exchange.

21.2 Zeder has not applied for a listing on any exchange other than its successful listing on the JSE and has accordingly never been refused a listing on any exchange nor had any such application for a listing deferred.

22. **REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY**

In terms of Regulation 78 of the Companies Act, the Auditor is required to prepare a report in respect of the profits and losses of an entity and its subsidiaries whose shares are acquired by the Company, such that the entity becomes a subsidiary of the Company, for the three financial years preceding the date of the Prospectus and the assets and liabilities of the entity and its subsidiaries whose shares are acquired by Zeder at the last date to which the financial statements of the business undertaking were made out.

Annexure 10 sets out the profits and losses of AVL for the financial years ended 30 September 2011, 2012 and 2013 and the assets and liabilities of AVL as at 30 September 2013. **Annexure 11** sets out the Auditors' report in respect of the AVL acquisition.

23. **REPORT BY AUDITOR OF THE COMPANY**

In terms of Regulation 79 of the Companies Act, the Auditor is required to prepare a report on the profits and losses, dividends and assets and liabilities of Zeder. In this regard **Annexure 6** and **Annexure 7** of this Prospectus sets the financial information and the Auditor's report in respect of the financial information.

24. **HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**

Annexure 12 contains the historical financial information of Zeder. The historical financial information is the responsibility of the Directors.

25. **DIVIDENDS AND DISTRIBUTIONS**

It is in the Board's discretion to declare dividends as and when they deem fit. Subject to good corporate governance, future investment and working capital requirements, Zeder's distribution policy is to declare and pay dividends according to its free cash flow model, being dividends and interest received less management fees, interest and related taxation paid. The Directors may in the future make distributions to Zeder Shareholders where excess capital has not been employed in the making of any specific investments at the end of any given financial year. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that dividends unclaimed for a period of three years from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. No interest will be payable on the unclaimed dividends.

SECTION FOUR – ADDITIONAL MATERIAL INFORMATION

26. **AUTHORISATIONS**

The authority for the issuing of Zeder Shares in consideration for the acquisition of AVL Shares will be sought at the general meeting of Zeder Shareholders to be held on Monday, 15 September 2014.

27. **PROPERTY AND SUBSIDIARIES DISPOSED OF OR TO BE DISPOSED OF**

Other than as disclosed in **Annexure 9**, the Zeder Group has not made any material disposals of any securities in, or the business undertakings of, any other companies, or business enterprises or any immovable properties in the nature of a fixed asset ("**Properties**") in the three years preceding the Last Practicable Date and will not dispose of same within the first six months after the issue of this Prospectus.

28. **VENDORS**

28.1 Save for the Proposed Transaction, the Zeder Group has not undertaken any material acquisitions within the last three years and is not currently contemplating any potential material acquisitions.

28.2 The Proposed Transaction is an acquisition of all the issued AVL Shares which Zeder does not already hold, by way of the Scheme or, if the Scheme fails, by way of the General Offer and, accordingly, the vendors under the Proposed Transaction ("**Vendors**") will be the Scheme Participants or the General Offer Participants, as the case may be.

28.3 AVL has approximately 4 900 shareholders. In light of this and as it is not known whether any AVL Shareholders will elect to exercise their appraisal rights in respect of the Scheme or, if applicable, how many AVL Shareholders will accept the General Offer, it is not possible to disclose in this Prospectus the name and address of each Vendor or the Consideration Shares to which each Vendor is entitled under the Proposed Transaction.

28.4 As the Proposed Transaction affects the entire body of AVL Shareholders, the following Directors, by virtue of their beneficial shareholding in AVL, have an interest in the Proposed Transaction:

Director	Direct	Indirect	% of AVL issued share capital
GD Eksteen	–	412 568	0.74
Total	**–**	**412 568**	**0.74**

Notes:

1. Mr CA Otto has an indirect non-beneficial interest in 2 415 AVL Shares.
2. Mr LP Retief, who resigned from the Board with effect from 25 July 2014, has indicated that he has an indirect non-beneficial interest in 120 351 AVL Shares.

28.5 AVL Shares acquired by Zeder as a consequence of the Proposed Transaction will be transferred into Zeder's name on the Effective Date and, as far as Zeder is aware, have not been ceded or pledged to any third party.

29. **GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW**

The Zeder Group does not benefit from any Government protection or investment encouragement law.

30. **PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED**

The situation, area and tenure, including, in the case of leasehold property, the rental and unexpired term of the leases, of the principal immovable properties occupied by the Zeder Group, are detailed in **Annexure 15**.

31. **CORPORATE GOVERNANCE**

Zeder's corporate governance statement is set out in **Annexure 13**.

32. **TRADING HISTORY OF ZEDER SHARES**

The trading history of Zeder Shares is set out in **Annexure 14**.

33. **LITIGATION STATEMENT**

There are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this Prospectus had, a material effect on the financial position of the Zeder Group. Zeder is not aware of any proceedings that would have a material effect on the financial position of the Zeder Group or which are pending or threatened against the Zeder Group.

34. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are set out on page 6 of this Prospectus, 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 the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this Prospectus contains all information required by law and the JSE Listings Requirements.

35. **CONSENTS**

The parties referred to in the "Corporate Information and Advisors" section of this Prospectus, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Prospectus in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Prospectus.

36. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at Zeder's registered office and at the Transaction Advisor and Sponsor's registered office at any time during normal business hours from the date of issue of this Prospectus to Monday, 15 September 2014:

36.1 the Memorandum of Incorporation;

36.2 the memorandum of incorporation of each Major Subsidiary;

36.3 the memorandum of incorporation of AVL;

36.4 the Management Agreement;

36.5 the written consents referred to in paragraph 35 above;

36.6 the Directors' service agreements;

36.7 the audited financial statements of Zeder for the years ended 28 February 2014, 28 February 2013 and 28 February 2012;

36.8 the audited financial statements of AVL for the years ended 30 September 2011, 2012 and 2013;

36.9 the reviewed financial statements of AVL for the interim financial period ended 31 March 2014;

36.10 the Independent Reporting Accountants' report on the three-year audited historical financial information of AVL;

36.11 the Independent Reporting Accountants' report on the reviewed interim financial information of AVL;

36.12 the Independent Reporting Accountants' report on the *pro forma* financial information of Zeder;

36.13 the Independent Reporting Accountants' report on the *pro forma* financial information of AVL;

36.14 a signed copy of the Category 1 Circular; and

36.15 a signed copy of the Scheme Circular.

Signed at Stellenbosch by WL Greeff on his behalf and on behalf of all of the Directors of Zeder on 13 August 2014 in terms of powers of attorney granted by them.

WL Greeff

SECTION FIVE – INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of Part C of Chapter 4 of the Regulations to the Companies Act are not applicable:

1. 73;
2. 77; and
3. 80.

DETAILS OF SUBSIDIARIES

The following table indicates the subsidiaries of Zeder as at the Last Practicable Date:

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
Capespan Group Limited	Registration number 2008/01697/06, a company incorporated on 14/07/2008 with limited liability in terms of the laws of South Africa	23/04/2013	Involved in global fruit production, procurement, marketing and distribution. No class of Capespan's securities is listed on any exchange.	437 021	72.1%
Addo Cold Store Proprietary Limited	Registration number 2005/024231/07, a company incorporated on 08/07/05 in terms of the laws of South Africa	23/04/2013	Cold storage facility No class of securities is listed on any exchange.	11 700	72%
Capespan Group Holdings Limited	Registration number 1997/018433/06, a company incorporated on 30/10/1997 in terms of the laws of South Africa	23/04/2013	Holding company No class of securities is listed on any exchange.	4 072	72.1%
Capespan International Holdings Limited	Registration number 02948763, a company incorporated on 14/07/94 in terms of the laws of United Kingdom	23/04/2013	Holding Company No class of securities is listed on any exchange.	–	72.1%
Capespan International Limited	Registration number 02893876, a company incorporated on 02/02/94 in terms of the laws of United Kingdom	23/04/2013	Marketing No class of securities is listed on any exchange.	62 331	72.1%
Capespan Limited	Registration number 03164511, a company incorporated on 26/02/96 in terms of the laws of United Kingdom	23/04/2013	Marketing No class of securities is listed on any exchange.	18	72.1%
Capespan Germany Gmbh	Registration number HRB 32117, a company incorporated on 22/12/83 in terms of the laws of Germany	23/04/2013	Marketing No class of securities is listed on any exchange.	366	72.1%
Capespan Continent NV	Registration number BE 0436.722.506, a company incorporated on 15/02/89 in terms of the laws of Belgium	23/04/2013	Marketing No class of securities is listed on any exchange.	260	72.1%
Fresh Fruit Services CVBA	Registration number BE 0461.673.775, a company incorporated on 30/09/97 in terms of the laws of Belgium	23/04/2013	Marketing No class of securities is listed on any exchange.	139 746	72.1%
Capespan Austria	Registration number FN 142804g, a company incorporated on 22/02/96 in terms of the laws of Austria	23/04/2013	Marketing No class of securities is listed on any exchange.	260	72.1%
Capespan France SAS	Registration number 652 031 519, a company incorporated on 1/11/99 in terms of the laws of France	23/04/2013	Marketing No class of securities is listed on any exchange.	1 073	72.1%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
Capespan Sshweiz	Registration number CH-020.3.029.504-7, a company incorporated on 27/01/06 in terms of the laws of Switzerland	23/04/2013	Marketing No class of securities is listed on any exchange.	931	72.1%
Capespan Egypt	Registration number CERT311, a company incorporated on 07/02/11 in terms of the laws of Egypt	23/04/2013	Marketing No class of securities is listed on any exchange.	373	72.1%
FIDI	Registration number 01977589, a company incorporated on 05/01/86 in terms of the laws of the United Kingdom	23/04/2013	Marketing No class of securities is listed on any exchange.	8	72.1%
Capespan Proprietary Limited	Registration number 1998/022574/07, a private company incorporated on 13/11/98 in terms of the laws of South Africa	23/04/2013	Investment and services No class of securities is listed on any exchange.	4	72.1%
Capespan Canada Investments Inc	Registration number 892941915 RC0001, a company incorporated on 25/06/2000 in terms of the laws of Canada	23/04/2013	Holding company No class of securities is listed on any exchange.	74 656	72.1%
Capespan Chile	Registration number. Page 13167, N° 8.835, a company incorporated on 8/02/13 in terms of the laws of Chile	23/04/2013	Fruit Export No class of securities is listed on any exchange.	–	72.1%
Capespan South Africa Proprietary Limited	Registration number 1999/013083/07, a company incorporated on 22/06/99 in terms of the laws of South Africa	23/04/2013	Fruit Export No class of securities is listed on any exchange.	–	72.1%
Oorkant Boerdery Proprietary Limited	Registration number 2009/001606/07, a company incorporated on 14/01/2009 in terms of the laws of South Africa	23/04/2013	Farming No class of securities is listed on any exchange.	–	72.1%
Fedfa Exports Proprietary Limited	Registration number 1987/0043355/07, a company incorporated on 11/09/87 in terms of the laws of South Africa	23/04/2013	Fruit Export No class of securities is listed on any exchange.	–	72.1%
Capespan Namibia Farm Management Services Proprietary Limited	Registration number 2008/0906, a company incorporated on 2008/10/27 in terms of the laws of Namibia	23/04/2013	Farm management No class of securities is listed on any exchange.	–	54.1%
Capespan North America	Registration number 89544 9304 RC0001, a company incorporated on 13/03/2003 in terms of the laws of Canada	31/05/2013	Marketing Canada No class of securities is listed on any exchange.	2 494	57.7%
Capespan North America LLC	Registration number 52-2208915, a company incorporated on 23/12/99 in terms of the laws of United States of America	31/05/2013	Marketing United States of America No class of securities is listed on any exchange.	16 487	57.7%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
FPT Port Leasing Proprietary Limited	Registration number 1999/013086/07, a company incorporated on 22/06/99 in terms of the laws of South Africa	23/04/2013	Port terminal operations No class of securities is listed on any exchange.	1	72.1%
FPT Group Proprietary Limited	Registration number 1986/001611/07, a company incorporated on 21/04/86 in terms of the laws of South Africa	23/04/2013	Port terminal operations No class of securities is listed on any exchange.	246 2412	72.1%
FPT Mozambique Lda	Registration number 7717/123/C-20, a company incorporated on 17/01/95 in terms of the laws of Mozambique	23/04/2013	Port terminal operations No class of securities is listed on any exchange.	7 253	72.1%
FPT Mineral Terminal Lda	Registration number 100 320 762, a company incorporated on 22/08/12 in terms of the laws of Mozambique	23/04/2013	Inland terminal No class of securities is listed on any exchange.	7 008	48.3%
Capespan Japan Limited	Registration number 0111-01-006800, a company incorporated on 01/01/99 in terms of the laws of Japan	23/04/2013	Marketing Japan No class of securities is listed on any exchange.	18 967	72.1%
Matola Cargo Terminal SARL	Registration number 100 168 901, a company incorporated on 21/06/1996 in terms of the laws of Mozambique	23/04/2013	Inland terminal No class of securities is listed on any exchange.	12 078	64.9%
Metspan Hong Kong Limited	Registration number 136286, a company incorporated on 1/5/84 in terms of the laws of Hong Kong	23/04/2013	Marketing Far East No class of securities is listed on any exchange.	1 093	72.1%
Mulungisi Investments Limited	Registration number REG.70774 C, a company incorporated on 1/01/99 in terms of the laws of Isle of Man	23/04/2013	Holding company No class of securities is listed on any exchange.	35	72.1%
Oraculim Investments Proprietary Limited	Registration number 2008/019509/07, a company incorporated on 18/08/2008 in terms of the laws of South Africa	23/04/2013	Farming No class of securities is listed on any exchange.	1	72.1%
Pedal Trading 152 Proprietary Limited	Registration number 2005/017972/07, a company incorporated on 05/05/05 in terms of the laws of South Africa	23/04/2013	Holding company No class of securities is listed on any exchange.	11 700	72%
Servagro Trading Proprietary Limited	Registration number 1993/002716/07, a company incorporated on 15/06/99 in terms of the laws of South Africa	23/04/2013	Property company No class of securities is listed on any exchange.	4	72.1%
Sikisa Trading Corporation Proprietary Limited	Registration number 1972/014078/07, a company incorporated on 3/10/1979 in terms of the laws of South Africa	23/04/2013	Packhouse operations No class of securities is listed on any exchange.	–	72.1%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
Capespan Farms Proprietary Limited and subsidiaries	Registration number 2005/006089/07, a company incorporated on 24/02/2005 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
Universal Reefers Limited	Registration number 077430 C, a company incorporated on 01/01/99 in terms of the laws of Isle of Man	23/04/2013	Shipping No class of securities is listed on any exchange.	32	72.1%
Applethwaite Farm (Pty) Ltd	Registration number 1958/004398/07, a company incorporated on 23/12/1958 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	10	72.1%
Penhill Farms (Pty) Ltd	Registration number 2000/015062/07, a company incorporated on 2000/07/10 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
Aggrigate Investments (Pty) Ltd	Registration number 1990/002891/07, a company incorporated on 23/05/1990 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
Dormell Properties 485 (Pty) Ltd	Registration number 2005/017997/07, a company incorporated on 28/05/2005 in terms of the laws South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	–	72.1%
Uizip Boerdery (Pty) Ltd	Registration number 1994/004450/07, a company incorporated on 28/06/1994 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
Amval Boerdery (Pty) Ltd	Registration number 1994/004304/07, a company incorporated on 24/06/1994 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
Valam Boerdery (Pty) Ltd	Registration number 1998/012817/07, a company incorporated on 07/06/1998 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
AM Valentin Boerdery (Pty) Ltd	Registration number 077430 C, a company incorporated on 01/01/99 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	6	72.1%
Attie Valentin Boerdery (Pty) Ltd	Registration number 1999/006179/07, a company incorporated on 24/03/1999 in terms of the laws of South Africa	23/04/2013	Primary agriculture No class of securities is listed on any exchange.	1	72.1%
K2013227060 (South Africa) (Pty) Ltd	Registration number 2013/227060/07, a company incorporated on 05/12/2013 in terms of the laws of South Africa	15/12/ 2013	Holding company No class of securities is listed on any exchange.	260 477	72.1%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
K2013201838 (South Africa) (Pty) Ltd	Registration number 2013/201838/07, a company incorporated on 05/12/2013 in terms of the laws of South Africa	31/10/ 2013	BEE Company No class of securities is listed on any exchange.	–	72.1%
Chayton Africa	Registration number 092044 C1/GBC, a company incorporated on 08/12/2009 in terms of the laws of Mauritius	03/08/2012	Investment company focusing on the grain value chain. No class of Chayton Africa's securities is listed on any exchange.	678 581	76.7%
Chobe Agrivision Company Limited	Registration number 76200, a company incorporated on 04/12/2008 in terms of the laws of Zambia	03/08/2012	Commercial farming No class of securities is listed on any exchange.	1 737	76.54%
Mpongwe Milling (2009) Limited	Registration number 52998, a company incorporated on 28/07/2003 in terms of the laws of Zambia	03/08/2012	Milling company No class of securities is listed on any exchange.	9	76.54%
Somawhe Estates Limited	Registration number 62405, a company incorporated on 26/05/2006 in terms of the laws of Zambia	03/08/2012	Commercial farming No class of securities is listed on any exchange.	491	76.54%
Zaad Holdings Limited	Registration number 1991/000478/06, a company incorporated on 01/02/1991 in terms of the laws of South Africa	01/03/2012	Acts as the holding company for Zeder's investments in various seed companies, including Agricol and Klein Karoo Seed Marketing, two well-established producers, marketers and distributors of a wide variety of agricultural seeds across several countries. No class of securities is listed on any exchange.	412 592	92%
Agricol Proprietary Limited	Registration number 1957/003946/07, a company incorporated on 04/12/1957 in terms of the laws of South Africa	03/08/2012	Seed company No class of securities is listed on any exchange.	60	92%
Salok Proprietary Limited	Registration number 1967/013563/07, a company incorporated on 28/12/1967 in terms of the laws of South Africa	03/08/2012	Property company No class of securities is listed on any exchange.	6	92%
Animalzone Proprietary Limited	Registration number 2009/023278/07, a company incorporated on 03/12/2009 in terms of the laws of South Africa	01/07/2014	Producing and distributing pet food and veterinary products No class of securities is listed on any exchange.	2 500	92%
Klein Karoo Seed Marketing Proprietary Limited	Registration number 2000/002535/07, a company incorporated on 10/02/2000 in terms of the laws of South Africa	31/10/2013	Seed company No class of securities is listed on any exchange.	80 000	92%
K2 Seed Growers Inc	Registration number 56-2311458, a company incorporated on 23/01/2003 in terms of the laws of United States of America	31/10/2013	Seed company No class of securities is listed on any exchange.	3 611	92%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
Klein Karoo Seed Zambia Limited	Registration number 90568, a company incorporated on 25/02/2011 in terms of the laws of Zambia	31/10/2013	Seed company No class of securities is listed on any exchange.	9	82.8%
Delphina Trading Proprietary Limited	Registration number 2008/020472/07, a company incorporated on 27/08/2008 in terms of the laws of South Africa	31/10/2013	Research and Development company No class of securities is listed on any exchange.	–	80%
Gebroeders Bakker Zaadteelt en Zaadhandel BV	Registration number 37008098, a company incorporated on 1/05/1930 in terms of the laws of the Netherlands	31/10/2013	Seed company No class of securities is listed on any exchange.	36 504	62.1%
H + B Agro Service BV	Registration number 37056891, a company incorporated on 14/12/1988 in terms of the laws of the Netherlands	31/10/2013	Dormant company No class of securities is listed on any exchange.	33	62.1%
Bakker Brothers Seed BV	Registration number 37105194, a company incorporated on 22/01/2003 in terms of the laws of the Netherlands	31/10/2013	Research and Development company No class of securities is listed on any exchange.	325	62.1%
Bakker Brothers BV	Registration number 37053342, a company incorporated on 22/09/1986 in terms of the laws of the Netherlands	31/10/2013	Dormant company No class of securities is listed on any exchange.	328	62.1%
Bakker Brothers Jordan Co	Registration number 34966, a company incorporated on 28/11/2013 in terms of the laws of Jordan	28/11/2013	Seed company No class of securities is listed on any exchange.	181	46.6%
Zeder Financial Services Limited	Registration number 2010/006171/06, a company incorporated on 30/03/2010 in terms of the laws of South Africa	18/11/2010	Investment holding company No class of securities is listed on any exchange.	2 125 731	100%
Zeder Investments Corporate Services Proprietary Limited	Registration number 2010/009472/07, a private company incorporated on 13/05/2010 in terms of the laws of South Africa	21/12/2010	Management services, including corporate secretarial, advisory, financial services and all related aspects thereto No class of securities is listed on any exchange.	–	100%
Chayton Corporate Services Proprietary Limited	Registration number 2012/086300/07, a private company incorporated on 17/05/2012 in terms of the laws of South Africa	17/05/2012	management services, including corporate secretarial, advisory, financial services and all related aspects thereto No class of securities is listed on any exchange.	–	100%
Zeder Africa Proprietary Limited	Registration number 2011/139959/07, a company incorporated on 1/12/2011 in terms of the laws of South Africa	08/12/2011	Investment holding company No class of securities is listed on any exchange.	477 959	100%
Friedshelf 1504 Proprietary Limited	Registration number 2014/009780/07, a private company with limited liability duly incorporated on 17/01/2014 in terms of the laws of South Africa	24/02/2014	Dormant entity. No class of securities is listed on any	–	100%

Subsidiary	Place, date of incorporation/ establishment and registration number	Date became a Subsidiary	Nature of business and whether listed on JSE	Issued share capital (R'000)	Effective holding by Zeder
Jayvista Proprietary Limited	Registration number 2012/216533/07, a private company with limited liability duly incorporated on 5/12/2012 in terms of the laws of South Africa	05/12/2012	Dormant entity No class of securities is listed on any exchange.	–	100%
Spiritorque Proprietary Limited	Registration number 2012/195620/07, a private company with limited liability duly incorporated on 31/10/2012 in terms of the laws of South Africa	31/10/2012	Dormant entity No class of securities is listed on any exchange.	–	100%

DETAILS OF DIRECTORS, MANAGEMENT AND MATERIAL THIRD PARTIES

1. **DETAILS OF THE DIRECTORS AND MANAGEMENT OF ZEDER AND ITS MAJOR SUBSIDIARIES**

1.1 The full names, ages, nationalities, business addresses, qualifications and functions of the Directors and managers of Zeder are set out below:

1.1.1 ***Zeder***

Names and age	**Johannes Fredericus Mouton (67)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	4610025045081
Qualification	BCom (Hons), CA(SA), AEP
Function	Non-executive Chairman
Names and age	**Norman Celliers (40)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	7309215215086
Qualification	B.Eng (Civil), MBA
Function	Chief Executive Officer
Names and age	**Wynand Louw Greeff (44)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	7005045044080
Qualification	BCompt (Hons), CA(SA)
Function	Financial Director
Names and age	**Antonie Egbert Jacobs (49)**
Business address	37 Eagle Street Brackenfell, 7560 (PO Box 3206, Stellenbosch, 7602)
Identity number	6409235075089
Qualification	BAcc, BCompt (Hons), CA(SA), MComm (Tax), LLB
Function	Non-executive Director
Names and age	**Petrus Johannes Mouton (38)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	7606235085088
Qualification	BCom (Mathematics)
Function	Non-executive Director

Names and age	**George Douglas Eksteen (72)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	4201095026084
Qualification	Farmer and director of companies
Function	Independent Non-executive Director
Names and age	**Wouter Andre Hanekom (55)**
Business address	27 Carletta Street Paarl, 7646
Identity number	5901265134084
Qualification	CA(SA)
Function	Independent Non-executive Director
Names and age	**Chris Adriaan Otto (64)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	4911135097081
Qualification	BCom, LLB
Function	Independent Non-executive Director

1.2 The full names, ages, nationalities, business addresses, qualifications and functions of the directors and managers of Major Subsidiaries are set out below:

1.2.1 ***Zeder Financial Services***

The board of directors of Zeder Financial Services is identical to the Zeder Board.

1.2.2 ***Capespan***

Names and age	**N Celliers (40)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	7309215215086
Qualification	B.Eng (Civil), MBA
Function	Non-executive Chairman
Names and age	**AJ de Haast (47)**
Business address	The Vineyards Square North, Vineyards Office Estate Jip de Jager Road Bellville, 7530 (PO Box 6133, Tyger Valley, 7536)
Identity number	670518 5170 089
Qualification	BCom, GDA, CA(SA)
Function	Financial Director
Names and age	**JJ Dique (58)**
Business address	The Vineyards Square North, Vineyards Office Estate Jip de Jager Road Bellville, 7530 (PO Box 6133, Tyger Valley, 7536)
Identity number	5512105035082
Qualification	BCom (Hons), CA(SA)
Function	Managing Director

Names and age	**AZ Farr (69)**
Business address	30 Doris Road Claremont, 7708
Identity number	4410255061084
Qualification	BCom, MBA
Function	Independent Non-executive Director
Names and age	**FA Jacobs (62)**
Business address	Safmarine Quay, V & A Waterfront Clock Tower Precinct Cape Town, 8001
Identity number	5202025094084
Qualification	Dip. (Personnel Management)
Function	Independent Non-executive Director
Names and age	**J de V du Toit (60)**
Business address	PSG House, Constantia Road, Alphen Park Constantia, Cape Town, 7800 (PO Box 7917, Roggebaai, 7806)
Identity number	5405155013085
Qualification	BAcc, CA(SA), CFA
Function	Non-executive Director
Names and age	**CA Otto (64)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	4911135097081
Qualification	BCom, LLB
Function	Non-executive Director

All directors are South African nationals.

1.2.3 ***AVL (which will be a Major Subsidiary after the implementation of the Proposed Transaction)***

Names and age	**CA Otto (64)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	4911135097081
Qualification	BCom, LLB
Function	Non-executive Chairman
Names and age	**N Celliers (40)**
Business address	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)
Identity number	7309215215086
Qualification	B.Eng (Civil), MBA
Function	Non-executive Director

Names and age	**POS Meaker (62)**
Business address	Anglo African Gebou Plein Street Stellenbosch, 7600 (PO Box 12144, Die Boord, 7613)
Identity number	5110285138089
Qualification	BA (Law) LLB and Post Graduate Diploma in Company Law
Function	Independent Non-executive Director
Names and age	**WP Hanekom (49)**
Business address	5 Arc & Ciel Paradyskloof Stellenbosch, 7600 (PO Box 12110, Die Boord, Stellenbosch)
Identity number	6409305150085
Qualification	CA(SA)
Function	Independent Non-executive Director
Names and age	**JG Carinus (65)**
Business address	Fransmanskraal Devonvallei Stellenbosch, 7600 (PO Box 12107, Die Boord, 7613)
Identity number	4905025069085
Qualification	BCom
Function	Independent Non-executive Director

All directors are South African nationals.

1.3 **Experience and expertise of the Directors and managers of Zeder**

1.3.1 ***JF Mouton***

After having completed his BCom (Hons) in 1969, Mr Mouton then qualified as a CA(SA) in 1973. He was co-founder and Managing Director of SMK, whereafter he founded PSG Group and later co-founded Capitec Bank Holdings Limtied. Mr Mouton is chairman and director of various companies within the PSG Group and also serves on the board of Steinhoff International Holdings Limited.

1.3.2 ***N Celliers***

Mr Celliers holds a B.Eng (Civil) degree from the University of Stellenbosch and a MBA from the University of Oxford (England). His professional experience includes engineering, management consulting and private equity in South Africa and abroad. Currently he is the Chief Executive Officer of Zeder.

1.3.3 ***WL Greeff***

Mr Greeff has been involved within the PSG Group since 2002 and is the financial director of PSG Group. He serves on various boards within the PSG Group.

1.3.4 ***AE Jacobs***

Mr Jacobs has many years' experience in an investment management capacity in the agricultural sector. He was the managing director of KLK Landbou Limited and financial director of Winecorp Limited and Spier Holdings Proprietary Limited. Mr Jacobs was also previously the chief executive officer of Zeder.

1.3.5 ***PJ Mouton***

Mr Mouton was appointed as an executive director of PSG Group early in 2009. In 1999 he started his career in investment banking in London and in 2004 he was the co-founder and financial director of Arch Equity Proprietary Limited, which listed later that year on the AltX until it was merged with PSG Group in 2006. Prior to his move to PSG Group, Piet was the managing director of Thembeka Capital Limited (RF), a BEE investment company. Piet also serves on the boards of various companies within the PSG Group, including Capitec Bank Holdings Limited and Thembeka Capital Limited (RF).

1.3.6 ***GD Eksteen***

Mr Eksteen farms in the Malmesbury area and was the chairman of AVL from the time of its separation from Kaap Agri's operations in 2011 until 2014.

1.3.7 ***WA Hanekom***

Mr Hanekom previously served as the CEO of Pioneer Food Group Limited and played a pivotal role in establishing Pioneer Food Group Limited as one of the leading South African producers and distributors of a range of food, beverages and related products.

1.3.8 ***CA Otto***

Mr Otto was appointed as a director of PSG Group upon its establishment in 1995. He has been directly involved in the establishment of Capitec Bank Holdings Limited and Zeder. He has played an integral role in the establishment and management of PSG Group and its various operating subsidiaries.

1.4 **Experience and expertise of the directors of Major Subsidiaries**

1.4.1 ***Zeder Financial Services***

The board or directors of Zeder Financial Services is identical to the Zeder Board.

1.4.2 ***Capespan***

1.4.2.1 *N Celliers*

Please refer to paragraph 1.3.2 above.

1.4.2.2 *AJ de Haast*

Has been chief financial officer of Capespan since 2002, as well as a director of the main board. After finishing his articles in 1993, he remained at Deloitte & Touche as manager. He subsequently joined Unifruco Limited and held various financial positions until his appointment as group chief financial officer. He currently serves on various boards within the group.

1.4.2.3 *JJ Dique*

Was appointed managing director of Capespan in January 2011. He has a track record of exceptional business leadership and performance, most recently during nine years at the helm of Senwes Limited. After qualifying as a CA(SA) accountant, he occupied positions of increasing seniority and responsibility at companies such as Premier Group Limited and Tiger Brands.

1.4.2.4 *AZ Farr*

Mr AZ Farr obtained both a BCom and MBA at UCT and joined Safmarine in 1966 where he held various managerial positions and retired as chief executive officer of Safmarine Proprietary Limited. He is an independent director on the Capespan board of directors. Other directorships include chairman of the Sports Science Institute of South Africa. Mr Farr was previously also a director of The Standard Bank of South Africa Limited and chairman of the UCT Council.

1.4.2.5 *FA Jacobs*

Mr Jacobs has over 40 years' experience in roles such as distribution, stores and warehouse manager, regional and global human resource director, new product development gatekeeper, product rehabilitation, key supplier and major customer relations project leader and director of communications and corporate affairs. He has held board positions on IT companies, logistics and trucking enterprises. He is currently a non-executive chairman of a major shipping company and chairs a maritime training academy and is on the board of the South African Chamber of Commerce. He has recently been appointed to a board governing a maritime regulatory authority by the National Minister of Transport.

1.4.2.6 *J de V du Toit*

Mr J de V du Toit completed his studies at Stellenbosch and Cape Town. He qualified as a CA(SA) and later obtained his CFA. In 1988 he joined SMK as financial director and later as portfolio manager. Mr Du Toit is a co-founder of PSG Group.

1.4.2.7 *CA Otto*

Please refer to paragraph 1.3.8 above.

1.4.3 ***AVL (which will be a Major Subsidiary after the Proposed Transaction has been implemented)***

1.4.3.1 *CA Otto*

Please refer to paragraph 1.3.8 above.

1.4.3.2 *N Celliers*

Please refer to paragraph 1.3.2 above.

1.4.3.3 *POS Meaker*

Mr Meaker is the co-owner of Anglo African Estates Proprietary Limited. He is a director of various companies and a past director of Cluver Markotter Attorneys.

1.4.3.4 *WP Hanekom*

Mr Hanekom previously served as chief executive officer of Ceres Fruit Juices Proprietary Limited and as an executive of The Ceres Beverage Company at Pioneer Food Group Limited before retiring in 2013. He served as Head of Ceres Fruit Juices of Pioneer Food Group Limited. He joined the Pioneer Food Group Limited from Distillers Corporation in 1993 as financial manager at Nulaid. He has fulfilled numerous management roles in the packaging and Agri businesses.

1.4.3.5 *JG Carinus*

Wine farmer and director of Het Jan Marais fund. Mr Carinus has been an independent non-executive director of Distell Group Limited since 2000. He served as a non-executive Director of Zeder from 2006 to 2008 and he served as director of KWV Limited from 1990 to 2003, the Stellenbosch Farmers' Winery from 1994 to 2000, the Stellenbosch Vineyards from 1996 to 2004 and Rand Merchant Bank from 1982 to 1998.

1.5 None of the Directors, nor any other directors within the Zeder Group, are partners with unlimited liability.

2. DIRECTORS' INTERESTS IN SECURITIES

2.1 As at the Last Practicable Date the following Directors (including any directors who resigned during the 18 months preceding the Last Practicable Date) and their associates beneficially hold, directly or indirectly, the following interests in Zeder Shares:

	Beneficial		**Non-beneficial**		**Total**	
Zeder Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
N Celliers	–	–	–	3 073 676	3 073 676	0.314
GD Eksteen	–	–	–	250 000	250 000	0.026
WL Greeff	80 000	–	–	–	80 000	0.008
AE Jacobs	–	70 000	–	–	70 000	0.007
JF Mouton	–	–	–	80 000	80 000	0.008
MS du Pré le Roux[1]	–	–	–	250 000	250 000	0.026
CA Otto	–	–	–	80 000	80 000	0.008
Total	**80 000**	**70 000**	**–**	**3 733 676**	**3 883 676**	**0.396**

Note:

1. Mr MS du Pré le Roux resigned from the Board on 20 June 2014.

2.2 Set out below are the interests of Directors and their associates in Zeder Shares post the implementation of the Proposed Transaction:

Zeder Director	Beneficial		Non-beneficial		Total	
	Direct	Indirect	Direct	Indirect	Number	%
N Celliers	–	–	–	3 073 676	3 073 676	0.213
GD Eksteen	–	6 683 602	–	250 000	6 933 602	0.480
WL Greeff	80 000	–	–	–	80 000	0.006
AE Jacobs	–	70 000	–	–	70 000	0.005
JF Mouton	–	–	–	80 000	80 000	0.006
MS du Pré le Roux[1]	–	–	–	250 000	250 000	0.017
CA Otto	–	–	–	119 123	119 123	0.008
LP Retief[2]	–	–	–	1 949 686	1 949 686	0.135
Total	**80 000**	**6 753 602**	**–**	**5 722 485**	**12 556 087**	**0.870**

Notes:

1. Mr MS du Pré le Roux resigned from the Board on 20 June 2014.
2. Mr LP Retief resigned from the Board with effect from 25 July 2014. Mr Retief was a Zeder Director at the time that the Zeder Board resolved to make the offer to AVL Shareholders to acquire their AVL Shares in terms of the Proposed Transaction and at the time that the Zeder Board approved the terms of the offer, including the value of the Scheme Consideration.

2.3 Save as set out in paragraph 2.4 below, there was no change in Directors' interests in Zeder Shares (including their associates) between 28 February 2014 and the Last Practicable Date.

2.4 On 25 April 2014, Norman Celliers, through his associate The Norman Celliers Trust, exercised his vested options in respect of 437 743 Zeder Shares at an option strike price of R2.57 each.

2.5 Save as set out above, none of the Directors directly or indirectly, have any interest in Zeder Shares as at the Last Practicable Date.

2.6 None of the Directors directly or indirectly, have any interest in Zeder Preference Shares as at the Last Practicable Date.

2.7 Save as set out in paragraph 2.2 above, there will be no variation of Directors' interests as a result of the Proposed Transaction.

3. DIRECTORS' INTERESTS IN TRANSACTIONS

3.1 Save as set out below, no Director, including any director who has resigned within the last 18 months, has or had any interest, direct or indirect, in transactions entered into by the Company during the current or immediate preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

3.2 During 2014, the Zeder Group entered into a written put option agreement with Mr AE Jacobs, who is a non-executive director of the Company, forms part of the Zeder Group's key management personnel and is also a non-controlling shareholder in Zaad, a subsidiary of Zeder. The agreement grants Mr Jacobs the right to sell his non-controlling interest in Zaad to the Zeder Group at a market related fixed multiple in 2017. Further particulars relating to the put option are set out in note 19 to Zeder's annual financial statements for the year ended 28 February 2014.

4. DIRECTORS' AND PROMOTERS' MATERIAL BENEFICIAL INTERESTS

4.1 Neither Zeder nor any other person has paid any amounts nor agreed to pay any amounts in the three years preceding the Last Practicable Date to any Directors or to a related person, or to any company of which a Director is also a director, or in which Directors are beneficially interested, directly or indirectly ("**the associate company**") or to any partnership, syndicate or other association of which the Directors are members ("**the associate entity**"), in cash or in securities or otherwise, either as an inducement to become or to qualify a person as a Director or for services rendered by Directors or by the associate company or associate entity in connection with the promotion or formation of the Company. For the purposes of this clause, Director includes a reference to the directors of the Major Subsidiaries.

4.2 No Director or promoter of Zeder, in the three years preceding the Last Practicable Date, has had any material beneficial interest, either direct or indirect, in the promotion of Zeder or in respect of any property acquired within the Zeder Group in the 3 three years preceding the Last Practicable Date, or to be acquired, nor been a member of a partnership, syndicate or other association of persons that had such an interest nor has any cash or securities been paid or any other benefit given to any promoter in the aforementioned three-year period.

5. **DIRECTORS' EMOLUMENTS**

The emoluments of the Directors for the year ended 28 February 2014 are set out in the table below:

Director	**Basic salaries R'000**	**Directors' fees R'000**	**Company contributions**	**Bonuses and other performance payments R'000**	**Total R'000**
Executive directors					
N Celliers	1 975	–	25	2 000	4 000
WL Greeff	–	–	–	–	–
Non-executive directors					
GD Eksteen	–	108	–	–	108
WA Hanekom	–	20	–	–	20
AE Jacobs	1 458	–	167	–	1 625
JF Mouton	–	–	–	–	–
PJ Mouton	–	–	–	–	–
CA Otto	–	–	–	–	–
MS du Pre le Roux[1]	–	108	–	–	108
LP Retief[2]	–	114	–	–	114
Total	**3 433**	**350**	**192**	**2 000**	**5 975**

Notes:

1. Mr MS du Pré le Roux resigned from the Board on 20 June 2014; and
2. Mr LP Retief resigned from the Board with effect from 25 July 2014.

5.1 Save as set out in the table above, no expense allowances, pension scheme contributions, other material benefits, commission, gain or profit sharing arrangements or bonuses and other performance payments were paid to the Directors.

5.2 No amount has been paid or is payable to any third party *in lieu* of Directors' fees.

5.3 There will be no variation of Directors' remuneration as a result of the issue of this Prospectus and the Proposed Transaction.

5.4 The JSE Listings Requirements require that the Company also disclose remuneration and benefits received or receivable by Directors from, *inter alia*, any entity that provides management or advisory services to Zeder. As indicated in the Prospectus, PSG Corporate Services, as the duly appointed nominee of PSG Group, is the Manager under the Management Agreement. In this regard, the Company confirms that Messrs JF Mouton, PJ Mouton, CA Otto and WL Greeff are remunerated by a subsidiary of PSG Group for their services to PSG Group, which services included acting as directors on the Board of Zeder. Such remuneration is accordingly not payable by Zeder.

5.5 In this regard:

5.5.1 WL Greeff was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2 560 000, company contributions of R40 000 and performance related fees of R2 600 000, for his services to PSG Group for the year ended 28 February 2014, which services included acting as Director on the Board.

5.5.2 JF Mouton was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2 486 000, fees of R231 000, allowances of R120 000, company contributions of R52 000 and performance related fees of R2 389 000, for his services to PSG Group for the year ended 28 February 2014, which services included acting as Director on the Board.

5.5.3 PJ Mouton was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2 587 000, company contributions of R13 000 and performance related fees of R2 600 000, for his services to PSG Group for the year ended 28 February 2014, which services included acting as Director on the Board.

5.5.4 CA Otto was remunerated by a subsidiary of the PSG Group, in the form of fees of R1 445 000, for his services to PSG Group for the year ended 28 February 2014, which services included acting as Director on the Board.

5.6 Company contributions referred to above, relate to contributions to medical aid and similar insurances. No pension contributions are made.

6. **EQUITY-SETTLED REMUNERATION**

The equity-settled remuneration of the Directors for the year ended 28 February 2014 is set out in the table below:

PSG Group Limited shares

Equity-based remuneration (PSG Group Limited shares granted in terms of PSG Group Limited Share Incentive Trust)

	Number of shares as at 28 Feb 2013	Granted	Vested	Vesting price per share R	Date granted	**Number of shares as at 28 Feb 2014**
JF Mouton	250 000		(150 000)	17.81	21/04/2008	**100 000**
CA Otto	125 000		(75 000)	17.59	23/04/2008	**50 000**
	375 000	–	(225 000)			**150 000**

PSG Group Ltd share options

Equity-based remuneration (PSG Group Limited share options granted in terms of PSG Group Limited Supplementary Share Incentive Trust)

	Number of shares as at 28 Feb 2013	Granted	Vested	Vesting price per share R	Date granted	**Number of shares as at 28 Feb 2014**
WL Greeff	86 099		(43 049)	15.52	20/04/2009	**43 050**
(executive)	98 409		(49 205)	18.77	28/08/2009	**49 204**
	13 342			22.09	28/02/2010	**13 342**
	183 888			39.61	28/02/2011	**183 888**
	90 718			47.39	28/02/2012	**90 718**
	104 179			61.50	28/02/2013	**104 179**
		601 428		83.23	28/02/2014*	**601 428**
	576 635	601 428	(92 254)			**1 085 809**
JA Holtzhausen	65 726		(32 864)	15.52	20/04/2009	**32 862**
(executive)	85 578		(42 789)	18.77	28/08/2009	**42 789**
	77 490			22.09	28/02/2010	**77 490**
	148 327			39.61	28/02/2011	**148 327**
	99 791			47.39	28/02/2012	**99 791**
	103 538			61.50	28/02/2013	**103 538**
		602 244		83.23	28/02/2014*	**602 244**
	580 450	602 244	(75 653)			**1 107 041**

	Number of shares as at 28 Feb 2013	Granted	Vested	Vesting price per share R	Date granted	**Number of shares as at 28 Feb 2014**
PJ Mouton	70 467		(35 234)	15.52	20/04/2009	**35 233**
(executive)	81 655		(40 827)	18.77	28/08/2009	**40 828**
	75 542			22.09	28/02/2010	**75 542**
	226 394			39.61	28/02/2011	**226 394**
	112 842			47.39	28/02/2012	**112 842**
	129 052			61.50	28/02/2013	**129 052**
		661 884		83.23	28/02/2014*	**661 884**
	695 952	661 884	(76 061)			**1 281 775**
JF Mouton	383 641		(127 880)	26.16	22/04/2010	**255 761**
(non-executive)	151 464			39.61	28/02/2011	**151 464**
	204 056			47.39	28/02/2012	**204 056**
	171 164			61.50	28/02/2013	**171 164**
		643 824		83.23	28/02/2014*	**643 824**
	910 325	643 824	(127 880)			**1 426 269**
	2 763 362	2 509 380	(371 848)			**4 900 894**

All share options vest in tranches of 25% per year, with the first vesting occurring after two years since the grant date.

**Included in the 28 February 2014 share option allocation is a one-off allocation of 500 000 PSG Group Limited share options each for a total of 2 million PSG Group Limited share options, which was made to appropriately incentivise the aforementioned four directors. Retention of these directors' services are considered key to PSG Group Limited's continued success.*

Further information regarding the equity-settled remuneration awarded to Mr N Celliers, appears in note 29 to the historical financial information in **Annexure 12**.

7. **OPTIONS TO DIRECTORS**

Save as set out in paragraphs 5 and 6 of **Annexure 5**, no options to acquire Zeder Shares and/or Zeder Preference Shares have been issued to any Directors in terms of any share option scheme.

8. **TERMS OF OFFICE**

Service agreements have been concluded between the Manager and each of the executive Directors on terms and conditions that are standard for such appointments and the fact that Zeder is an investment holding company, with the duration of the executive Directors' employment being determined in such agreements and copies of such agreements being available for inspection in terms of paragraph 36 of the Prospectus. There are no service contracts between Zeder and any of its non-executive Directors. As at the date of this Prospectus, no further candidates have been nominated or proposed as Directors of Zeder. Accordingly, no service contracts with any proposed Directors have been entered into.

9. **DIRECTORS' DECLARATIONS**

None of the Directors and/or any directors of any Major Subsidiary have:

- been bankrupt, insolvent or entered into individual voluntary arrangements;
- any conflict of interest between the directors' duties towards the company and his or her personal interests;
- entered into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with his or her creditors generally or any class of creditors of any company where such person is a director with an executive function at the time of or within 12 months preceding such event;

- entered into compulsory liquidation, administration or partnership voluntary arrangements of any partnerships where such person was partner at the time of or within 12 months preceding such events;
- entered into receiverships of any asset of such person or of a partnership of which the person was a partner at the time of or within the 12 months preceding such event;
- been publicly criticised by statutory or regulatory authorities (including recognised professional bodies) and such person has never been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- been convicted of an offence involving dishonesty;
- been disqualified by a court from acting as a director of a company, or from acting in the management or conduct of the affairs of any company;
- been convicted of an offence resulting from dishonesty, fraud theft, perjury, misrepresentation or embezzlement;
- been adjudged bankrupt or sequestrated in any jurisdiction;
- been a party to a scheme of arrangement or made any other form of compromise with your creditors;
- been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
- been barred from entry into any profession or occupation;
- been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act; or
- been declared by court order to be delinquent or placed under probation in terms of section 162 of the Companies Act or section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualified to act as a director in terms of section 219 of the Companies Act, 1973 (Act No. 61 of 1973).

10. ADDITIONAL INFORMATION ON DIRECTORS

10.1 The company secretary of Zeder has not been allotted any Zeder Shares.

10.2 Save as set out in **Annexure 8**, no loans have been made which remain outstanding or security furnished by Zeder or any Major Subsidiary to any Director or manager or any associate of any Director or manager.

10.3 The audit committee has considered and applied itself and is satisfied as to the appropriateness of the experience and expertise of the financial director.

11. DIRECTORS' OTHER DIRECTORSHIPS AND PARTNERSHIPS

11.1 The table below lists the companies and partnerships of which each Director, and each director of a Major Subsidiary, is currently a director or partner as well as the companies and partnerships of which each Director, and each director of a Major Subsidiary, was a director or partner over the five years preceding the Last Practicable Date.

N CELLIERS	
AGRI VOEDSEL	Active
AOC INVESTMENTS	Active
BELLE ISLE INVESTMENTS	Active
CAPESPAN GROUP	Active
CAPEVIN HOLDINGS	Active
CHAYTON CORPORATE SERVICES	Active
GOLDCEL DEVELOPMENT	Active
MZIKI SHARE BLOCK	Active
NDALAMA FUND MANAGERS	Active
NRGP HOLDINGS	Active
ONE VISION INVESTMENTS 535	Active

PIONEER FOOD GROUP	Active
QUANTUM FOODS	Active
REMGRO-CAPEVIN BELEGGINGS	Active
SOUTH AFRICAN PREMIUM WINES	Active
SP-AKTIF DIRECT PROPERTY INVESTMENT	Active
SP-AKTIF PROPERTY HOLDINGS	Active
SP-AKTIF PROPERTY INVESTMENT MANAGERS	Active
VERTX INVESTMENT MANAGERS	Active
VERTX INVESTMENTS	Active
YANS INVESTMENTS	Active
ZAAD HOLDINGS	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
ZEDER INVESTMENTS CORPORATE SERVICES	Active
JABULANI WINES	Active

WL GREEFF

35 KERK STREET INVESTMENTS	Active
ARCH EQUITY CORPORATE SERVICES	Active
AXIAM HOLDINGS	Company deregistered
CANTERBURY CAPITAL	Resigned
G W B INVESTMENTS	Active
GRAYSTON ELLIOT	Active
JASMYN CORPORATE HOLDINGS	Company deregistered
JAYLITE	Resigned
JAYVISTA	Active
MY LITTLE RED BUGGY INVESTMENTS	Active
OU KOLLEGE BELEGGINGS	Active
PALADIN CAPITAL	Active
PALADIN CAPITAL CORPORATE SERVICES	Company deregistered
PSG AFRICA HOLDINGS	Active
PSG CHANNEL HOLDINGS	Active
PSG CORPORATE SERVICES	Active
PSG CORPORATE TRADING	Active
PSG FINANCIAL SERVICES	Active
PSG FUNDCO	Active
PSG GROUP	Active
PSG PRIVATE EQUITY	Active
RAD NOMINEES	Active
RELTA 15	Active
SIDELING HILL PROPERTIES	Active
SPIRITORQUE	Active
ZEDER AFRICA	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
ZEDER INVESTMENTS CORPORATE SERVICES	Active

AE JACOBS	
AGRICOL	Active
AGRICOL BORDER-KEI	Active
BREMER BEHERENDE MAATSKAPPY	Active
BUSINESS VENTURE INVESTMENTS NO 1016	Resigned
BUSINESS VENTURE INVESTMENTS NO 1202	Active
BUSINESS VENTURE INVESTMENTS NO 869	Active
CAPESPAN GROUP	Resigned
CHAMBER LANE PROPERTIES 20	Active
FORMATIX TWO	Resigned
FORMPROPS 45	Active
G6 PROPERTIES	Company deregistered
KLEIN KAROO SAAD BEMARKING	Active
MGK BUSINESS INVESTMENTS	Resigned
PARINHO	Active
PIONEER FOOD GROUP	Resigned
SALOK	Active
VOORHOEDE PLASE	Active
ZAAD HOLDINGS	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
ZEDER INVESTMENTS CORPORATE SERVICES	Resigned
LOBENIE BELEGGINGS	Active
BUSINESS VENTURE INVESTMENTS NO 1086	Active
CAPEVIN HOLDINGS	Resigned
PJ MOUTON	
DANA BELEGGINGS	Active
35 KERK STREET INVESTMENTS	Active
AFRICAN UNITY INSURANCE	Active
AIC HOLDING COMPANY	Active
AXIAM HOLDINGS	Company deregistered
CAPITEC BANK	Active
CAPITEC BANK HOLDINGS	Active
CHARITE BELEGGINGS	Active
CURRO HOLDINGS	Active
GRAYSTON ELLIOT	Active
GREEN SQUARE MINING AND MINING CONTRACTING	Resigned
GRW HOLDINGS	Resigned
HEROLDSBAAI INVESTMENTS	Active
J F M INVESTMENTS	Active
JASMYN CORPORATE HOLDINGS	Company deregistered
JAYLITE	Resigned
JAYVISTA	Active
JUFRAPI INVESTMENTS	Active

KLIPBANK BELEGGINGS	Active
KOKTYLS INVESTMENTS	Resigned
OU KOLLEGE BELEGGINGS	Active
PALADIN CAPITAL	Active
PRECRETE HOLDINGS	Resigned
PSG AFRICA HOLDINGS	Active
PSG CAPITAL	Active
PSG CORPORATE SERVICES	Active
PSG FINANCIAL SERVICES	Active
PSG FUNDCO	Active
PSG GROUP	Active
PSG KONSULT	Active
SIDELING HILL PROPERTIES	Active
SPIRIT CAPITAL	Active
SPIRITORQUE	Active
THEMBEKA CAPITAL (RF)	Active
ZEDER AFRICA	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active

JF MOUTON

35 KERK STREET INVESTMENTS	Resigned
PIONEER FOOD GROUP	Resigned
PSG CORPORATE SERVICES	Resigned
PSG FINANCIAL SERVICES	Active
PSG GROUP	Active
CHANNEL LIFE HOLDINGS	Company deregistered
CHARITE BELEGGINGS	Active
DANA BELEGGINGS	Active
DEIDRE BELEGGINGS	Active
GWARRYNEK	Active
J F M INVESTMENTS	Active
JAN MOUTON BELEGGINGS	Active
KLEIN GUSTROUW ESTATE	Active
KLIPBANK BELEGGINGS	Active
MY FAVOURITE BELEGGINGS	Active
PALADIN CAPITAL	Resigned
PIET MOUTON BELEGGINGS	Active
PSG KONSULT	Active
RONBEL 105	Resigned
STEINHOFF INTERNATIONAL HOLDINGS	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
ENJASU BELEGGINGS	Resigned
KWV HOLDINGS	Resigned

CHAYTON ATLAS INVESTMENTS	Resigned
KAAP AGRI BEDRYF	Resigned
GD EKSTEEN	
AGRI VOEDSEL	Resigned
EKSTEEN BOERDERY MALMESBURY	Active
KAAP AGRI	Resigned
PIONEER FOOD GROUP	Resigned
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
SWARTLAND HANDELSHUIS BELEGGINGS	Active
WA HANEKOM	
ANY NEW INVESTMENT	Active
BOLAND WINGERDE BEHEREND	Active
BOLAND WINGERDE INTERNASIONAAL	Active
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
BOKOMO DISTRIBUTING COMPANY	Company deregistered
PIONEER VOEDSEL	Resigned
PIONEER VOEDSEL	Resigned
TODAY'S FROZEN FOOD	Company deregistered
UMTATA BAKERS	Company deregistered
VREDERUS FARMS	Company deregistered
SAD BEHEREND	Resigned
CREDIN BAKERY SUPPLIES	Resigned
PAARL-VALLEI BOTTELERINGSMAATSKAPPY	Resigned
SASKO PASTA	Resigned
THE SOUTH AFRICAN BREWERIES MALTINGS	Resigned
CERES FRUIT JUICES	Resigned
CERES FRUIT JUICES	Resigned
PIONEER FOOD GROUP	Resigned
PIONEER VOEDSEL BEHEREND	Resigned
MCDONALD'S GROUP	Active
CA OTTO	
CAPESPAN GROUP	Active
CAPEVIN HOLDINGS	Active
CAPITEC BANK	Active
CAPITEC BANK HOLDINGS	Active
DISTELL GROUP	Active
KAAP AGRI	Active
AGRI VOEDSEL	Active
KALANDER KAPITAAL	Active
M CUBED ASSET MANAGEMENT	Resigned
M CUBED HOLDINGS	Resigned

M CUBED SPECIALISED LENDING	Resigned
PROPELL GROUP HOLDINGS	Resigned
PROPELL SECTIONAL TITLE SOLUTION	Resigned
PROPELL SPECIALISED FINANCE	Resigned
PSG CORPORATE SERVICES	Active
PSG FINANCIAL SERVICES	Active
PSG GROUP	Active
QUINCE CAPITAL HOLDINGS	Resigned
REMGRO-CAPEVIN BELEGGINGS	Active
RETTROX FINANCIAL SERVICES	Resigned
ZEDER FINANCIAL SERVICES	Active
ZEDER INVESTMENTS	Active
PETER D WIMSEY AND ASSOCIATES	Active
CAPEVIN INVESTMENTS	Company deregistered
AZ FARR	
CAPESPAN GROUP	Active
KATBERG 214	Resigned
SPORTS SCIENCE INSTITUTE OF SOUTH AFRICA	Active
SPORTS SCIENCE SHARE BLOCK (RF)	Active
GAIKOU	Resigned
SOUTH AFRICAN MARITIME TRAINING ACADEMY	Resigned
ANTHONY Z FARR PROPERTIES	Company deregistered
J DE V DU TOIT	
DIAMANT WYNLANDGOED	Active
CAPESPAN GROUP	Active
CLUB AUGUSTA SHARE BLOCK	Active
CONNECTION TELECOM	Active
FANCOURT LEISURE	Active
KAP INDUSTRIAL HOLDINGS	Active
LE TOIT AND ASSOCIATES	Company deregistered
NOUVELLE MUSHROOMS	Active
PSG KONSULT	Active
RICH REWARDS TRADING 485	Active
NEWLANDS RUGBY SUITE 55	Active
PSG FINANCIAL SERVICES	Active
PSG GROUP	Active
DIAMANT FUNCTIONS	Active
PSG INVEST	Resigned
PSG INVSETMENT SERVICES (MAURITIUS)	Resigned
PSG FUTURE WEALTH	Resigned
PSG ALPHEN ASSET MANAGEMENT	Resigned

FA JACOBS	
AFRICAN COMMERCIAL DISPUTE SETTLEMENT CENTRE	Active
BNMJ COMMUNICATE	Active
CAPE REGIONAL CHAMBER OF COMMERCE AND INDUSTRY	Active
CAPESPAN GROUP	Active
MAERSK SOUTH AFRICA	Active
SOUTH AFRICAN CHAMBER OF COMMERCE AND INDUSTRY	Active
SOUTH AFRICAN MARITIME TRAINING ACADEMY	Active
SA ASSOC. OF SHIP OPERATORS AND AGENTS (NPO)	Active
MAERSK MADAGASCAR	Active
SAMSA (SOUTH AFRICAN MARITIME SAFETY AUTHORITY)	Active
SAFMARINE	Resigned
OCEAN AFRICA CONTAINER LINES	Resigned
JJ DIQUE	
BACARAC TRADING 104	Active
CAPESPAN	Active
CAPESPAN GROUP	Active
CAPESPAN GROUP HOLDINGS	Active
CAPESPAN SOUTH AFRICA	Active
FPT GROUP	Active
HALOPATH	Active
JJD FARMING	Active
L'DS DEVELOPMENT INITIATIVE	Active
MCC CHILD CARE PROPERTIES	Active
SUBITOUCH INVESTMENTS	Active
DIRA TIRO CONSTRUCTION AND PROJECTS	Active
CAPESPAN INTERNATIONAL	Active
CAPESPAN INT'L HOLDINGS	Resigned
CAPESPAN CONTINENT	Active
CAPESPAN JAPAN	Active
CAPESPAN NORTH AMERICA	Active
METSPAN HONG KONG	Active
FRESH PRODUCE TERMINALS	Resigned
AJ DE HAAST	
CAPESPAN FARMS	Resigned
CAPESPAN	Active
CAPESPAN GRAPES	Active
CAPESPAN GROUP	Active
CAPESPAN GROUP HOLDINGS	Active
CAPESPAN SOUTH AFRICA	Active
FPT GROUP	Resigned
FRESH CAPE JUICES	Active
FRUIT EXPORTERS OF SOUTHERN AFRICA	Active
SERVAGRO TRADING	Active

STELLENBOSCH VINEYARDS GROUP	Active
UNIVERSAL REEFERS LIMITED INCORPORATED IN THE ISLE OF MAN	Active
CAPESPAN CANADA INVESTMENTS	Active
CAPESPAN CONTINENT	Active
CAPESPAN INTERNATIONAL HOLDINGS	Active
CAPESPAN INTERNATIONAL	Active
CAPESPAN	Active
CSA INVESTMENTS	Active
DISTRIBUTION FISHER CAPESPAN CANADA	Active
FISHER CAPESPAN USA	Active
FRUIT IMPORTERS AND DISTRIBUTORS INTERNATIONAL	Active
GOLDSPAN (JAPAN)	Active
MATOLO CARGO TERMINAL	Active
METSPAN INTERNATIONAL	Active
METSPAN HONG KONG	Active
MULUNGISI INVESTMENTS	Active
AGGRIGATE INVESTMENTS	Resigned
CAPE REEFERS	Resigned
CAPESPAN SOUTH AFRICA	Resigned
FPT PORT LEASING	Resigned
GROOT GARIEP KOELKAMERS	Resigned
INTERSPAN ZIMBABWE	Resigned
PALTRACK	Resigned
SPANMET INTERNATIONAL	Resigned
POS MEAKER	
HOFMEYR HERBSTEIN AND GIHWALA	Resigned
BELVEDERE INVESTMENTS	Resigned
C M TRUSTEES	Active
HFS CAPITAL	Resigned
HOFMEYR HOFMEYR MARKOTTER	Active
MAKUNA MATATA PLASE	Resigned
MAKUNA-MATATA PLASE	Active
SENTARI ELF	Active
SMITH LE ROUX COLLEN PROPERTY GROUP	Resigned
SUMMER SUN TRADING 340	Active
STELMARK	Active
ANGLO AFRICAN ESTATES	Active
ANGLO AFRICAN PROPERTY MANAGEMENT	Active
BIOTRACE TRADING 47	Active
BRONZE DOOR PROPERTIES	Resigned
CLUVER MARKOTTER	Resigned
EMFAM BELEGGINGS	Active
EMFAM FC	Active
GLEN EDEN MANOR	Resigned

IRITRON EEN	Company deregistered
KLAASVOOGDSNATURERESERVE	Active
MUSSELCRACKER ISLAND PROPERTIES	Active
PSG PROPERTIES	Resigned
SAFFRAANLAAN BELEGGINGS	Active
SALE-POINT TRADERS 105	Active
THE TOMORROW COMPANY EIGHTEEN	Resigned
AGRI VOEDSEL	Active
WP HANEKOM	
WATER PROJECT SCHEME	AR Final deregistration
CERES FRUIT JUICES	Resigned
CONTINENTAL BEVERAGES	Resigned
DIE TYDSTROOM PLUIMVEEPLASE	Company deregistered
MALVERN INVESTMENTS	Company deregistered
MAPRI INVESTMENTS	Company deregistered
PIONEER FOODS INSTORE	Active
RETAIL BRANDS INTERAFRICA	Resigned
WESTERN NATIONAL INSURANCE COMPANY	Active
AGRI VOEDSEL	Active
JG CARINUS	
WELGEMOED BOERDERY	Company deregistered
DEVON VALLEI BOERDERY	Active
NOMEN NESCIO	Active
STELLENBOSCH VINEYARDS	Resigned
WELTEVREDE KWEKERY	Active
CAPEVIN HOLDINGS	Resigned
CAPEVIN INVESTMENTS	Resigned
KWV INTERNATIONAL	Resigned
STELLENBOSCH FARMERS WINERY GROUP	Resigned
BERGZICHT PLAZA	Company deregistered
DISTELL GROUP	Active
LANDTSCAP	Active
STEGGIES KLEUTERSKOOL	Active
ZEDER INVESTMENTS	Resigned
AGRI VOEDSEL	Active

SALIENT FEATURES OF MEMORANDA OF INCORPORATION

ZEDER

Extracts from the Memorandum of Incorporation of Zeder providing for the appointment, qualification, remuneration, powers enabling the directors to vote on remuneration to themselves or any member of the Board, borrowing powers, interests of directors, distributions, retirement or non-retirement of directors under an age limit, voting rights of ordinary shares and preference shares are set out below.

In each case, the numbering and wording below matches that of the applicable provisions in the Memorandum of Incorporation.

For a full appreciation of the provisions of the Memorandum of Incorporation, Zeder Shareholders and AVL Shareholders are referred to the full text of the Memorandum of Incorporation, which is available for inspection, as provided for in paragraph 36 of Section Four of the Prospectus.

6. **ISSUE OF SHARES AND VARIATION OF RIGHTS**

6.1 The Company is authorised to issue:

6.1.1 such number of such class of Shares as is set out in Schedule 1 hereto, subject to the preferences, rights, limitations and other terms associated with such class set out therein;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto with the preferences, rights, limitations and other terms associated with each such class set out therein, subject to the JSE Listings Requirements.

6.2 The power of the Board to:

6.2.1 increase or decrease the number of authorised Shares of any class of the Company's Shares; or

6.2.2 create any class of Shares; or

6.2.3 reclassify any classified Shares that have been authorised but not issued; or

6.2.4 classify any unclassified Shares that have been authorised but not issued; or

6.2.5 determine the preferences, rights, limitations or other terms of any Shares,

shall be subject to the approval of the Shareholders by way of a special resolution.

6.3 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares, as set out in this Memorandum of Incorporation, may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements.

6.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share, and accordingly if any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other terms associated with any class of Share already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will, subject to the further provisions of clause 23.2, also be entitled to vote at the meeting of ordinary Shareholders where the amendment is tabled for approval.

6.5 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

6.6 The Board may, subject to clauses 6.7, 6.9 and 6.11, the Act and the JSE Listings Requirements, resolve to issue Shares of the Company at any time, but only:

6.6.1 within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and

6.6.2 to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting, provided further that the approval by Shareholders in general meeting shall not be required:

6.6.2.1 to the extent that such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding, on such terms and in accordance with such procedures as the Board may determine; or

6.6.2.2 to the extent that such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement.

6.7 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.

6.8 Save where permitted by the JSE, all Securities for which a listing is sought on the JSE and all Securities of the same class as Securities which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5), but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

6.9 Save:

6.9.1 where otherwise permitted under the Act, the JSE Listings Requirements or this Memorandum of Incorporation;

6.9.2 where approved by Shareholders in general meeting; or

6.9.3 where such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement,

the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine.

6.10 The Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that, to the extent applicable, such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.

6.11 Notwithstanding anything to the contrary herein, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.12 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

14. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is limited by this Memorandum of Incorporation.

15. CAPITALISATION SHARES

15.1 The Board shall, subject to compliance with the JSE Listings Requirements and without requiring any approval from Shareholders, have the power or authority to:

15.1.1 approve the issuing of any authorised Shares as capitalisation Shares; and/or

15.1.2 subject to the provisions of clause 15.2, to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share

provided that the Board shall not have the power to issue Shares of one class as capitalisation Shares in respect of Shares of another class, save to the extent authorised by the Shareholders by means of on an ordinary resolution and unless the JSE Listings Requirements have been complied with in regard to such issue.

15.2 The Board may not resolve to offer a cash payment *in lieu* of awarding a capitalisation share, as contemplated in clause 15.1.2, unless the Board:

15.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

15.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

16. POWER OF BOARD AT THE CAPITALISATION OR DISTRIBUTION OF PROFITS

16.1 If any problem arises with regard to any distribution in terms of this Memorandum of Incorporation, the Board may resolve it as it deems fit.

16.2 The Board may make all allocations and appropriations of the undivided profits or the capitalised amount as well as all issues of paid-up Shares or debentures (if any), and is generally authorised to do everything necessary to effect same, either through:

16.2.1 the issue of certificates for fractions of Shares; or

16.2.2 determining that fractions shall not be considered; or

16.2.3 payment in cash or otherwise (in the discretion of the Board) in the case where Shares or debentures can be divided in fractions.

16.3 The Board may also appoint any person to enter any contract on behalf of all the Shareholders (who are entitled to the benefit of such allocations and appropriations or are entitled to share in such distributions) which may be necessary to give effect thereto and such appointment and contract shall bind all such Shareholders.

23. VOTES OF SHAREHOLDERS

23.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company:

23.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;

23.1.2 on a poll, any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder.

23.2 If any resolution is proposed as contemplated in clause 6.3, the holders of Shares other than ordinary Shares ("**Affected Shareholders**") shall be entitled to vote at the meeting of Shareholders as contemplated in clause 23.1, provided that:

23.2.1 the votes of the Shares of that class held by the Affected Shareholders ("**Affected Shares**") shall not carry any special rights or privileges and each Affected Shareholder shall be entitled to 1 (one) vote for every Affected Share held; and

23.2.2 the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24.99% (twenty-four comma nine nine percent) of the total votes (including the votes of the ordinary Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

23.3 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by:

23.3.1 at least 5 (five) persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders; or

23.3.2 a Shareholder who is, or Shareholders who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% (ten percent) of the voting rights entitled to be voted on that matter; or

23.3.3 the chairman of the meeting.

23.4 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 23.3, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

23.5 If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.

23.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not have a second or casting vote.

23.7 A poll demanded on the election of a chairman (as contemplated in clause 21.5.2) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

23.8 A person who is entitled to more than 1 (one) vote, does not have to exercise all his votes and does not have to exercise all his votes in the same manner.

23.9 Where there are joint registered holders of any Share, any 1 (one) of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he were solely entitled thereto. If more than 1 (one) of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Share shall alone be entitled to vote in respect thereof.

23.10 The board of any company or the controlling body of any other entity or person that holds any Securities may authorise any person to act as its representative at any meeting of Shareholders, in which event the following provisions will apply:

23.10.1 the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of Shares; and

23.10.2 the authorising company, entity or person shall lodge (1) a resolution of the directors of such company or controlling body of such other entity or person, or (2) other written authority acceptable to the chairman of such meeting, confirming the granting of such authority, and certified under the hand of the chairman, secretary or other authorised person thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairman of such meeting.

23.11 The parent or guardian of a minor and the *curator bonis* of an insane Shareholder as well as each person who is entitled to transfer Shares in terms of clause 12, may vote in respect thereof at a general meeting in the same manner as if he had been the holder of those Shares, provided that he shall, at least 48 (forty eight) hours before the time when the meeting is held at which he proposes to exercise his vote, furnish satisfactory proof to the company secretary that he is such parent, guardian or curator or that he is entitled in terms of clause 12 to transfer those Shares, or that the Board has previously recognised his right to vote in respect of those Shares.

23.12 Co-executors of a deceased Shareholder in whose name Shares are registered in the Securities Register, shall be deemed for the purposes of this clause 23, to be joint holders of those Shares.

27. DIRECTORS

27.1 Every person holding office as a Director, Prescribed Officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

27.2 Number of Directors

27.2.1 The Board must comprise at least 4 (four) Directors.

27.2.2 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 27.3.6 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Directors or invalidate anything done by the Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

27.2.3 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 27.2.2, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

27.3 Nomination and appointment of Directors

27.3.1 Except for the executive Directors who shall be appointed in terms of clause 30, and subject to the provisions of clause 27.3.6, all other Directors shall be nominated by the Shareholders for appointment as Directors in terms of the provisions of clauses 27.3.2 and 27.3.3 and elected as such by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.

27.3.2 Subject to the provisions of clauses 27.4 and 27.3.6, a person as envisaged in clause 27.3.1 shall only be eligible for election as a Director if he is recommended by the Board or nominated in the manner referred to in clause 27.3.3.

27.3.3 No person, other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election as a Director at any general meeting, unless:

27.3.3.1 not more than 28 (twenty eight) days, but at least 7 (seven) clear days before the day appointed for the meeting, there shall have been delivered at the principal place of business of the Company a notice in writing by a Shareholder (who may be the proposed Director) duly qualified to be present and to vote at the meeting for which such notice is given;

27.3.3.2 such notice sets out the Shareholder's intention to propose a specific person for election as Director; and

27.3.3.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

27.3.4 In any election of Directors:

27.3.4.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled;

27.3.4.2 in each vote to fill a vacancy:

27.3.4.2.1 each vote entitled to be exercised may be exercised once; and

27.3.4.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate;

27.3.4.3 if the election process results therein that:

27.3.4.3.1 more nominees are elected as Directors than there are vacancies, those nominees (being a number of the nominees that are equal to the number of vacancies) that received the most votes will be the elected Directors, provided that in the event that a number of nominees that compete for a lesser number of vacancies received an equal number of votes, the Director or Directors elected to fill those vacancies will be determined by lot in the manner that the chairman of the meeting will determine;

27.3.4.3.2 less nominees are elected as Directors than there are vacancies, the remaining vacancies will remain unless filled in terms of the provisions of clause 27.3.6.

27.3.4.4 if no or insufficient candidates are nominated to fill the number of vacancies on the Board, the vacancies so caused shall be regarded as interim vacancies which shall be filled in terms of the provisions of clause 27.3.6.

27.3.5 Save as provided for in clauses 27.3.6 and 30, the Company shall only have elected Directors and there shall be no appointed or ex officio Directors as contemplated in section 66(4).

27.3.6 The Board has the power to appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as additional Director, provided that such appointment must be confirmed by the Shareholders, in accordance with clause 27.2.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i).

27.4 **Eligibility, resignation and retirement of Directors**

27.4.1 Apart from satisfying the qualification and eligibility requirements set out in section 69 and subject to the below-mentioned provisions of this clause 27.4, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.

27.4.2 Subject to any provisions of clause 27.4.3, a Director shall vacate his office as Director if:

27.4.2.1 his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;

27.4.2.2 he is found to be or become of unsound mind;

27.4.2.3 a majority of his co-Directors sign a written notice in which he is requested to vacate his office and lodge it at the principal place of business of the Company, (which shall come into effect upon lodging thereof at the principal place of business of the Company), but without prejudice to any claim for damages;

27.4.2.4 he is removed from office by a resolution of the Company of which proper notice have been given in term of the Act, but without prejudice to any claim for damages;

27.4.2.5 he is, pursuant to the provisions of the Act or any order made thereunder, prohibited from acting as a Director;

27.4.2.6 he resigns his office as Director by notice in writing to the Company;

27.4.2.7 he is absent from meetings of the Board for 3 (three) consecutive months without leave of the Directors while not engaged in the business of the Company, and he is not represented at any such meeting during such 3 (three) consecutive months by an alternate Director; and the Directors resolve that his office be, by reason of such absence, vacated, provided that the Directors shall have the power to grant to any Director leave of absence for a definite or indefinite period.

27.4.3 No Director shall be appointed for life or for an indefinite period and the non-executive Directors shall rotate in accordance with the following provisions of this clause 27.4.3:

27.4.3.1 at each annual general meeting referred to in clause 21.2.1, 1/3 (one third) of the non-executive Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office;

27.4.3.2 the non-executive Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as non-executive Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

27.4.3.3 notwithstanding the provisions of this clause 27.4.3, a non-executive Director who has already held his office for a period of 3 (three) years since his last election for appointment by the date of any annual general meeting shall retire at such meeting, either as one of the non-executive Directors retiring according to the roster referred to above, or over and above such non-executive Directors;

27.4.3.4 the length of time a non-executive Director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected;

27.4.3.5 a non-executive Director retiring at a meeting shall retain office until the election of non-executive Directors at that meeting has been completed;

27.4.3.6 a retiring non-executive Director shall be eligible for re-election;

27.4.3.7 the Company, at the general meeting at which a non-executive Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, and in default the retiring non-executive Director, if willing to continue to act, shall be deemed to have been re-elected, unless it is expressly resolved at the meeting not to fill such vacated office; or a resolution for the re-election of such non-executive Director was put to the meeting and rejected, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 26.

27.4.4 The Board shall, through its nomination committee (if such nomination committee has been constituted in terms of clause 33.2), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring non-executive Director is proposed, as to which retiring non-executive Directors are eligible for re-election, taking into account that non-executive Director's past performance and contribution.

27.5 **Directors' interests**

27.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor), or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

27.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

27.5.3 Any Director may act for the Company personally or through his firm in a professional capacity (except as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he had not been a Director of the Company.

27.5.4 Each Director, Prescribed Officer and member of any committee of the Board shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or to their knowledge any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

27.6 **Alternate Directors**

27.6.1 A Director may:

27.6.1.1 appoint another Director to act as alternate Director in his place and during his absence; and

27.6.1.2 remove such alternate Director.

27.6.2 A person so appointed or elected shall, except as regards authority to appoint an alternate Director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other Directors of the Company.

27.6.3 Each alternate Director, whilst so acting, shall be entitled to:

27.6.3.1 receive notices of all meetings of the Directors or of any committee of the Directors of which the person for whom he acts as alternate is a member;

27.6.3.2 attend and vote at any such meeting at which the person for whom he acts as alternate is not personally present;

27.6.3.3 generally exercise and discharge all the functions, powers and duties of the person for whom he acts as alternate in such person's absence as if he were a Director.

27.6.4 An alternate Director shall *ipso facto* cease to be an alternate Director if the person for whom he acts as alternate ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise, but is re-elected at the same meeting, any alternate of him who was appointed or elected as such immediately before his retirement shall remain in office as though he had not retired.

27.6.5 Any appointment or removal of an alternate Director shall be effected by written notice delivered at the principal place of business of the Company and signed by the appointer, if applicable.

27.6.6 The remuneration of an alternate Director shall be payable only out of the remuneration payable to the Director for whom he acts as alternate and he shall have no claim against the Company for any remuneration.

27.6.7 An alternate Director shall not be required to hold any qualifying Shares.

29. **DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE**

29.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

29.2 Any Director who:

29.2.1 serves on any executive or other committee; or

29.2.2 devotes special attention to the business of the Company; or

29.2.3 goes or resides outside South Africa for the purpose of the Company; or

29.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

29.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with:

29.3.1 the business of the Company; and

29.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

29.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

30. EXECUTIVE DIRECTORS

30.1 The Directors may from time to time appoint:

30.1.1 managing and other executive Directors (with or without specific designation) of the Company;

30.1.2 any Director to any other executive office with the Company,

as the Directors shall think fit, for a period as the Directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

30.2 Any Director appointed in terms of clause 30.1:

30.2.1 shall (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, not be subject to retirement by rotation; and

30.2.2 shall not be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold office as a Director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

30.3 The remuneration of a Director appointed to any position or executive office in terms of clause 30.1:

30.3.1 shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;

30.3.2 shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;

30.3.3 may consist of a salary or a commission on profits or dividends or both, as the Directors may direct.

30.4 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

32. POWERS OF THE BOARD OF DIRECTORS

32.1 The business and affairs of the Company shall be managed by or under the directions of the Board, which has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the Act or this Memorandum of Incorporation provides otherwise.

32.2 The general powers granted to the Board by this clause 32 shall not be limited or reduced by any special authorisation or power granted to the Board by any other clause.

32.3 The Directors may at any time and from time to time appoint any person or persons to be the agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with agents as the Directors think fit. Any such agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

32.4 All cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

32.5 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

32.6 The Directors shall, for as long as the Securities are listed on the JSE, not have the power to propose any resolution to Shareholders in terms of sections 20(2) and 20(6), to ratify any act of the Directors that is contrary to the JSE Listings Requirements and is inconsistent with any limit imposed by this Memorandum of Incorporation on the authority of the Directors to perform such an act on behalf of the Company unless agreed otherwise by the JSE.

33. **BORROWING POWERS**

33.1 Subject to the provisions of this Memorandum of Incorporation, the Directors may from time to time:

33.1.1 borrow for the purposes of the Company such sums as they think fit;

33.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

33.2 The Board shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

33.2.1 the Company; and

33.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company of any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised by the Directors to be borrowed or secured, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within 90 (ninety) days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that new borrowing may result in the abovementioned limit being exceeded.

38. **DISTRIBUTIONS**

38.1 The Company in general meeting or the Directors may declare and pay dividends, however, the Company in a general meeting may not declare a larger dividend than that declared by the Directors.

38.2 Subject to the provisions of the Act, and particularly section 46, and in this Memorandum of Incorporation, the Company may make any proposed distribution, as defined and contemplated in the Act, if such distribution:

38.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or

38.2.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements.

38.3 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

38.4 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

38.5 The Directors may from time to time declare and pay to the Shareholders such interim dividends as the Directors consider to be appropriate.

38.6 No larger dividend shall be declared by the Company in general meeting than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.

38.7 All unclaimed monies that are due to any Shareholder/s shall be held by the Company in trust until lawfully claimed by such Shareholder/s, or until the Shareholder's claim to such money has prescribed in terms of the applicable laws of prescription.

38.8 Distributions or any other sum payable in cash to any holder of the Company's Shares shall be paid by way of an electronic funds transfer only, unless agreed to otherwise at the discretion of the Company, into the selected bank account of:

38.8.1 the holder; or

38.8.2 in the case of joint holders, to the holder whose name stands first in the register in respect of the Share(s); or

38.8.3 such person as the holder or joint holders may in writing direct.

38.9 The electronic funds transfer of the distributions or other sum made into such account shall discharge the Company of any further liability in respect of the amount concerned. The Company shall not be responsible for a holder's loss arising from any fraudulent, diverted or incorrect electronic funds transfer of dividends or other sum payable to a holder unless such loss was due to the Company's gross negligence or wilful default.

38.10 For the purpose of this clause 38, no notice of change of bank account or instructions as to payment being made at any other bank account which is received by the Company after the date on which a Shareholder must be registered in order to qualify for a distribution or other payment and which would have the effect of changing the currency in which such payment would be made, shall be effective in respect of such payment.

38.11 A Shareholder who is a South African resident shall only be entitled to supply a Rand denominated bank account of a bank registered to operate such account in South Africa.

38.12 In the event that a Shareholder has failed to supply a valid bank account as envisaged herein, the distributions or other moneys shall be deemed unclaimed dividends or other monies in terms of clause 38.7.

38.13 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

38.14 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part:

38.14.1 by the distribution of specific assets; or

38.14.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

38.14.3 in cash; or

38.14.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

38.15 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

38.16 The Directors may:

38.16.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

38.16.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

38.17 All distributions must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

38.18 Without limiting the provisions of clause 38.2.2 above, all payments made to holders of Securities listed on the JSE ("Listed Securities") must be in accordance with the JSE Listings Requirements and capital payments to holders of Listed Securities may not be made on the basis that it can be called up again.

43. AMENDMENT OF MEMORANDUM OF INCORPORATION

43.1 This Memorandum of Incorporation may only be altered or amended (including any alteration or amendment that changes the name of the Company) by way of a special resolution of the Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in section 16(1)(a) read with section 16(4).

43.2 An amendment of this Memorandum of Incorporation will take effect from the later of:

43.2.1 the date on, and time at, which the notice of amendment is filed with the Commission; and

43.2.2 the date, if any, set out in the said notice of amendment,

save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

ZEDER FINANCIAL SERVICES

Extracts from the memorandum of incorporation of Zeder Financial Services providing, inter alia, for the appointment, qualification, remuneration, powers enabling the directors to vote on remuneration to themselves or any member of the board, borrowing powers, interests of directors and distributions are set out below.

In each case, the numbering and wording below matches that of the applicable provisions in Zeder Financial Services' memorandum of incorporation.

For a full appreciation of the provisions of the memorandum of incorporation, Zeder Shareholders and AVL Shareholders are referred to the full text of Zeder Financial Services' memorandum of incorporation, which is available for inspection, as provided for in paragraph 36 of Section Four of the Prospectus.

3. **SHARES**

3.1 Subject to what may be authorised by the Act or by the company in general meeting, any new shares which may be issued shall first be offered to existing shareholders in proportion to their shareholdings.

3.2 Where the company in general meeting has granted a general authority to the directors, the directors may in their discretion allot, grant options over or otherwise deal with or dispose of any unissued shares to such persons at such times and on such terms and conditions and for such consideration, whether payable in cash or otherwise, as the directors may think fit.

3.3 Subject to the provisions, if any, of the memorandum, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with:

3.3.1 such preferred, deferred or other special rights or subject to such restrictions, whether in regard to dividend, return of share capital or otherwise;

3.3.2 such limited or suspended rights to voting,

as the company may from time to time determine.

3.4 The company may direct that shares may be issued by the directors on such terms and conditions, and with such rights, privileges or restrictions attached thereto as the directors may determine.

16. **MODIFICATION OF RIGHTS**

16.1.1 If at any time the share capital is divided into different classes of shares, all or any of the special rights or privileges attached to any class of shares may:

16.1.1.1 only be varied or cancelled by special resolution and with:

16.1.1.1.1 the prior written consent of 75 % of the holders of the issued shares of that class; or

16.1.1.1.2 the prior sanction of a resolution passed by 75% of the holders of the shares of that class at a separate general meeting;

16.1.1.2 be varied or cancelled as provided for in article 16.1.1.1, whether or not the company is being wound-up or a winding-up is contemplated.

16.1.2 Any shares not ranking *pari passu* in all respects with any other shares (both as regards rate of dividend and any other term of issue) shall, for the purpose of this article, be deemed to constitute a separate class of shares.

16.1.3 To any such separate general meeting, the provisions of these articles relating to general meetings of the company shall *mutatis mutandis* apply, excepting that:

16.1.3.1 the necessary quorum shall be two persons (unless all the shares of that class are held by one person, in which case the quorum shall be one person) holding or representing by proxy not less than one-third of the issued shares of the class, provided that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present in person or by proxy shall be a quorum;

16.1.3.2 any holder of shares of that class present in person or by proxy may demand a poll, and, on a poll, shall have one *vote* for each share of the class of which he is the holder.

16.2 The special rights attached to the shares of any class shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be varied by the creation or issue of further shares:

16.2.1 ranking *pari passu* therewith; or

16.2.2 enjoying lesser rights,

and which do not have preference over the firstmentioned shares.

PART IV – DIRECTORS

22. COMPOSITION

22.1.1 The number of the directors shall not be less than four.

22.1.2 A director shall not be required to hold any qualifying shares.

22.2.1 The directors shall be entitled to such remuneration as the company in general meeting may from time to time determine, which remuneration shall be divided among the directors in such proportions as they may agree, or in default of such agreement, equally, except that in such event any director holding office for less than a year shall only rank in such division in proportion to the period during which he has actually held office.

22.2.2 Such remuneration shall accrue to the directors from day to day.

22.2.3 Any director who:

22.2.3.1 serves on any executive or other committee; or

22.2.3.2 devotes special attention to the business of the company; or

22.2.3.3 goes or resides outside South Africa for the purpose of the company;

or

22.2.3.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director,

may be paid such extra remuneration or allowance in addition to or in substitution of the remuneration to which he may be entitled as a director, as a disinterested quorum of the directors may from time to time determine.

22.2.4 The directors shall also be paid all their travelling and other expenses necessarily expended by them in connection with:

22.2.4.1 the business of the company; and

22.2.4.2 attending meetings of the directors or of committees of the directors or of the company.

22.3.1 Without prejudice to any contrary provisions in the articles, a director shall vacate his office if:

22.3.1.1 his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;

22.3.1.2 he is found to be or becomes of unsound mind;

22.3.1.3 a majority of his co-directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit at the office) but without prejudice to any claim for damages;

22.3.1.4 he be removed by a resolution of the company of which proper notice has been given in terms of the Act (but without prejudice to any claim for damages);

22.3.1.5 he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a director;

22.3.1.6 he resigns his office by notice in writing to the company;

22.3.1.7.1 he is absent from meetings of the directors for six consecutive months without leave of the directors while not engaged in the business of the company; and

22.3.1.7.2 he is not represented at any such meetings during such six consecutive months by an alternate director; and

22.3.1.7.3 the directors resolve that his office be, by reason of such absence, vacated,

provided that the directors shall have power to grant to any director leave of absence for a definite or indefinite period.

22.3.2 Notwithstanding any contrary provisions contained in this articles, a director shall vacate his office at the close of the annual general meeting of the company relating to the financial year in which the director reaches the age of 70 years.

22.4 A director may hold any other office or place of profit under the company (except that of auditor) or any subsidiary of the company in conjunction with his office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine.

22.5 A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

22.6 Any director may act personally or through his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he were not a director.

22.7 A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company, shall declare the nature of his interest in accordance with the Act.

22.8.1 No director or intending director shall be disqualified by his office from contracting with the company with regard to:

22.8.1.1 his tenure of any other office or place of profit under the company or in any company promoted by the company or in which the company is interested;

22.8.1.2 professional services rendered or to be rendered by such director;

22.8.1.3 any sale or other transaction.

22.8.2 No such contract or arrangement entered into by or on behalf of the company in which any director is in any way interested is voidable solely by reason of such interest.

22.8.3 No director so contracting or being so interested shall be liable to account to the company for any profit realised by any such appointment, contract or arrangement by reason of his office as director or of the fiduciary relationship created thereby.

22.9 A director may not vote nor be counted in the quorum (and if he shall do so his vote shall not be counted) on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, provided that this prohibition shall not apply to:

22.9.1 any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or

22.9.2 any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or

22.9.3 any contract by a director to subscribe for or underwrite shares or debentures of the company; or

22.9.4 any contract or arrangement with a legal person in which he is interested by reason only of being a director, officer, creditor or member of such legal person,

and these provisos may at any time be suspended or relaxed either generally, or in respect of any particular contract or arrangement, by the company in general meeting.

22.10.1 A contract which violates the terms of article 22.9 can be ratified by the company in general meeting.

22.10.2 The terms of article 22.9 shall not prevent a director from voting as a member at a general meeting at which a resolution in which he has a personal interest is tabled.

22.11.1 The directors may exercise the voting powers conferred by the shares held or owned by the company in any other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or for determining any payment of or remuneration to the directors or officers of such other company.

22.11.2 A director may vote in favour of a resolution referred to in article 22.11.1 for the exercise of the voting rights in the manner described in article 22.11.1 notwithstanding that he may be, or is about to become, a director or other officer of such other company and for that or any other reason may be interested in the exercise of such voting rights in the manner aforesaid.

23. **ALTERNATE DIRECTORS**

23.1 A director may:

23.1.1 appoint another director or any person approved for that purpose by a resolution of the directors to act as alternate director in his place and during his absence;

23.1.2 remove such alternate director.

23.2 A person so appointed shall, except as regards authority to appoint an alternate director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other directors of the company.

23.3 Each alternate director, whilst so acting, shall be entitled to:

23.3.1 receive notices of all meetings of the directors or of any committee of the directors of which his appointer is a member;

23.3.2 attend and vote at any such meeting at which his appointer is not personally present;

23.3.3 generally exercise and discharge all the functions, powers and duties of his appointer in such appointer's absence as if he were a director.

23.4 Any director acting as alternate director shall in addition to his own vote have a vote for each director for whom he acts as alternate.

23.5 An alternate director shall *ipso facto* cease to be an alternate director if his appointer ceases for any reason to be a director, provided that if any director retires by rotation or otherwise, but is re-elected at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

23.6 In the event of the disqualification or resignation of any alternate director during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairperson of the directors who shall nominate a person to fill such vacancy, subject to the approval of the board.

23.7 Any appointment or removal of an alternate director shall be effected by written notice delivered at the office and signed by the appointer.

23.8 The remuneration of an alternate director shall be payable only out of the remuneration payable to the director whose alternate he is and he shall have no claim against the company for any remuneration.

23.9 An alternate director shall not be required to hold any qualifying shares.

24. RETIREMENT OF DIRECTORS BY ROTATION

24.1.1 Subject to article 29 hereof, at every annual general meeting, one-third of the directors for the time being or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office.

24.1.2 The directors so to retire shall be those who have been longest in office since their last election, but in the case of persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

24.1.3 Notwithstanding anything herein contained, if at the date of any annual general meeting any director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation or additionally thereto.

24.1.4 The length of time a director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.

24.1.5 A director retiring at a meeting shall retain office until the election of directors at that meeting has been completed.

24.2.1 Retiring directors shall be eligible for re-election.

24.2.2 No person, other than a director retiring at the meeting shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting, unless:

24.2.2.1 not more than fourteen, but at least seven clear days before the day appointed for the meeting, there shall have been delivered at the office of the company a notice in writing by a member {who may also be the proposed director) duly qualified to be present and to vote at the meeting for which such notice is given;

24.2.2.2 such notice sets out the member's intention to propose a specific person for election as director; and

24.2.2.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

24.3 Subject to the preceding article, the company may at the meeting at which a director retires, fill the vacated office by electing a person thereto and in default the retiring director, if willing to continue to act, shall be deemed to have been re-elected, unless:

24.3.1 it is expressly resolved at such meeting not to fill such vacated office; or

24.3.2 a resolution for the re-election of such director was put to the meeting and rejected.

24.4.1 The company in general meeting or the directors may appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with the articles.

24.4.2 A person appointed by the directors as a director in terms of article 24.4.1:

24.4.2.1 shall retire at the following annual general meeting;

24.4.2.2 shall not be considered in determining the directors to retire by rotation;

24.4.2.3 shall be eligible for re-election.

24.4.3 If the number of directors should become less than the permissible minimum in terms of the articles, the remaining directors may only act:

24.4.3.1 to fill any vacancies on the board of directors; or to

24.4.3.2 convene general meetings.

24.4.4 If the company in general meeting increases or reduces the number of directors, it may also determine in what rotation such increased or reduced number is to retire.

25. POWERS OF DIRECTORS

25.1.1 The management and control of the business of the company shall be vested in the directors who, in addition to the powers and authorities expressly conferred upon them by the articles, may exercise all powers and authorities and perform all acts which may be exercised or done by the company, and are not hereby or by the Act expressly reserved to the company in general meeting.

25.1.2 Such management and control may not be inconsistent with the articles nor with the provisions of the Act.

25.1.3 The general powers granted in terms of this article shall not be limited or restricted by any special authority or power given to the directors by any other article.

25.2 The directors may:

25.2.1 in their discretion arrange that any branch of the business carried on by the company or any other business in which the company may be interested, shall be carried on by or through one or more subsidiary companies;

25.2.2 make such arrangements on behalf of the company as they think advisable-

25.2.2.1 for taking the profits or bearing the losses of any such branch or business; or

25.2.2.2 for financing, assisting or subsidising any such subsidiary company;

or

25.2.2.3 for guaranteeing its contracts, obligations or liabilities.

25.3 The directors may:

25.3.1 establish any contributory or non-contributory pension, retirement, provident, medical or other funds for the benefit of; and

25.3.2 pay on behalf of the company a gratuity or pension or allowance on retirement or other benefit to,

any director or ex-director or other officer or employee of the company, its holding or subsidiary company (if any), whether or not he has held any other salaried office with the company, or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance or life assurance or other benefits, subject to the provisions of the Act.

25.4 The directors may:

25.4.1 take all steps that may be necessary or expedient and incur any liability in order to enable the shares, debentures or other securities of the company to be:

25.4.1.1 negotiable in South Africa or elsewhere;

25.4.1.2 recognised by and quoted on any stock exchange in South Africa or elsewhere;

25.4.2 pay all taxes, duties, fees, expenses or other amounts which may be payable in relation to the matters referred to in article 25.4.1.

25.5 Save as otherwise expressly provided by the articles, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments and all documents to be executed by the company, shall be signed, drawn, accepted, endorsed or executed as the case may be in such manner as the directors shall from time to time determine.

26. BORROWING POWERS

26.1 Subject to the provisions of article 26.3 the directors may from time to time:

26.1.1 borrow for the purpose of the company such sums as they think fit;

26.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the company, including its uncalled or unpaid capital;

26.1.3 make such regulations regarding the transfer of debentures, the issue of certificates therefor (subject to article 7 hereof) and all such other matters incidental to debentures as the directors think fit.

26.2 No special privileges as to:

26.2.1 allotment of shares in the company; or

26.2.2 the attending and voting at general meetings; or

26.2.3 the appointment of directors,

or otherwise, shall be given to the holders of debentures of the company save with the sanction of the company in general meeting.

26.3 The directors shall procure (but as regards subsidiaries of the company only insofar as by the exercise of voting and other rights or powers of control exercisable by the company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

26.3.1 the company; and

26.3.2 all the subsidiaries for the time being of the company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the company or any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not, if applicable, exceed the aggregate amount at that time authorised to be borrowed or secured by the directors of the company's holding company in respect of that holding company and all the then subsidiaries of that holding company, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within 90 days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that new borrowing may result in the abovementioned limit being exceeded.

29. EXECUTIVE DIRECTORS

29.1.1 The directors may from time to time appoint:

29.1.1.1 managing and other executive directors (with or without specific designation) of the company;

29.1.1.2 any director to any other executive office with the company,

as the directors shall think fit, for a period as the directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

29.2.1 Any director appointed in terms of article 29.1:

29.2.1.1 shall not (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, be subject to retirement by rotation; and

29.2.1.2 shall not, during the currency of such appointment, be taken into account in determining the directors to retire by rotation; and

29.2.1.3 shall be subject to the same provisions as to removal as the other directors of the company, and if he ceases to hold office as a director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

29.2.2 If the provisions regarding the retirement of directors by rotation apply, only a minority of the directors may be so appointed on the basis that they shall not be subject to retirement by rotation.

29.3 The remuneration of a director appointed to any position or executive office in terms of article 29.1:

29.3.1 shall be determined by a disinterested quorum of the directors;

29.3.2 shall be in addition to or in substitution of any ordinary remuneration as a director of the company, as the directors may determine;

29.3.3 may consist of a salary or a commission on profits or dividends or both, as the directors may direct.

29.4 The directors may:

29.4.1 from time to time confer upon a director appointed to any position or executive office in terms of article 29.1 any or all powers exercisable under the articles by the directors;

29.4.2 confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient;

29.4.3 confer such powers with or to the exclusion of or in substitution for any powers of the directors;

29.4.4 from time to time revoke, withdraw or vary such powers.

32. DIVIDENDS

32.1 Subject to the provisions of the Act, the company in general meeting or the directors may from time to time declare a dividend.

32.2.1 No dividend shall be declared or paid except out of the profits of the company and no dividend shall bear interest against the company except as otherwise provided under the conditions of issue of the shares in respect of which such dividend is payable.

32.2.2 Dividends may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the company may be chargeable.

32.3.1 The directors may from time to time declare and pay to the members such interim dividends as the directors consider to be justified by the profits of the company.

32.3.2 The directors may also pay the fixed dividend payable on any share of the company bearing a fixed dividend half-yearly or on fixed dates, as the directors may deem fit.

32.4 Unless otherwise determined by the directors, dividends shall be declared payable to members registered as such on a date at least 14 days after the date of the declaration of the dividend.

32.5 No larger dividend shall be declared by the company in general meeting than is recommended by the directors, but the company in general meeting may declare a smaller dividend.

32.6 All unclaimed dividends will be kept in trust until claimed, provided that dividends unclaimed for a period of three years from the date on which they were declared may be declared forfeited by the directors for the benefit of the company. All monies other than dividends due to shareholders will be kept in trust, indefinitely until lawfully claimed by shareholders.

32.7.1 Any dividend, interest or other sum payable in cash to the holder of a share may be paid by cheque or warrant sent by post, addressed to:

32.7.1.1 the holder at his registered address; or

32.7.1.2 in the case of joint holders, the holder whose name stands first in the register in respect of the share, at his registered address,

or addressed to such person and at such address as the holder or joint holders may in writing direct.

32.7.2 Every such cheque or warrant shall:

32.7.2.1 be made payable to the order of the person to whom it is addressed;

32.7.2.2 be sent at the risk of the holder or joint holders.

32.7.3 The company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

32.7.4 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any dividends or other moneys paid in respect of a share held by such holder or joint holders.

32.7.5 When such cheque or warrant is paid, it shall discharge the company of any further liability in respect of the amount concerned.

32.7.6 A dividend may also be paid in any other way determined by the directors, and if the directives of the directors in that regard are complied with, the company shall not be liable for any loss or damage which a member may suffer as a result thereof.

32.8.1 Any dividend may be paid wholly or in part:

32.8.1.1 by the distribution of specific assets; or

32.8.1.2 by the issue of paid-up shares, debentures or securities of the company or of any other company; or

32.8.1.3 in cash,

or in any other way which the directors or the company in general meeting may at the time of declaring the dividend determine.

32.8.2 Where any difficulty arises in regard to such payment or distribution, the directors may settle that difficulty as they think expedient and in particular may fix the value which shall be placed on such specific assets on distribution.

32.8.3 The directors may:

32.8.3.1 determine that cash payments shall be made to any member on the basis of the value so fixed in order to secure equality of distribution;

32.8.3.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the dividend as the directors deem expedient.

32.9.1 The directors may from time to time make such regulations as they may think fit regarding the payment of dividends to members having registered addresses outside South Africa.

32.9.2 Such regulations may provide for the payment of such dividends in any foreign currency and the rate of exchange at which such payment shall be made and any other similar matters.

CAPESPAN

Extracts from the memorandum of incorporation of Capespan providing for, inter alia, the appointment, qualification, remuneration, powers enabling the directors to vote on remuneration to themselves or any member of the board, borrowing powers, interests of directors and distributions are set out below.

In each case, the numbering and wording below matches that of the applicable provisions in Capespan's memorandum of incorporation.

For a full appreciation of the provisions of the memorandum of incorporation, Zeder Shareholders and AVL Shareholders are referred to the full text of Capespan's memorandum of incorporation, which is available for inspection, as provided for in paragraph 36 of Section Four of the Prospectus.

6. **ISSUE OF SHARES AND VARIATION OF RIGHTS**

6.1 The Company is authorised to issue:

6.1.1 such number of ordinary Shares, of the same class, as set out in Schedule 1 hereto, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

6.1.1.1 vote at any annual general meeting or general meeting, or as contemplated in clause 25, in person or by proxy, on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in respect of each ordinary Share in the case of a vote by means of a poll;

6.1.1.2 participate proportionally in any distribution made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.

6.2 The Company may from time to time by special resolution as contemplated in clause 6.3 below:

6.2.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.2.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.2.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

6.2.4 cancel Shares not taken up by anyone or undertaken to be taken up;

6.2.5 reclassify any classified Shares that have been authorised but not issued;

6.2.6 classify any unclassified Shares that have been authorised but not issued; or

6.2.7 determine the preferences, rights, limitations or other terms of any Shares,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

6.3 The creation, authorisation and classification of Shares, the subdivision or consolidation of Shares, amendments to the numbers of authorised Shares of each class, the conversion of one class of Shares into one or more other classes of Shares, the conversion of Shares from par value to no par value and variations to the preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution and in accordance with the JSE Listings Requirements.

6.4 If a fraction of a Share comes into being as a result of any consolidation, the Board may, subject to compliance with the JSE Listings Requirements, to the extent applicable:

6.4.1 arrange that that Share or fraction shall be consolidated with any other Share or fraction, or make arrangements for the allocation or sale thereof;

6.4.2 appoint a person to sell or transfer it;

6.4.3 pay the proceeds of such sale to the holders of the consolidated Share or deal with it in the manner otherwise agreed.

6.5 If a fraction is sold in the manner referred to in clause 6.4, the person referred to in clause 6.4.2 shall for all purposes be deemed to be authorised to enter into such contract of sale.

6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 22.2. If any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitation and other terms associated with any class of Shares already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will, subject to the further provisions of clause 22.2, also be entitled to vote at the meeting of ordinary Shareholders where the amendment is tabled for approval.

6.7 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

6.8 The Board may, subject to clause 6.12 and the further provisions of this clause 6.8, resolve to issue Shares of the Company at any time, but only:

6.8.1 within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and

6.8.2 only to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting.

6.9 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.

6.10 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5) but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

6.11 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 6.13, and subject to clause 6.12, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.

6.12 Notwithstanding the provisions of clause 6.11, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.

6.13 Notwithstanding the provisions of clauses 6.2, 6.11 and 6.12, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.14 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

13. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is limited by this Memorandum of Incorporation.

14. CAPITALISATION SHARES

14.1 Subject to the provisions of clauses 6.11 and 6.12 and compliance with the JSE Listings Requirements, to the extent applicable, the Board shall have the power and authority to:

14.1.1 approve the issuing of any authorised Shares as capitalisation Shares;

14.1.2 to issue Shares of one class as capitalisation Shares in respect of Shares of another class; and/or

14.1.3 subject to the provisions of clause 14.2, to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share.

14.2 The Board may not resolve to offer a cash payment in lieu of awarding a capitalisation share, as contemplated in clause 14.1.3, unless the Board:

14.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

14.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

26. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

26.1 Number of Directors

26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.

26.1.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent for as long as the Company's Securities are listed on the JSE.

26.1.3 Every person holding office as a Director, Prescribed Officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

26.2 Appointment and nomination of Directors

26.2.1 In any election of Directors:

26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

26.2.1.2 in each vote to fill a vacancy:

26.2.1.2.1 each vote entitled to be exercised may be exercised once; and

26.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

26.3 Eligibility, resignation and retirement of Directors

26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.

26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2:

26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

26.3.2.3 a retiring Director shall be eligible for re-election;

26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25 for as long as the Company's Securities are listed on the JSE; and

26.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.4.2 to 20.4.6 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

26.3.3 The Board shall, through its nomination committee (if such nomination committee has been constituted in terms of clause 32), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's office from any part in South Africa.

26.4 **Powers of the Directors**

26.4.1 The Board has the power to:

26.4.1.1 appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as an additional Director provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.

26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

26.4.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 26.4.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

26.5 **Directors' interests**

26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26.5.3 Each Director and each alternate Director, Prescribed Officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

26.5.4 The Directors shall not, for as long as the Securities of the Company are listed on the JSE, have the power to propose any resolution to Shareholders to ratify an act of the Directors that is inconsistent with any limit imposed by this Memorandum of Incorporation on the authority of the Directors to perform such an act on behalf of the Company in the event that such a resolution would lead to ratification of an act that is contrary to the JSE Listings Requirements, unless the Directors have obtained the prior approval of the JSE to propose such a resolution to Shareholders.

28. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

28.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

28.2 Any Director who:

28.2.1 serves on any executive or other committee; or

28.2.2 devotes special attention to the business of the Company; or

28.2.3 goes or resides outside South Africa for the purpose of the Company; or

28.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

28.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with:

28.3.1 the business of the Company; and

28.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

28.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

29. EXECUTIVE DIRECTORS

29.1 The Directors may from time to time appoint 1 (one) or more executive Directors for such term and at such remuneration as they may think fit, and may revoke such appointment subject to the terms of any agreement entered into in any particular case. A Director so appointed shall not be subject to retirement in the same manner as the other Directors, but his or her appointment shall terminate if he or she ceases for any reason to be a Director.

29.2 Subject to the provisions of any contract between himself or herself and the Company, an executive Director shall be subject to the same provisions as to disqualification and removal as the other Directors of the Company.

29.3 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

31. **BORROWING POWERS**

31.1 Subject to the provisions of clause 31.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time:

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed, to the extent applicable, the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

36. **DISTRIBUTIONS**

36.1 Subject to the provisions of the Act, and particularly section 46 and this Memorandum of Incorporation, the Company may make any proposed distribution, as defined and contemplated in the Act, if such distribution:

36.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

36.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements.

36.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

36.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

36.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

36.5 All unclaimed dividends may be invested by the Company in trust for the benefit of the Company until claimed, and dividends that remain unclaimed for a period of 3 (three) years from the date on which they were declared may be declared by the Directors to be forfeited for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. Subject to the provisions of clause 18.2, all unclaimed monies, other than dividends, that are due to Shareholder/s shall be held by the Company in trust for an indefinite period until lawfully claimed by such Shareholder/s.

36.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to:

36.6.1 the holder at his registered address; or

36.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

36.6.3 such person and at such address as the holder or joint holders may in writing direct.

36.7 Every such cheque or warrant shall:

36.7.1 be made payable to the order of the person to whom it is addressed; and

36.7.2 be sent at the risk of the holder or joint holders.

36.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

36.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

36.10 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

36.11 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

36.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part:

36.12.1 by the distribution of specific assets; or

36.12.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

36.12.3 in cash; or

36.12.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

36.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

36.14 The Directors may:

36.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

36.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

36.15 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

36.16 Without limiting the provisions of clause 36.1.2 above, all payments made to holders of Securities listed on the JSE ("**Listed Securities**") must be in accordance with the JSE Listings Requirements and capital payments to holders of Listed Securities may not be made on the basis that it can be called up again.

43. AMENDMENT OF MEMORANDUM OF INCORPORATION

43.1 This Memorandum of Incorporation may only be altered or amended by way of a special resolution of the ordinary Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in section 16(1)(a).

43.2 An amendment of this Memorandum of Incorporation will take effect from the later of:

43.2.1 the date on, and time at, which the Commission accepts the filing of the notice of amendment contemplated in section 16(7); and

43.2.2 the date, if any, set out in the said notice of amendment,

save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

AVL

Extracts from the memorandum of incorporation of AVL providing for, inter alia, the appointment, qualification, remuneration, powers enabling the directors to vote on remuneration to themselves or any member of the board, borrowing powers, interests of directors and distributions are set out below.

In each case, the numbering and wording below matches that of the applicable provisions in AVL's memorandum of incorporation.

For a full appreciation of the provisions of the memorandum of incorporation, Zeder Shareholders and AVL Shareholders are referred to the full text of AVL's memorandum of incorporation, which is available for inspection, as provided for in paragraph 36 of Section Four of the Prospectus.

6. **ISSUE OF SHARES AND VARIATION OF RIGHTS**

6.1 The Company is authorised to issue:

6.1.1 such number of ordinary Shares, of the same class, as set out in Annexure 1 hereto, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

6.1.1.1 vote at any annual general meeting or general meeting, or as contemplated in clause 24, in person or by proxy, on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in respect of each ordinary Share in the case of a vote by means of a poll;

6.1.1.2 participate proportionally in any distribution made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Annexure 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.

6.2 The Company may from time to time by special resolution as contemplated in clause 6.3 below:

6.2.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.2.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.2.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

6.2.4 cancel Shares not taken up by anyone or undertaken to be taken up;

6.2.5 reclassify any classified Shares that have been authorised but not issued;

6.2.6 classify any unclassified Shares that have been authorised but not issued; or

6.2.7 determine the preferences, rights, limitations or other terms of any Shares,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

6.3 The creation, authorisation and classification of Shares, the subdivision or consolidation of Shares, amendments to the numbers of authorised Shares of each class, the conversion of one class of Shares into one or more other classes of Shares, the conversion of Shares from par value to no par value and variations to the preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution.

6.4 If a fraction of a Share comes into being as a result of any consolidation, the Board may:

6.4.1 arrange that that Share or fraction shall be consolidated with any other Share or fraction, or make arrangements for the allocation or sale thereof;

6.4.2 appoint a person to sell or transfer it;

6.4.3 pay the proceeds of such sale to the holders of the consolidated Share or deal with it in the manner otherwise agreed.

6.5 If a fraction is sold in the manner referred to in clause 6.4.2, the person referred to in clause 6.4.2 shall for all purposes be deemed to be authorized to enter into such contract of sale.

6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share. If any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitation and other terms associated with any class of Shares already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will also be entitled to vote at the meeting of ordinary Shareholders where the amendment is tabled for approval.

6.7 No shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

6.8 The Board may, subject to clause 6.10 and the further provisions of this clause 6.8, resolve to issue Shares of the Company at any time:

6.8.1 but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and

6.8.2 only to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting.

6.9 Subject to what may be authorised by the Act and at meetings of Shareholders in accordance with clause 6.11, and subject to clause 6.10, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.

6.10 Notwithstanding the provisions of clause 6.9, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit.

6.11 Notwithstanding the provisions of clauses 6.8.2. 6.9 and 6.10, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.12 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

11. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments, as set out in section 43(2), but no special privileges associated with any debt instruments to be issued by the Company, as set out in section 43(3), may be granted and the authority of the Board in such regard is limited by this Memorandum of Incorporation.

12. CAPITALISATION SHARES

12.1 Subject to the provisions of clauses 6.9 and 6.10, the Board shall have the power and authority to:

12.1.1 approve the issuing of any authorised Shares as capitalisation Shares; and/or

12.1.2 subject to the provisions of clause 12.2, to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share.

12.2 The Board may not resolve to offer a cash payment in lieu of awarding a capitalisation share, as contemplated in clause 12.1.2, unless the Board:

12.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

12.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

25. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

25.1 Number of Directors

25.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 3 (three) Directors and a maximum of 12 (twelve) Directors.

25.1.2 Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company, save that executive directors shall be appointed by the Board, and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be valid.

25.1.3 Every person holding office as a Director, Prescribed Officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

25.2 Appointment and nomination of Directors

25.2.1 In any election of Directors:

25.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

25.2.1.2 in each vote to fill a vacancy:

25.2.1.2.1 each vote entitled to be exercised may be exercised once; and

25.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

25.2.2 Subject to the provisions of clauses 25.4.1.1 and 28, the Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

25.2.3 In the event that the Company only has 1 (one) Shareholder, the provisions of this clause 25.2 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

25.4 Eligibility, resignation and retirement of Directors

25.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.

25.3.2 No Director shall be appointed for life or for an indefinite period and the elected Directors shall rotate in accordance with the following provisions of this clause 25.3.2:

25.3.2.1 at each annual general meeting referred to in clause 19.2.1, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

25.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

25.3.2.3 a retiring Director shall be eligible for re-election;

25.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 24;

25.3.2.5 if at any meeting at which an election of Directors ought to take place, the offices of the retiring Directors are not filled, such offices shall remain vacant until filled at a subsequent meeting in accordance with this Memorandum of Incorporation.

25.3.3 In any notice of a meeting at which the election of a director or directors are proposed, the company will indicate which retiring director or directors are eligible for re-election. In the event that a director retires, and not be available for re-election, or a vacancy develops due to any other reason, shareholders and/or the Board may propose a candidate or candidates to fill any such vacancy. Sufficient time shall be allowed between the date of the notice of the meeting at which the re-election of the director is to be proposed and the date of such meeting to allow nominations to reach the company's office from any part of South Africa. Nominations, as well as written acceptance of the nomination by the nominated candidate (unless the candidate is nominated by the Board) must reach the company's office at least 10 days before the date of the meeting.

25.4 **Powers of the Directors**

25.4.1 The Board has the power to:

25.4.1.1 appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as an additional Director provided that such appointment must be confirmed by the Shareholders, in accordance with clause 25.1.2 and subject to the maximum number of Directors set out in clause 25.1.1, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

25.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 25.

25.4.2 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

25.4.3 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 25.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

25.4.4 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 25.4.3, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

25.5 **Directors' interests**

25.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

25.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise.

25.5.3 Each Director and each alternate Director, Prescribed Officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

27. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

27.1 The Company may pay remuneration to the non-executive Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

27.2 Any Director who:

27.2.1 serves on a committee; or

27.2.2 devotes special attention to the business of the Company; or

27.2.3 goes or resides outside South Africa for the purpose of the Company; or

27.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

27.3 The Directors may also be paid all their reasonable travelling and other expenses necessarily incurred by them in connection with:

27.3.1 the business of the Company; and

27.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

27.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

28. EXECUTIVE DIRECTORS

28.1 The Directors may from time to time appoint 1 (one) or more executive Directors for such term and at such remuneration as they may think fit, and may revoke such appointment should the Board so resolve. A Director so appointed shall not be subject to retirement in the same manner as the other Directors, but his or her appointment shall terminate if he or she ceases for any reason to be an employee of the Company.

28.2 Subject to the provisions of any contract between himself or herself and the Company, an executive Director shall be subject to the same provisions as to disqualification and removal as the other Directors of the Company.

28.3 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

30. **BORROWING POWERS**

Subject to the provisions of this Memorandum of Incorporation, the Directors may from time to time:

30.1 borrow for the purposes of the Company such sums as they think fit; and

30.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

35. **DISTRIBUTIONS**

35.1 Subject to the provisions of the Act, and particularly section 46 and this Memorandum of Incorporation, the Company may make any proposed distribution, as defined and contemplated in the Act, if such distribution:

35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

35.1.2 is authorised by resolution of the Board.

35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.4 The Directors may from time to time declare and pay to the Shareholders such interim, final and special distributions as the Directors consider to be appropriate.

35.5 All unclaimed dividends may be invested by the Company for the benefit of the Company until claimed, and dividends that remain unclaimed for a period of 3 (three) years from the date on which they were declared may be declared by the Directors to be forfeited for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. Subject to the provisions of clause 16.2, all unclaimed monies, other than dividends, that are due to Shareholder/s shall be held by the Company for an indefinite period until lawfully claimed by such Shareholder/s.

35.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to:

35.6.1 the holder at his registered address; or

35.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the Share, at his registered address; or

35.6.3 such person and at such address as the holder or joint holders may in writing direct.

35.7 Every such cheque or warrant shall:

35.7.1 be made payable to the order of the person to whom it is addressed; and

35.7.2 be sent at the risk of the holder or joint holders.

35.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

35.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

35.10 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

35.11 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

35.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part:

35.12.1 by the distribution of specific assets; or

35.12.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

35.12.3 in cash; or

35.12.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

35.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

35.14 The Directors may:

35.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

35.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

35.15 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof, whichever is the later date.

41. AMENDMENT OF MEMORANDUM OF INCORPORATION

41.1 This Memorandum of Incorporation may only be altered or amended by way of a special resolution of the ordinary Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in section 16(1)(a).

41.2 An amendment of this Memorandum of Incorporation will take effect from the later of:

41.2.1 the date on, and time at, which the Commission accepts the filing of the notice of amendment contemplated in section 16(7); and

41.2.2 the date, if any, set out in the said notice of amendment,

save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

DETAILS OF THE MANAGEMENT AGREEMENT

The salient features of the Management Agreement are set out in the following extracts taken from the Management Agreement:

The numbering and wording used below matches that of the applicable provisions in the Management Agreement. The extracts appearing below use the definitions as set out in the Management Agreement.

For a full appreciation of the provisions of the Management Agreement, Zeder Shareholders and AVL Shareholders are referred to the text of the Management Agreement, which is available for inspection as provided for in paragraph 36 of Section 4 of the Prospectus.

6. **MANAGER'S DUTIES**

Zeder Investments Corporate Services shall at all times remain responsible for the management of its business. Zeder Investments Corporate Services, by virtue of the Assignment, has delegated certain of its functions to the Manager on the basis set out herein. The Manager shall, generally, ensure that it fulfils its duties in a proper and efficient manner and shall ensure that Zeder Investments Corporate Services has access to all such administrative support and expertise as may be reasonably required by Zeder Investments Corporate Services to attain its objective. If and to the extent required by the Zeder ICS board, the Zeder board and/or any other board of directors of a Zeder Group Company the Manager shall consult with the board on behalf of Zeder Investments Corporate Services. The Manager shall, on behalf of Zeder Investments Corporate Services, as and when in its judgment it is appropriate to do so:

General Services

6.1 attend all meetings of the boards of the Zeder Group Companies in an administrative capacity;

6.2 attend all general meetings in an administrative capacity;

6.3 implement and maintain proper financial and accounting systems and procedures in respect of the business of the Zeder Group;

6.4 keep proper books of account and records in respect of the business, financial affairs and investments of the Zeder Group and all transactions entered into by the Zeder Group;

6.5 operate the Company account and, in particular but without limitation, perform reconciliations of the Company account;

6.6 procure the preparation by the auditors of audited annual financial statements and an annual report in respect of the financial affairs of the Zeder Group;

6.7 give reasonable assistance to the auditors for the purposes envisaged in 6.6 above;

6.8 give general business management advice to the boards of the Zeder Group Companies, and it is agreed, for the purposes of clarity, that the board shall in good faith consider all advice given to it by the Manager in respect of the particular Zeder Group Company, but that the boards of the Zeder Group Companies shall not be bound or obliged to follow such advice unless the boards of the Zeder Group Companies in its own discretion so resolves;

6.9 comply, on behalf of Zeder Investments Corporate Services, with the Zeder Investments Corporate Services' obligation in terms of 7 below to keep records of all valuations performed in respect of the investments;

6.10 appoint, on behalf of Zeder Investments Corporate Services, and professional consultants required in order to render the professional services envisaged in 4.2.7 above;

6.11 from time to time, and as may be reasonably required by the Zeder ICS board, report to the Zeder ICS board in relation to the business of the Zeder Group and the status and performance of the investments;

Investment Services

6.12 identify suitable investments consistent with the investment mandate and the Company objective and, where the amount required to be committed by any Zeder Group Company to any such investment:

6.12.1 is R100 million or less, to consider and make such investment on behalf of the Zeder Group Company; and

6.12.2 is more than R100 million, to consider and recommend such investment to the board as a potential investment,

provided that each recommendation to the board shall contain a summary of the potential investment and the results of the evaluation and investigations envisaged in 6.14 below and provided further that the amounts referred to in this clause 6.12 shall, on each anniversary of the commencement date, be increased with the average CPI for the 12-month period immediately preceding that anniversary date, or as otherwise approved by the board;

6.13 make recommendations to the Zeder Group in relation to:

6.13.1 the disposal of any investments; and

6.13.2 the encumbering of any of the investments and/or other assets of any Zeder Group Company;

6.14 evaluate investment opportunities, co-ordinate due diligence investigations in respect of such opportunities, and where appropriate, appoint suitably qualified industry consultants and professional advisers;

6.15 negotiate the terms of each investment and each disposal, subject to the investment mandate;

6.16 collect, and enforce the collection of, income and pay such income into the Company account forthwith on receipt thereof;

6.17 where practicable influence each investee entity inter alia by assisting each investee entity in setting appropriate strategies;

Financial services

6.18 monitor the investments on an ongoing basis to determine the performance of the Zeder Group and perform a semi-annual valuation of the investments in accordance with the valuation policy referred to in clause 7.1;

6.19 calculate and submit recommendations to the board in respect of the subscription price payable by any person wishing to subscribe for shares in the Zeder Group;

6.20 as appropriate, develop and recommend the borrowing policy of the Zeder Group for approval by the board;

6.21 administer the borrowing policy of the Zeder Group;

6.22 evaluate the ongoing liquidity of the Zeder Group and in particular, advise the board on the appropriate steps to address the Zeder Group's liquidity requirements in any relevant circumstance;

6.23 consult with and assist the auditors in accounting matters affecting the Zeder Group and monitor their performance;

6.24 where necessary, prepare and deliver invoices to entities indebted to the Zeder Group from time to time;

6.25 generally endeavour to perform its obligations in terms of this agreement in a businesslike, reasonable, commercially justifiable and cost effective manner.

FEE SCHEDULE

1. *The base fee and performance fee that the Manager is entitled to levy in consideration for the services rendered to Zeder Investments Corporate Services in terms of the agreement, shall be calculated and paid in accordance with this Appendix 1, read with clause 8 and clause 12 of the agreement.*

2. *For purposes of this Appendix 1:*

2.1 ***"Average Market Capitalisation"*** *means the volume weighted average market capitalisation of the Company for a half-year, calculated as follows –*

$A = B/C$

in which formula:

A = Average Market Capitalisation;

B = the sum total of the Daily Value for each Trading Day in the applicable half-year;

C = the total number of Zeder Shares traded (JSE on-market trades only) in the applicable half-year;

2.2 ***"Benchmark Hurdle"*** *means GOVI plus 4% (four percent), which Benchmark Hurdle shall be adjusted pro rata in respect of any financial year or applicable period that is not equivalent in length to 12 calendar months;*

2.3 ***"Daily Value"*** *means, in respect of each Trading Day of the applicable half-year, the total Rand value of all on-market trades of Zeder Shares on that day multiplied by the number of Zeder Shares in issue on that day;*

2.4 ***"End Hurdle"*** *means:*

2.4.1 *in the event of paragraph 4.3 below applying, an amount equivalent to the Hurdle Increase Test; or*

2.4.2 *in event of paragraph 4.4.1 below applying, the End Hurdle calculated in accordance with paragraph 4.4.1.2 below;*

2.4.3 *in event of paragraph 4.4.2 below applying, an amount equivalent to the End Share Price;*

2.5 ***"End Share Price"*** *means the volume weighted average price of 1 (one) Zeder Share, calculated over the 30 (thirty) Trading Days up to and including the last Trading Day of the applicable financial year;*

2.6 ***"GOVI"*** *means:*

2.6.1 *the yield on the GOVI calculated and quoted by the JSE, averaged on a daily (Trading Days only) basis for the applicable financial year (such GOVI rate being based on the issued South African government bonds that fall in the top 10 (ten) positions); or*

2.6.2 *should the GOVI rate referred to in paragraph 2.6.1 above no longer be calculated and quoted by the JSE, such similar rate (being a similar indexed rate or similar rate based on a blend of South African government bonds) as may be agreed upon by the Company and the Manager and subsequently announced to shareholders of the Company on the Stock Exchange News Service of the JSE;*

2.7 ***"Hurdle Increase Test"*** *means, in respect of the applicable financial year, the Start Hurdle of that financial year increased by the Benchmark Hurdle, less dividends accrued in respect of a Zeder Share during that financial year, save that, should a rights issue occur during the applicable year, the Hurdle Increase Test shall be the TERPH increased by the Benchmark Hurdle, less dividends* *accrued in respect of a Zeder Share from and including the Effective Date (as defined in paragraph 2.11 below) of the rights issue up to and including the last day of the applicable financial year.*

2.8 ***"JSE"*** *means the exchange, licensed under the Securities Services Act No. 36 of 2004, as amended, operated by JSE Limited (registration number 2005/022939/06);*

2.9 ***"Potential Performance Fee"*** *means the amount, calculated using the following formula:*

A = (B – C) x 20% x D

in which formula:

A = Potential Performance Fee for the applicable financial year;

B = End Share Price for that financial year;

C = Hurdle Increase Test for that financial year;

D = weighted number of Zeder Shares in issue during that financial year;

2.10 ***"Start Hurdle"*** *means the hurdle at the start of the applicable financial year, being equivalent to the End Hurdle of the previous financial year, save that the Start Hurdle for the financial year commencing on 1 March 2013 shall be R3.33 (three Rand and thirty three cents), being the volume weighted average price of 1 (one) Zeder Share, calculated over the 30 (thirty) Trading Days up to and including 28 February 2013;*

2.11 ***"TERPH"*** *means the theoretical ex price hurdle per Zeder Share, calculated using the following formula:*

	Prior to rights issue	***Rights issue***	***Post rights issue***
Shares	*A*	*D*	*G = A + D*
Price	*B*	*E*	*I = H/G*
Market value	*C = A x B*	*F = D x E*	*H = C + F*

Where:

I = *TERPH*

and

A = *the number of Zeder Shares in issue immediately prior to the issuing of the new rights issue shares;*

B = *the Start Hurdle of that financial year increase by the Benchmark Hurdle, less dividends accrued for the period up to and including the Trading Day immediately prior to the date on which the new rights shares are issued ("****Effective Date****");*

D = *the number of Zeder Shares issued in terms of the rights issue;*

E = *the rights issue price;*

2.12 ***"Trading Day"*** *means each trading day of Zeder Shares on the exchange on which such shares are listed, excluding any Saturday, Sunday or official public holiday in the Republic of South Africa;*

2.13 ***"Zeder Shares"*** *means ordinary shares in the issued share capital of the Company.*

3. ***Calculation and payment of base fee***

3.1 *The Manager shall calculate its base fee for each half-year in accordance with paragraph 3.3 below and shall deliver a copy of such calculation to Zeder Investments Corporate Services within 20 (twenty) business days of the end of the relevant half-year.*

3.2 *Zeder Investments Corporate Services shall, subject to 12.5.2 of the agreement, pay the base fee for any half-year to the Manager within 5 (five) business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the base fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.*

3.3 *The base fee in respect of each half-year shall be calculated as an annual percentage of 1.5% of the Average Market Capitalisation of the Company for that half-year (adjusted pro rata, based on the number of Trading Days in the applicable half-year).*

3.4 *For the avoid*ance of doubt, should a rights issue, a consolidation or a subdivision occur during any half-year, this shall not impact on the calculation of the base fee for that half-year other then as set out in 2 above.

4. ***Calculation of performance fee***

4.1 *The Manager shall calculate its performance fee for each financial year in accordance with paragraphs 4.3 or 4.4 below and shall deliver a copy of such calculation to Zeder Investments Corporate Services within 30 (thirty) business days of the end of the relevant financial year.*

4.2 *Zeder Investments Corporate Services shall, subject to clause 8.2 and clause 12.7.2 of the agreement, pay the performance fee for any financial year to the Manager within 5 (five) business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the performance fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.*

4.3 *If the End Share Price of the applicable financial year is lower than the Hurdle Increase Test for that financial year, then:*

4.3.1 *no performance fee is paid to the Manager in respect of that financial year; and*

4.3.2 *the End Hurdle is an amount equivalent to the Hurdle Increase Test.*

4.4 *If the End Share Price of the applicable financial year is higher than the Hurdle Increase Test for that financial year, and:*

4.4.1 *if the Potential Performance Fee is more than the total base fee for the applicable full financial year, then:*

4.4.1.1 *the performance fee is equal to such total base fee; and*

4.4.1.2 *the End Hurdle is calculated as follows:*

A = B – [(C – D)/E/20%]

in which formula:

A = End Hurdle for the applicable financial year;

B = End Share Price for that financial year;

C = Potential Performance Fee for that financial year;

D = performance fee for that financial year (equivalent to the aforementioned total base fee);

E = Weighted number of Zeder Shares in issue during that financial year; or

4.4.2 *if the Potential Performance Fee is less than the total base fee for the applicable full financial year, then:*

4.4.2.1 *the performance fee will be equal to the Potential Performance Fee; and*

4.4.2.2 *the End Hurdle for that financial year is equal to the End Share Price.*

4.5 *Other corporate actions affecting share price*

*If, during any financial year, any corporate action occurs in relation to the share capital of the Company (including, but not limited to, an unbundling) (**"Applicable Corporate Action"**), which impacts on the calculation of the performance fee for that financial year, the Company and the Manager shall negotiate in good faith with a view to agreeing on a performance fee for that financial year that is fair to both the Company and the Manager and that is in keeping with the spirit and aims of the Agreement.*

5. **VAT**

All base fees and performance fees calculated in terms of this Appendix 1 are exclusive of VAT."

MAJOR SHAREHOLDERS AND CAPITAL STRUCTURE

1. **CONTROLLING AND MAJOR ZEDER SHAREHOLDERS**

1.1 Set out below are the names of Zeder Shareholders, that, directly or indirectly, are beneficially interested in 5% or more of the issued Zeder Shares as at the Last Practicable Date.

Name of the Zeder Shareholder	Number of Zeder Shares	% of Zeder Shares in issue
PSG Financial Services	422 490 671	43.1
Coronation and its clients*	132 165 847	13.5
Allan Gray and its clients*	133 755 910	13.6
Total	**720 940 229**	**70.2**

** The shareholding includes share held directly or indirectly by the entity and/or its clients.*

1.2 Set out below are the names of Zeder Shareholders that, directly or indirectly, will be beneficially interested in 5% or more of the issued Zeder Shares of Zeder post the implementation of the Proposed Transaction on the assumption that 463 655 648 Zeder Shares will be issued.

Name of the Zeder Shareholder	Number of Zeder Shares	% of Zeder Shares in issue
PSG Financial Services	422 490 671	29.3
Coronation and its clients*	132 165 847	9.2
Allan Gray and its clients*	133 755 910	9.3
Total	**688 412 428**	**47.8**

** The shareholding includes share held directly or indirectly by the entity and/or its clients.*

1.3 PSG Financial Services is the controlling shareholder of Zeder and there has been no change in this regard during the past five years. After the implementation of the Proposed Transaction, PSG Financial Services will no longer be the controlling shareholder of Zeder.

1.4 Other than as set out in paragraph 1.5 below, there has not been any change in the controlling shareholders or trading objects of any Major Subsidiary during the five years preceding the date of this Prospectus.

1.5 Zeder became the controlling shareholder of Capespan during July 2011 and during April 2013 Capespan became a subsidiary of Zeder.

1.6 The contributions to the Zeder Group's sales, trading results and profits or losses before and after taxation attributable to each segment within which the Zeder Group operates are disclosed in the historical financial information contained in **Annexure 12**.

2. **AUTHORISED AND ISSUED SHARE CAPITAL**

2.1 The authorised and issued share capital of Zeder as at the Last Practicable Date is as follows:

Zeder Shares

	R'000
Stated capital	
Authorised	
2 000 000 000 ordinary shares with no par value	–
Issued	
980 188 331 ordinary shares with no par value	**1 748 061**
	1 748 061

Zeder Preference Shares

	R'000
Stated capital	
Authorised	
250 000 000 cumulative, non-redeemable, non-participating preference shares with no par value	–
	–

2.2 All the issued Zeder Shares are listed on the main board of the JSE as a primary listing and no other class of securities is listed on any other exchange.

2.3 No Zeder Shares or Zeder Preference Shares are held in treasury.

2.4 As at the Last Practicable Date, all the issued Zeder Shares were fully paid up and freely transferable.

2.5 The authorised and issued share capital of Zeder after the Proposed Transaction will be as follows:

Zeder Shares

	R'000
Stated capital	
Authorised	
2 000 000 000 ordinary shares with no par value	–
Issued	
1 443 843 979	5 002 237
	5 002 237

Zeder Preference Shares

	R'000
Stated capital	
Authorised	
250 000 000 cumulative, non-redeemable, non-participating preference shares with no par value	–
	–

3. RIGHTS ATTACHING TO ZEDER SHARES AND ZEDER PREFERENCE SHARES

3.1 Extracts of Zeder's MOI relating to rights attaching to the Zeder Shares and the Zeder Preference Shares are set out in **Annexure 3**.

3.2 The class and rank of the authorised and issued Zeder securities and the rights to dividends, capital or profits and any other rights attached thereto, including redemption rights and rights on liquidation or distribution of capital assets are set out in **Annexure 3**.

3.3 The provisions of the MOI relating to the variation of the rights attaching to the Zeder Shares and/or the Zeder Preference Shares are set out in **Annexure 3**.

3.4 Only such members that are registered in the Company's register on the day when a distribution is declared or on such other day as may be determined by the Board as the last date for registration for the distribution, will be entitled to receive the distribution so declared.

4. ALTERATIONS OF SHARE CAPITAL

4.1 The Company was incorporated as a public company on 21 June 2006 with an authorised share capital consisting of 1 000 ordinary shares with a par value of R0.01 each. Upon its conversion from a shelf company in 2006, the initial 1 000 ordinary shares were subdivided into 100 000 ordinary shares, and a further 1 499 900 000 ordinary shares and 250 000 000 cumulative, non-participating, non-redeemable preference shares were created in the authorised share capital of the Company with a par value of R0.01 each. The ordinary shares and the preference shares were converted to shares with no par value in 2013.

4.2 There have been no share consolidations or sub-divisions in the three years prior to the Last Practicable Date.

4.3 The authorised but unissued shares of Zeder are under the control of the Directors, subject to the provisions of the JSE Listings Requirements and the Companies Act.

4.4 All issued Zeder Shares are listed on the JSE as a primary listing. No other class of securities is listed on any other exchange.

4.5 Save as set out in paragraph 4.6 below, neither Zeder nor any of its Major Subsidiaries made any issues or offers of their respective securities during the three years preceding the Prospectus.

4.6 On 13 June 2014 Capespan issued shares to its executive management under its long term incentive scheme ("**Capespan SIS**") at 331 cents per share. Pursuant to the Capespan SIS, Capespan issued 4 500 000 new shares plus 1 400 000 held by Capespan. The shares were issued at the 180-day volume weighted average price as at 20 November 2013 (being the date on which the Capespan SIS was approved by the board of directors of Capespan).

4.7 Neither Zeder nor any Major Subsidiary has repurchased any of its securities in the three years prior to the Last Practicable Date.

5. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF ZEDER SHARES AND ZEDER PREFERENCE SHARES

5.1 Zeder and Capespan Share Options

A key to the success of Zeder and its subsidiaries is incentivised skilled management teams. In order to achieve this, the directors of PSG Group (being the appointed manager to Zeder) and Capespan have previously introduced share option schemes.

These share option schemes operate essentially on a similar basis, whereby the respective boards, through their remuneration committees, grant share options to members of middle and senior management at the 30-day volume weighted average price ("**VWAP**") of the relevant shares on the grant date.

Share options are European in nature and exerciseable in tranches of 25% on each of the 2nd, 3rd, 4th and 5th anniversary of the grant date.

The settlement obligation of Zeder's share options is the responsibility of the Manager.

Unexercised share options can be summarised as follows:

Shares	Grant date	Number of share options	Exercise price per share option (R)	Exercise price (R)
Zeder	20 April 2012	1 659 054	2.57	4 263 769
	28 Feb 2013	1 596 375	3.33	5 315 929
	28 Feb 2014	1 793 414	4.10	7 352 999
		5 048 843	**3.35**	**16 932 697**
Capespan *	1 Jan 2014	14 745 737	2.42	35 716 746

* *Capespan's initial tranche of share options was awarded on 1 January 2014 at various exercise prices determined with reference to Capespan's 180-day VWAP up to and including 20 November 2013, adjusted for other factors. These exercise prices were approved by Capespan's board and shareholders. Future tranches will be awarded in accordance with the aforementioned 30-day VWAP principle.*

FINANCIAL INFORMATION REQUIRED IN TERMS OF REGULATION 79 OF THE COMPANIES ACT IN RESPECT OF ZEDER

In terms of Regulation 79 of the Companies Act, **Annexure 6** includes the historical consolidated and standalone profits of Zeder for the preceding financial years ended 28 February 2014, 28 February 2013 and 29 February 2012 and its consolidated and standalone statement of financial position as at 28 February 2014. Furthermore, this annexure includes details of loss-making subsidiaries and events subsequent to Zeder's latest financial year-end.

Extract from the income statements and statements of changes in equity of Zeder

	Financial year ended		
	28 February 2014 R'000	28 February 2013 R'000	29 February 2012 R'000
Profit before tax			
– Consolidated	**431 332**	605 481	334 985
– Standalone	**25 000**	50 000	–
Profit after tax			
– Consolidated	**334 204**	509 563	334 612
– Standalone	**25 000**	50 000	–
Ordinary share dividend paid (consolidated and standalone)	**39 124**	39 124	39 124

Consolidated and standalone statement of financial position of Zeder

28 February 2014	Group R'000	Standalone R'000
ASSETS		
Non-current assets	**3 638 042**	**2 125 732**
Property, plant and equipment	**924 975**	
Intangible assets	**375 795**	
Biological assets	**117 979**	
Investment in subsidiary		**2 125 732**
Investment in ordinary shares of associates	**1 821 814**	
Loans and preference share investments in associates	**18 239**	
Investment in ordinary shares of joint ventures	**67**	
Loans granted to joint ventures	**1 553**	
Equity securities	**206 528**	
Loans and advances	**78 614**	
Deferred income tax assets	**59 388**	
Employee benefits	**33 090**	
Current assets	**2 989 184**	**–**
Biological assets	**83 447**	
Inventories	**739 763**	
Trade and other receivables	**1 127 223**	
Derivative financial assets	**1 299**	
Current income tax receivable	**22 684**	
Cash, money market investments and other cash equivalents	**1 014 768**	
Non-current assets held for sale	**177 570**	
Total assets	**6 804 796**	**2 125 732**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	**1 748 061**	**1 748 061**
Other reserves	**76 121**	
Retained earnings	**1 782 747**	**309 620**
Total equity	**4 142 887**	**2 057 681**
Non-current liabilities	**1 013 190**	**–**
Deferred income tax liabilities	**104 612**	
Borrowings	**738 533**	
Derivative financial liabilities	**45 666**	
Employee benefits	**124 379**	
Current liabilities	**1 648 719**	**68 051**
Borrowings	**459 699**	**68 051**
Trade and other payables	**1 081 299**	
Derivative financial liabilities	**15 236**	
Current income tax payable	**19 299**	
Employee benefits	**73 186**	
Total equity and liabilities	**6 804 796**	**2 125 732**

Loss-making subsidiaries

Chayton Africa made a loss of R15.2 million for its financial year ended 31 December. These losses were funded out of Chayton Africa's stated capital.

Events subsequent to Zeder's latest financial year-end

Zeder's acquisition of Mpongwe Milling, a wheat and maize milling operation in Zambia, became effective after the reporting date and has been implemented.

Zeder disposed of its remaining interest in Capevin Holdings Limited, being classified as held for sale at 28 February 2014, for cash proceeds of R193.5 million.

REPORT BY THE AUDITOR IN TERMS OF REGULATION 79 OF THE COMPANIES ACT IN RESPECT OF ZEDER

The Directors
Zeder Investments Limited
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

Dear Sirs

Report by the auditor in terms of Regulation 79 of the Companies Act in respect of Zeder Investments Limited

Introduction

PricewaterhouseCoopers Inc. ("PwC" or "we") is the appointed auditor of Zeder Investments Limited (the "Company"), a company incorporated in the Republic of South Africa. Regulation 79 to the Companies Act 71 of 2008 of South Africa (the "Act") requires a report by the auditor of the Company to be included in a prospectus contemplated in Regulation 56 of the Act, and for such report to address the matters set out in Regulation 79 to the Act. Consequently, we have been requested to provide this report on the following historical financial information included in the prospectus of the Company to be issued on or about 15 August 2014 (the "Prospectus"):

- the consolidated and standalone profit before tax and consolidated and standalone profit after tax of the Company in respect of the years ended 28 February 2014, 28 February 2013 and 29 February 2012, as set out in **Annexure 6** of the Prospectus;
- the consolidated and standalone assets and liabilities of the Company included in the Statement of Financial Position as at 28 February 2014, as set out in **Annexure 6** of the Prospectus; and
- the ordinary share dividends paid by the Company in respect of the financial years ended 28 February 2014, 28 February 2013 and 29 February 2012, as set out in **Annexure 6** of the Prospectus.

The aforementioned information is collectively referred to as the "Regulation 79 financial information".

The Regulation 79 financial information has been extracted from the audited financial statements of the Company for the years ended 28 February 2014, 28 February 2013 and 29 February 2012, which were prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. We expressed unqualified audit opinions on those financial statements in our reports dated 7 April 2014, 8 April 2013 and 10 April 2012, respectively, based on our audits which were conducted in accordance with the International Standards on Auditing.

The Regulation 79 financial information does not reflect the effects of events that may have occurred subsequent to the date of our audit report on the Company's financial statements for the year ended 28 February 2014. We have also not performed audit procedures in respect of events which occurred between 7 April 2014, the date of our audit report on the financial statements for the year ended 28 February 2014, and the date of issue of the Prospectus. Furthermore, the Regulation 79 financial information set out in **Annexure 6** of the Prospectus is not a full set of financial statements in accordance with International Financial Reporting Standards and the requirements of the Act. Reading the Regulation 79 financial information is therefore no substitute for reading the audited financial statements of the Company for the years ended 28 February 2014, 28 February 2013 and 29 February 2012.

Extraction of the Regulation 79 financial information

As a result of the Regulation 79 financial information being extracted from the financial statements of the Company for the years ended 28 February 2014, 28 February 2013 and 29 February 2012, in respect of which unqualified audit opinions were expressed, we can report the following in the context of the audits performed on those financial statements:

- Debtors and creditors balances as at 28 February 2014 as included in the Regulation 79 financial information includes the following material amounts that were not trade accounts:
  - Value added tax;
  - Prepayments and sundry receivables;
  - Management fee payable;
  - Deferred purchase consideration;
  - Unsettled share trades and other payables;
- The provision for doubtful debts as at 28 February 2014 as included in the Regulation 79 financial information did not appear to be materially misstated;
- The provision for inventory obsolescence or inventory overvaluation as at 28 February 2014 as included in Regulation 79 financial information did not appear to be materially misstated; and
- Inter-company profits have been eliminated from the amounts presented in the Regulation 79 financial information.

Responsibility of the directors for the Regulation 79 financial information

The directors are responsible for the audited financial statements for the years ended 28 February 2014, 28 February 2013 and 29 February 2012, for the extraction of the Regulation 79 financial information therefrom, and for the presentation of the Regulation 79 financial information in accordance with the requirements of the Act.

Report of factual findings in respect of material changes in assets and liabilities

In accordance with Regulation 79(4)(b)(v) to the Act our report is required to include a statement as to whether there have been any material changes in assets and liabilities of the Company or any of its subsidiaries since the date of the financial statements for the year ended 28 February 2014.

As a result, we have performed the following procedures which were agreed with you:

- we have agreed the consolidated and standalone profit before tax and the consolidated and standalone profit after tax in respect of the years ended 28 February 2014, 28 February 2013 and 29 February 2012, as set out in Annexure 6 of the Prospectus, to the audited financial statements for those years;
- we have agreed the consolidated and standalone asset and liability balances, as presented in the Regulation 79 financial information, to the audited financial statements for the year ended 28 February 2014;
- we have read the minutes of meetings of the board of directors of the Company since 28 February 2014, and up to the date of this report, to identify any matters regarding material changes in assets or liabilities, e.g. the sale or purchase of a significant asset; and
- obtained a letter of representation from management confirming that there have been no material changes in the assets and liabilities of the Company and its subsidiaries since 28 February 2014.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. The procedures were performed solely to assist you in complying with Regulation 79(4)(b)(v) of the Act.

Responsibilities of the directors

The directors have the responsibility for the accuracy and completeness of the records, documents, explanations and other information provided to us for the purpose of performing the procedures described above, and for determining whether the nature and scope of our work specified in this factual findings report is sufficient for the purposes of evaluating the material changes in the assets and liabilities of the Company and its subsidiaries, in order to satisfy the requirement of Regulation 79(4)(v) of the Act.

Responsibilities of the auditor

An agreed-upon procedures engagement involves applying our expertise to perform procedures as agreed by us and the directors and reporting the factual findings from the procedures performed. We have complied with relevant ethical requirements, including the principles of integrity, objectivity, professional competence and due care.

Since an agreed-upon procedures engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information management has provided to us to complete the agreed-upon procedures engagement. Because the procedures do not constitute either an audit, review or other assurance engagement in accordance with International Standards on Auditing (ISAs) or International Standards on Review Engagements (ISREs) or International Standards on Assurance Engagements (ISAEs), we do not express any assurance in respect of material changes in the assets and liabilities of the Company and its subsidiaries since 28 February 2014. Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the Regulation 79 financial information in accordance with ISAs, ISREs or ISAEs, other matters might have come to our attention that would have been reported to you.

Findings

We report our findings as follows:

- we have agreed the consolidated and standalone profit before tax and the consolidated and standalone profit after tax in respect of the years ended 28 February 2014, 28 February 2013 and 29 February 2012, as set out in **Annexure 6** of the Prospectus, to the audited financial statements for those years. No differences were identified;
- we have agreed the consolidated and standalone asset and liability balances, as presented in the Regulation 79 financial information, to the audited financial statements for the year ended 28 February 2014. No differences were identified;
- we have read the minutes of meetings of the board of directors of the Company since 28 February 2014, and up to the date of this report, to identify any matters regarding material changes in assets or liabilities, e.g. the sale or purchase of a significant asset. No such material changes were identified, except for the matters already disclosed in **Annexure 6** of the Prospectus; and
- obtained a letter of representation from management confirming that there have been no material changes in the assets and liabilities of the Company and its subsidiaries since 28 February 2014.

Our findings relate only to the accounts and items specified above and do not extend to any financial statements of the Company, or of any of its subsidiaries, taken as a whole.

Restriction on use and distribution

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

NH Döman
Director
Chartered Accountant (SA)

Stellenbosch
6 August 2014

MATERIAL BORROWINGS AND LOANS RECEIVABLE

1. **LOANS PAYABLE AND BORROWINGS**

1.1 The following material loans and borrowings were made to Zeder and its Major Subsidiaries as at the Last Practicable Date:

Lender	Borrower	Value of loan/ funding R'm	Amount outstanding R'm	Interest rate/ funding rate	Security	Terms and conditions of repayment or renewal
FirstRand Bank Ltd (acting through its Rand Merchant Bank Division)	Zeder Financial Services Ltd	300	302	8.11% (nominal annual compounded monthly in arrears)	24 984 416 Kaap Agri shares 24 856 287 Agri Voedsel shares 226 000 000 Capespan shares	Redemption date of 20 September 2017
Total		**300**	**302**			

1.2 As at the Last Practicable Date, no debentures have been issued by Zeder or any of its Major Subsidiaries.

1.3 No debentures have been created in terms of a trust deed and no replacement debentures have been issued by Zeder.

2. **LOANS RECEIVABLE**

2.1 As at the Last Practicable Date, no material loans have been made by Zeder or by any of its Major Subsidiaries.

2.2 As at the Last Practicable Date, no material inter-company loans were made by Zeder or by any of its Major Subsidiaries.

2.3 The following loans were made or security furnished by Zeder and its Major Subsidiaries to or for the benefit of any director or manager or any associate of any director or manager of Zeder:

Lender/ Security Provider	Director/ manager of Zeder	Date on which loan/ security furnished	Value R'm	Amount outstanding R'm	Interest rate	Security	Terms and conditions of repayment or renewal
Zeder	AE Jacobs	01/07/2012	16.2	16.7	Prime less 2%	AE Jacobs share of ordinary shares in Zaad	Repayable by July 2017
Total			**16.2**	**16.7**			

2.4 The reason for the loan by Zeder to Mr AE Jacobs was to fund Mr Jacobs' acquisition of shares in Zaad.

DETAILS OF DISPOSALS

MATERIAL DISPOSALS

On 15 February 2013, Zeder, acting through its wholly owned subsidiary, Zeder Financial Services, disposed of a total of 133 300 000 ordinary listed shares which it held in Capevin Holdings Limited ("**the Capevin Shares**"). The Capevin Shares were placed by PSG Capital in a bookbuild exercise with Allan Gray and Coronation Fund Managers ("**the Purchasers**") in the following proportions, 39 150 000 of the Capevin Shares were placed with Allan Gray and 94 150 000 of the Capevin Shares were placed with Coronation Fund Managers. The disposal consideration was in the amount of R6.00 per Capevin Share, equating to a total disposal consideration of R799.8 million, and was paid in cash by the Purchasers.

FINANCIAL INFORMATION REQUIRED IN TERMS OF REGULATION 78 OF THE COMPANIES ACT IN RESPECT OF AVL

In terms of Regulation 78 of the Companies Act, **Annexure 10** includes the historical profits of AVL for the preceding three financial years ended 30 September 2013, 2012 and 2011 and its statement of financial position as at 30 September 2013. The historical profits and statement of financial position set out below relate to AVL's financial statements in which its interest in Pioneer Foods is equity accounted.

Extract from the income statement and statement of changes in equity of AVL

	Financial year ended		
	30 September 2013 R'000	30 September 2012 R'000	30 September 2011 R'000
Profit/(loss) before tax	**139 380**	(131 109)	300 241
Profit/(loss) after tax	**139 380**	(131 109)	300 241

Statement of financial position of AVL	**30 September 2013 R'000**
ASSETS	
Non-current assets	
Investment in associated company	**2 067 645**
Current assets	
Cash and cash equivalents	**6 203**
Total assets	**2 073 848**
EQUITY AND LIABILITIES	
Capital and reserves	
Ordinary share capital	**2 162**
Share premium	**395 075**
Other reserves	**1 035 365**
Retained profit	**637 069**
Total equity	**2 069 671**
Current liabilities	
Trade and other payables	**4 177**
Total liabilities	**4 177**
Total equity and liabilities	**2 073 848**

REPORT BY THE AUDITORS IN TERMS OF REGULATION 78 OF THE COMPANIES ACT IN RESPECT OF AVL

The Directors
Zeder Investments Limited
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

REPORT BY THE AUDITOR IN TERMS OF REGULATION 78 OF THE COMPANIES ACT

Dear Sirs

PricewaterhouseCoopers Inc. ("PwC" or "we") is the appointed auditor of Agri Voedsel Limited ("Company" or "AVL"). Regulation 78 of the Companies Act 71 of 2008 of South Africa (the "Act") requires a report by the auditor of the Company to be included in a prospectus, and for such report to address the matters set out in Regulation 78 to the Act. Consequently, we have been requested to provide this report on the following historical financial information of AVL to be included in the prospectus of the Zeder Investments Limited ("Zeder") to be issued on or about 15 August 2014 (the "**Prospectus**"):

- the consolidated profit/loss after tax of AVL in respect of the years ended 30 September 2013, 30 September 2012 and 30 September 2011, as set out in Annexure 10 of the Prospectus; and
- the consolidated assets and liabilities of AVL included in the Statement of Financial Position as at 30 September 2013, as set out in Annexure 10 of the Prospectus

The above is collectively referred to as the "Regulation 78 financial information".

The Regulation 78 financial information has been extracted from the audited financial statements of AVL for the years ended 30 September 2013, 30 September 2012 and 30 September 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. We expressed unqualified audit opinions on those financial statements in our reports dated 4 December 2013, 6 December 2012 and 6 December 2011, respectively, based on our audits which were conducted in accordance with the International Standards on Auditing.

The Regulation 78 financial information does not reflect the effects of events that may have occurred subsequent to the date of our audit report on AVL's financial statements for the year ended 30 September 2013. We have also not performed audit procedures in respect of events which occurred between 4 December 2013, the date of our audit report on the financial statements for the year ended 30 September 2013, and the date of issue of the Prospectus. Furthermore, the Regulation 78 financial information set out in Annexure 10 of the Prospectus is not a full set of financial statements in accordance with International Financial Reporting Standards and the requirements of the Act. Reading the Regulation 78 financial information is therefore no substitute for reading the audited financial statements of AVL for the years ended 30 September 2013, 30 September 2012 and 30 September 2011.

Restriction on use and distribution

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

DG Malan
Director
Chartered Accountant (SA)

Paarl
6 August 2014

HISTORICAL FINANCIAL INFORMATION OF ZEDER

Set out below are extracts from the audited financial statements of Zeder for the years ended 28 February 2014, 28 February 2013 and 28 February 2012. These financial statements are the responsibility of the Board and were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were approved by the Board on 10 April 2012, 8 April 2013 and 7 April 2014, respectively.

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Zeder for the financial years ended 29 February 2012, 28 February 2013 and 28 February 2014, have been extracted and compiled from the audited consolidated annual financial statements of Zeder, which are available on Zeder's website. Aforementioned consolidated annual financial statements were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were approved by the Zeder Directors on 10 April 2012, 8 April 2013 and 7 April 2014, respectively. The preparation of this **Annexure 12** is the responsibility of the Zeder Directors.

The historical financial information of Zeder has previously been audited by PwC and reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Zeder is an investor in the broad agribusiness industry. The activities of the Zeder group of companies are set out in detail in the review of operations section of Zeder's annual reports, being available 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.

OPERATING RESULTS

The operating results and state of affairs of the group are set out in the attached income statement and statements of financial position, comprehensive income, changes in equity and cash flows. For the year under review, the group's recurring headline earnings amounted to R292 million (2013: R251 million; 2012: R273 million), headline earnings amounted to R253 million (2013: R196 million; 2012: R300 million) and earnings attributable to owners of the parent amounted to R291 million (2013: R512 million; 2012: R335 million).

The results for the year ended 28 February 2014, for the first time include the consolidated eight-month results of Capespan, and the results for the year ended 28 February 2013 for the first time include the consolidated 11-month results of Zaad and Chayton.

COMMENTARY

Detailed commentary on the historical financial information of Zeder is provided in the selected consolidated financial information of Zeder, included in the Prospectus.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Zeder and its subsidiaries occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Zeder and the date of this Prospectus, in so far as not already dealt with in historical financial information outlined in this Annexure.

STATEMENTS OF FINANCIAL POSITION
at 28 February 2014

		GROUP			COMPANY		
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
ASSETS							
Non-current assets		**3 638 042**	2 838 505	2 850 743	**2 125 732**	2 117 521	2 117 521
Property, plant and equipment	1	**924 975**	381 818				
Intangible assets	2	**375 795**	158 906				
Biological assets	9	**117 979**					
Investment in subsidiary	3				**2 125 732**	2 117 521	2 117 521
Investment in ordinary shares of associates	4.1	**1 821 814**	2 126 535	2 567 104			
Loans and preference share investments in associates	4.2	**18 239**	54 470	66 101			
Investment in ordinary shares of joint ventures	5.1	**67**					
Loans granted to joint ventures	5.2	**1 553**					
Equity securities	6	**206 528**	100 515	217 538			
Loans and advances	7	**78 614**	16 261				
Deferred income tax assets	17	**59 388**					
Employee benefits	8	**33 090**					
Current assets		**2 989 184**	1 059 233	131 984	**–**	–	–
Biological assets	9	**83 447**	31 264				
Inventories	10	**739 763**	174 625				
Trade and other receivables	11	**1 127 223**	100 729	54 501			
Derivative financial assets	12	**1 299**					
Current income tax receivable		**22 684**		5			
Cash, money market investments and other cash equivalents	13	**1 014 768**	752 615	77 478			
Non-current assets held for sale	14	**177 570**	287 733				
Total assets		**6 804 796**	4 185 471	2 982 727	**2 125 732**	2 117 521	2 117 521
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated/share capital	15	**1 748 061**	9 781	9 781	**1 748 061**	9 781	9 781
Share premium			1 730 071	1 730 071		1 730 071	1 730 071
Other reserves	16	**76 121**	5 529	9 856			
Retained earnings		**1 782 747**	1 538 100	1 067 318	**309 620**	323 711	312 835
		3 606 929	3 283 481	2 817 026	**2 057 681**	2 063 563	2 052 687
Non-controlling interest		**535 958**	109 109				
Total equity		**4 142 887**	3 392 590	2 817 026	**2 057 681**	2 063 563	2 052 687

		GROUP			COMPANY		
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Non-current liabilities		**1 013 190**	544 912	132 636	**–**	–	–
Deferred income tax liabilities	17	**104 612**	53 895	2 636			
Borrowings	18	**738 533**	445 351	130 000			
Derivative financial liabilities	19	**45 666**	45 666				
Employee benefits	8	**124 379**					
Current liabilities		**1 648 719**	247 969	33 065	**68 051**	53 958	64 834
Borrowings	18	**459 699**	59 981	703	**68 051**	53 925	64 801
Trade and other payables	20	**1 081 299**	184 866	32 362		33	33
Derivative financial liabilities	19	**15 236**					
Current income tax payable		**19 299**	502				
Employee benefits	8	**73 186**	2 620				
Total equity and liabilities		**6 804 796**	4 185 471	2 982 727	**2 125 732**	2 117 521	2 117 521
Net asset value per share (cents)		**368.0**	335.7	288.0			
Tangible net asset value per share (cents)		**329.6**	319.5	288.0			

INCOME STATEMENTS
for the year ended 28 February 2014

		GROUP			COMPANY		
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Revenue	21	**6 010 700**	328 113				
Cost of sales	22	**(5 134 607)**	(234 437)				
Gross profit		**876 093**	93 676	–			
Income							
Change in fair value of biological assets	9	**90 510**	28 703				
Investment income	23	**64 354**	13 102	63 722	**25 000**	50 000	–
Net fair value gains	24	**143 953**	32 521	51 237			
Other operating income	25	**8 928**	5 480	577			
Total income		**307 745**	79 806	115 536	**25 000**	50 000	–
Expenses							
Management fees	26.1	**(118 044)**	(58 560)	(47 953)			
Marketing, administration and other expenses	26.2	**(741 254)**	(120 105)	(3 188)			
Total expenses		**(859 298)**	(178 665)	(51 141)	**–**	–	–
Equity accounted earnings	4, 5	**218 011**	300 249	285 756			
Loss on impairment of associates	4	**(21 421)**					
Loss on dilution of interest in associates	4		(155 276)	(7 856)			
(Loss)/gain on disposal of investment in associates		**(3 836)**	502 890	(125)			
Profit before finance costs and taxation		**517 294**	642 680	342 170	**25 000**	50 000	–
Finance costs	27	**(85 962)**	(37 199)	(7 185)			
Profit before taxation		**431 332**	605 481	334 985	**25 000**	50 000	–
Taxation	28	**(97 128)**	(95 918)	(373)			
Profit for the year		**334 204**	509 563	334 612	**25 000**	50 000	–
Profit attributable to:							
Owners of the parent		**291 318**	511 741	334 612	**25 000**	50 000	–
Non-controlling interest		**42 886**	(2 178)				
		334 204	509 563	334 612	**25 000**	50 000	–
Earnings per share (cents)	32						
Attributable – basic and diluted		**29.7**	52.3	34.2			

STATEMENTS OF OTHER COMPREHENSIVE INCOME
for the year ended 28 February 2014

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Profit for the year	**334 204**	509 563	334 612	**25 000**	50 000	–
Other comprehensive income/(loss) for the year, net of taxation	**118 138**	44 619	(244)	**–**	–	–
Items that will be reclassified to profit or loss						
Currency translation movements	**157 391**	13 351				
Reclassification of share of associates' other comprehensive income	**(55 887)**	(1 225)	(40 372)			
Share of other comprehensive income of associates	**31 200**	32 317	55 320			
Cash flow hedges	**(15 428)**					
Reclassification of gains on available-for-sale investments	**(678)**					
Fair value gains on available-for-sale investments	**391**	363				
Other equity movements of associates		(187)	(15 192)			
Item that will not be reclassified to profit or loss						
Actuarial gains on employee defined benefit plans	**1 149**					
Total comprehensive income for the year	**452 342**	554 182	334 368	**25 000**	50 000	–
Attributable to:						
Owners of the parent	**361 675**	552 594	334 368	**25 000**	50 000	–
Non-controlling interest	**90 667**	1 588				
	452 342	554 182	334 368	**25 000**	50 000	–

STATEMENTS OF CHANGES IN EQUITY
for the year ended 28 February 2014

GROUP	Stated/share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total R'000
Balance at 1 March 2011	9 781	1 730 071	10 100	771 830	–	2 521 782
Total comprehensive income	–	–	(244)	334 612	–	334 368
Profit for the year				334 612		334 612
Other comprehensive income			(244)			(244)
Transactions with owners	–	–	–	(39 124)	–	(39 124)
Capital contributions						–
Transactions with non-controlling interest						–
Dividend paid				(39 124)		(39 124)
Balance at 29 February 2012	9 781	1 730 071	9 856	1 067 318	–	2 817 026
Total comprehensive income	–	–	40 853	511 741	1 588	554 182
Profit for the year				511 741	(2 178)	509 563
Other comprehensive income			40 853		3 766	44 619
Transactions with owners	–	–	(45 180)	(40 959)	107 521	21 382
Capital contributions				13 025	91 180	104 205
Transactions with non-controlling interest			(45 180)	(14 860)	16 341	(43 699)
Dividend paid				(39 124)		(39 124)
Balance at 28 February 2013	9 781	1 730 071	5 529	1 538 100	109 109	3 392 590
Shares issued	**21**	**8 188**				**8 209**
Conversion to no par value shares	**1 738 259**	**(1 738 259)**				**–**
Total comprehensive income	**–**	**–**	**69 529**	**292 146**	**90 667**	**452 342**
Profit for the year				**291 318**	**42 886**	**334 204**
Other comprehensive income			**69 529**	**828**	**47 781**	**118 138**
Transactions with owners	**–**	**–**	**1 063**	**(47 499)**	**336 182**	**289 746**
Subsidiaries acquired					**302 808**	**302 808**
Share-based payment costs – employees			**1 339**		**337**	**1 676**
Transactions with non-controlling interest			**(276)**	**(8 375)**	**(18 612)**	**(27 263)**
Capital contributions*					**64 819**	**64 819**
Dividends paid				**(39 124)**	**(13 170)**	**(52 294)**
Balance at 28 February 2014	**1 748 061**	**–**	**76 121**	**1 782 747**	**535 958**	**4 142 887**

**Consists of capital contributions from Chayton and Zaad's non-controlling interests.*

STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 28 February 2014

COMPANY	Stated/share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
Balance at 1 March 2011	9 781	1 730 071	351 959	2 091 811
Profit for the year				–
Dividend paid			(39 124)	(39 124)
Balance at 29 February 2012	9 781	1 730 071	312 835	2 052 687
Profit for the year			50 000	50 000
Dividend paid			(39 124)	(39 124)
Balance at 28 February 2013	9 781	1 730 071	323 711	2 063 563
Shares issued	**21**	**8 188**		**8 209**
Conversion to no par value shares	**1 738 259**	**(1 738 259)**		**–**
Profit for the year			**25 000**	**25 000**
Dividend paid			**(39 124)**	**(39 124)**
Other			**33**	**33**
Balance at 28 February 2014	**1 748 061**	**–**	**309 620**	**2 057 681**

Final dividends per share

– 2011: 4 cents (declared on 11 April 2011 and paid on 9 May 2011)

– 2012: 4 cents (declared on 7 March 2012 and paid on 2 April 2012)

– 2013: 4 cents (declared on 8 April 2013 and paid on 6 May 2013)

– 2014: 4.5 cents (declared on 7 April 2014 and payable on 5 May 2014)

STATEMENTS OF CASH FLOWS
for the year ended 28 February 2014

	Notes	GROUP 2014 R'000	2013 R'000	2012 R'000
Cash flow from operating activities		**255 058**	44 770	21 348
Cash generated from operations	31.1	**300 642**	34 752	(103 917)
Interest received		**50 775**	7 258	4 198
Dividends received		**77 128**	123 281	128 586
Interest paid		**(89 001)**	(28 053)	(3 887)
Taxation paid	31.2	**(84 486)**	(92 468)	(3 632)
Cash flow from investment activities		**189 397**	386 334	(240 746)
Acquisition of associates	4	**(242 184)**	(124 319)	(264 476)
Acquisition of subsidiary companies	31.3	**(36 361)**	(397 615)	
Acquisition of equity securities	6	**(177 797)**	(24)	(73 536)
Additions to property, plant and equipment	1	**(160 646)**	(46 826)	
Additions to intangible assets	2	**(16 164)**		
Proceeds from disposal of associates		**91 707**	795 467	44 469
Proceeds from disposal of equity securities		**124 567**	138 627	52 797
Proceeds from disposal of non-current assets held for sale		**504 524**		
Proceeds from redemption of preference share investment			66 101	
Proceeds from disposal of property, plant and equipment		**53 863**	9 393	
Net redemption/(advance) to associates and joint ventures		**41 505**	(54 470)	
Proceeds from settlement of loans and advances		**6 383**		
Cash flow from financing activities		**(228 389)**	242 689	90 876
Capital contributions by non-controlling interest		**64 819**	91 180	
Transaction with non-controlling interest		**(23 241)**		
Dividends paid to group shareholders		**(39 124)**	(39 124)	(39 124)
Dividends paid to non-controlling interest		**(13 170)**		
Borrowings repaid		**(252 058)**		
Increase in borrowings		**34 385**	190 633	130 000
Net increase/(decrease) in cash and cash equivalents		**216 066**	673 793	(128 522)
Cash and cash equivalents at beginning of year		**752 615**	77 478	206 000
Exchange gains on cash and cash equivalents		**46 087**	1 344	
Cash and cash equivalents at end of year	13	**1 014 768**	752 615	77 478

ACCOUNTING POLICIES
for the year ended 28 February 2014

The principal accounting policies applied in the preparation of these consolidated and standalone financial statements are set out below. These policies have been consistently applied to all the years presented.

1. BASIS OF PREPARATION

The consolidated and standalone financial statements of Zeder Investments Ltd have been prepared in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa 71 and the Listings Requirements of the JSE Ltd. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets classified as "available-for-sale", financial assets and liabilities (including derivative financial instruments) classified as "at fair value through profit or loss", employee defined benefit assets and liabilities, and biological assets, as well as investments in associates and joint ventures being accounted for according to the equity method of accounting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in accounting policy note 27 below.

2. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AND AMENDMENTS THAT ARE EFFECTIVE FOR THE FIRST TIME IN 2014

2.1 New standards, interpretations and amendments adopted by the group during the year

- Amendments to IAS 1 Presentation of Financial Statements: Items of Other Comprehensive Income (effective 1 July 2012)

  The amendments require the separation of items of other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The required disclosure is provided in the group's statement of other comprehensive income.

- Amendments to IAS 19 Employee Benefits (effective 1 January 2013)

  The amendments became relevant to the group following its acquisition of a controlling interest in Capespan Group Ltd (refer note 31.3), which operates defined benefit plans. Capespan Group Ltd previously elected to follow a policy of recognising remeasurements to employee defined benefit assets and liabilities directly in other comprehensive income, which has now become mandatory.

- Amendments to IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates (effective 1 January 2013)

  Consequential amendments resulting from the issue of IFRS 10, 11 and 12.

- IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)

  The group has adopted aforementioned suite of new standards which deal with the accounting treatment for the group's interests in its investees. The group has reviewed its accounting policies and concluded that the adoption of same did not result in any material changes to the group's accounting for its investees.

- IFRS 13 Fair Value Measurement (effective 1 January 2013)

  The group has adopted the new standard on how to measure fair value and enhance fair value disclosures. The adoption did not result in any material impact on the financial statements.

2.2 New standards, interpretations and amendments not currently relevant to the group's operations

The following new standards, interpretations and amendments, which are not currently relevant to the group's operations, had no impact on the measurement of amounts or disclosures in the current or prior year:

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)
- Improvements to IFRSs 2011

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AND AMENDMENTS THAT ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 March 2014 or later periods, but which the group has not early adopted are as follows:

- Amendment to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014) *
- Amendment to IAS 36 (effective 1 January 2014) +

  The amendment introduces additional disclosures regarding fair value measurements when there has been impairment or a reversal of impairment.
- IFRS 9 Financial Instruments (to be determined) ^

  New standard that is the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard replaces the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value.
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (effective 1 January 2014) *
- IFRIC 21 Levies (effective 1 January 2014) *

^ *Management is in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the group and company.*

* *Management has assessed the impact of these standards, interpretations and amendments on the reported results of the group and company and do not foresee any impact.*

\+ *Management has assessed the impact of these amendments on the reported results of the group and company and foresee only minor disclosure changes.*

4. CONSOLIDATION

4.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

4.2 **Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.3 **Disposal of subsidiaries**

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

4.4 **Associates**

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as an impairment in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising from investments in associates are recognised in profit or loss.

4.5 Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 March 2012. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

5. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

6. FOREIGN CURRENCY TRANSLATION

6.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which those entities operate ("functional currency"). The consolidated and standalone financial statements are presented in South African rand, being the company's functional and presentation currency.

6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the income statement within "fair value gains and losses on financial instruments".

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity securities classified as at fair value through profit or loss, are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity securities classified as available-for-sale, are included in other comprehensive income.

6.3 **Group companies**

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Group entities with functional currencies other than the presentation currency, mainly have the following functional currencies:

	2014		2013		2012	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit	Average rand per foreign currency unit	Closing rand per foreign currency unit
United States dollar	9.6431	10.4958	8.3681	8.4725		
Euro	12.7788	14.3150				
British pound	15.0547	17.1091				
Japanese yen	0.0991	0.0989				
Hong Kong dollar	1.2444	1.3397				
Chinese yuan renminbi	1.5644	1.7153				
Mozambique new metical	0.3236	0.3426				
Zambian kwacha	1.7877	1.8949				

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item of property, plant and equipment.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which it is incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Land and buildings	25 – 75 years
Motor vehicles	4 – 5 years
Plant	5 – 15 years
Office equipment (includes computer equipment)	3 – 10 years

Land is not depreciated, except for land held under leasehold rights, which is depreciated over the relevant leasehold term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Gains and losses on disposals of property, plant and equipment are determined by comparing the asset's proceeds with its carrying value and are included in profit or loss.

8. INTANGIBLE ASSETS

8.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on the acquisition of a subsidiary is reported in the statement of financial position as an intangible asset. Goodwill on the acquisition of a joint venture or associate is included in the respective investment's carrying amount. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of cash-generating units are not larger than operating segments.

An excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary, joint venture or associate at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisition is recognised as a gain on bargain purchase in profit or loss.

8.2 Trademarks

Acquired patents, trademarks and licences are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

8.3 Customer lists

Acquired customer lists are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

8.4 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when all of the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

8.5 Capitalised product development costs

Research costs undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred. Development costs are expensed when incurred, unless they result in projects that are technically and commercially feasible and the group has sufficient resources to complete development, in which event these development costs are capitalised and amortised over the estimated useful life of the project. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

8.6 Amortisation of intangible assets

Amortisation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Capitalised product development costs	3 – 10 years
Customer lists	4 – 5 years
Trademarks	25 – 75 years
Computer software	5 – 15 years

9. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

10. FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include financial assets, consisting of equity securities, debt securities, loans and advances, trade and other receivables, cash, money market investments and other cash equivalents, as well as financial liabilities, consisting of borrowings, derivative financial liabilities and trade and other payables.

There are group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward currency exchange contracts and hedge accounting is applied in some instances. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those arising from fair value hedges are recognised in profit or loss in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in profit or loss in the period in which they arise.

11. OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

12. **FINANCIAL ASSETS**

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

12.1 **Classification**

(a) Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Financial assets designated at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the group's key management personnel. Derivatives are categorised as held for trading.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the group's management has the positive intention and ability to hold to maturity.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

12.2 **Recognition and measurement of financial assets**

Purchases and sales of financial assets are recognised on trade date – the date on which the group commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified in the at fair value through profit or loss category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment activities.

Interest on available-for-sale securities calculated using the effective-interest method is recognised in the income statement as part of investment income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of investment income when the group's right to receive payment is established.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

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.

Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with income recognised on such basis.

Loans and receivables are carried at amortised cost using the effective interest method. Specific provisions are made against identified doubtful receivables.

Loans advanced to associated companies, joint ventures and subsidiaries, which are interest free with no repayment terms, are carried at amortised cost using the effective interest method.

12.3 **Impairment of financial assets**

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and receivables may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in and reversed through the income statement.

Held-to-maturity investments are considered impaired when there is objective evidence that the group will not be able to collect all amounts due according to the original contract terms. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the investment is impaired. The amount of the impairment provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The movement in the amount of the provision is recognised in the income statement.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value through profit or loss. Fair values of over-the-counter traded derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only observable market data.

14. BIOLOGICAL ASSETS

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 9 for further details regarding the valuation of biological assets.

15. **INVENTORY**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

16. **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at fair value and subsequently recognised at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The movement in the amount of the provision is recognised in profit or loss.

17. **CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held at call with banks and other short-term highly liquid investments with maturities of three months or less. Investments in money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the statement of financial position.

18. **STATED AND SHARE CAPITAL**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

19. **FINANCIAL LIABILITIES**

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include borrowings, derivative financial liabilities, investment contracts, third party liabilities arising on consolidation of mutual funds, accrual for other liabilities and charges, and trade and other payables. The group issues investments contracts without fixed terms (unit-linked) and with fixed and guaranteed terms (fixed interest rate).

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

19.1 **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

19.2 **Trade and other payables**

Trade and other payables are recognised initially at fair value, net of transaction costs incurred. Trade and other payables are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period using the effective interest method.

20. **TAXATION**

20.1 **Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

20.2 Secondary tax on companies and dividend withholding tax

Secondary tax on companies was abolished with effect from 1 April 2012 and replaced by a dividends tax, which is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

21. EMPLOYEE BENEFITS

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

21.1 Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

21.2 Other post-retirement benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

21.3 Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

21.4 Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to reporting date.

21.5 Profit sharing and bonus plans

The group recognises a liability and an expense for bonus plans and profit sharing, where contractually obliged, or where there is a past practice that has created a constructive obligation.

22. PROVISIONS AND CONTINGENT LIABILITIES

22.1 Provisions

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

22.2 Contingent liabilities

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the statement of financial position but disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the statement of financial position but are disclosed in the notes to the financial statements if the inflow of financial benefits is probable.

23. LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

24. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods sold or services rendered in the ordinary course of the group's activities. The group's activities comprise the sale of fruit, agricultural seed, produce, management fees, port charges, shipping and related services.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

If circumstances arise that may change the original estimates of revenues, costs or the extent of progress toward completion of services, then estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that gave rise to the revision became known by management.

24.1 Sale of goods

Sale of goods are recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

24.2 Services rendered

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements. Revenue from the operation of vessels is recognised on a proportionate basis where voyages have not terminated at year-end.

24.3 Interest income

Interest income is recognised using the effective-interest rate method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income is included as part of investment income in the income statement.

24.4 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income is included as part of investment income in the income statement.

25. DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's board of directors.

26. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

27. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are addressed below.

27.1 Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates (see note 2 for further detail and disclosure of estimates used).

27.2 Fair value of derivatives and other unlisted financial instruments

The fair value of financial instruments that are trading on recognised over-the-counter ("OTC") platforms is based on the closing price and classified as quoted instruments. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques as disclosed in the policy relating to financial assets. Also refer to the accounting policy regarding derivative financial instruments for further detail regarding valuation techniques.

27.3 Impairment of investment in associates

An impairment of investment in associates is considered when the fair value is below its carrying value. In determination of whether the decline is significant or prolonged, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance, changes in operational and financing cash flow.

An impairment loss is recognised for the amount by which the investment in associated company's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

27.4 Acquisition of associates

Details regarding significant new investments in associates are disclosed in note 4. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

27.5 Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. Intangible assets acquired through business combinations were valued using a discount rates ranging between 17% and 20%.

Trademarks and customers lists acquired through business combinations or acquisitions are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value in use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of the trademarks and customer lists are amortised over their estimated useful lives. The remaining useful lives of intangible assets are re-assessed annually. If the estimate of the remaining useful lives changes, the remaining carrying values are amortised prospectively over that revised remaining useful life.

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between two and five years were assumed and average cancellation rates ranging between 15% and 85% were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2 million (2013: approximately R1 million) (2012: approximately R0.8 million) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

Refer to the intangible asset accounting policy and note 2 for further detail.

27.6 Recognition of property, plant and equipment

The cost of property, plant and equipment is depreciated over their estimated useful lives to their estimated residual values. The remaining useful lives and residual values of property, plant and equipment are re-assessed annually. If the estimates of the remaining useful lives or residual values change, the remaining carrying values are depreciated prospectively, taking into account the revised estimates. Refer to the property, plant and equipment accounting policy and note 1 for further detail.

27.7 Recognition of biological assets

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 9 for further details).

27.8 Money market funds

Cash and cash equivalents disclosed on the statement of financial position includes investments in money market funds, being short-term highly liquid investments with maturities of three months or less. Money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The classification of money market funds as cash equivalents is only judgemental for purposes of disclosure and judgement applied could not have any impact of disclosed amounts of assets or liabilities.

27.9 Recoverability of trade and other receivables

Each entity in the group makes assumptions on the recoverability of its financial assets. These instruments mainly cover trade and other receivables and production loans. Where the recoverability of these instruments is considered to be doubtful management applies judgement in the calculation of the amount to be impaired. Capespan establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

27.10 Deferred tax

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. The recognised and unrecognised assessed tax losses are disclosed in note 28.

27.11 Contingent consideration

The deferred purchase consideration recognised (refer note 24) relates to an earn-out clause payable in 2014. Calculations are based on the estimated average net profit before tax for three years using average forecast exchange rates and discounted.

1. **PROPERTY, PLANT AND EQUIPMENT**

GROUP	Land R'000	Buildings R'000	Vehicles and plant R'000	Office equipment R'000	Total R'000
At 28 February 2014					
Cost	**297 238**	**321 544**	**361 735**	**25 056**	**1 005 573**
Accumulated depreciation	**(7 968)**	**(9 149)**	**(56 990)**	**(6 491)**	**(80 598)**
	289 270	**312 395**	**304 745**	**18 565**	**924 980**
Reconciliation					
Balance at beginning of year	**194 094**	**62 112**	**124 329**	**1 283**	**381 818**
Subsidiaries acquired	**48 414**	**239 523**	**126 723**	**18 112**	**432 772**
Exchange rate movements	**32 852**	**14 733**	**26 152**	**(988)**	**72 749**
Additions	**25 006**	**32 881**	**96 087**	**6 672**	**160 646**
Disposals	**(5 470)**	**(29 117)**	**(22 766)**	**(348)**	**(57 701)**
Depreciation	**(5 626)**	**(7 737)**	**(45 780)**	**(6 166)**	**(65 309)**
Balance at end of year	**289 270**	**312 395**	**304 745**	**18 565**	**924 975**
At 28 February 2013					
Cost	196 436	63 524	135 539	1 608	397 107
Accumulated depreciation	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Balance at end of year	194 094	62 112	124 329	1 283	381 818
Reconciliation					
Balance at beginning of year					–
Subsidiaries acquired	193 888	47 292	103 261	628	345 069
Exchange rate movements	6 703	1 755	4 328	31	12 817
Additions	2 727	14 569	28 576	954	46 826
Disposals	(6 882)	(92)	(626)	(5)	(7 605)
Depreciation	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Balance at end of year	194 094	62 112	124 329	1 283	381 818

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 18 for details regarding property, plant and equipment that serve as security for borrowings.

2. INTANGIBLE ASSETS

GROUP	Capitalised product development costs R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 28 February 2014					
Cost	**78 629**	**33 261**	**57 750**	**232 937**	**402 577**
Accumulated amortisation	**(4 158)**	**(10 932)**	**(11 692)**		**(26 782)**
Balance at end of year	**74 471**	**22 329**	**46 058**	**232 937**	**375 795**
Reconciliation					
Balance at beginning of year		**4 819**	**11 008**	**143 079**	**158 906**
Subsidiaries acquired	**61 259**	**24 361**	**43 316**	**69 065**	**198 001**
Exchange rate movement	**4 092**		**(652)**	**20 793**	**24 233**
Additions	**14 433**		**1 731**		**16 164**
Impairment	**(1 155)**				**(1 155)**
Amortisation	**(4 158)**	**(6 851)**	**(9 345)**		**(20 354)**
Balance at end of year	**74 471**	**22 329**	**46 058**	**232 937**	**375 795**
At 28 February 2013					
Cost		8 900	13 355	143 079	165 334
Accumulated amortisation		(4 081)	(2 347)		(6 428)
Balance at end of year	–	4 819	11 008	143 079	158 906
Reconciliation					
Balance at beginning of year					–
Subsidiaries acquired		8 900	13 355	138 991	161 246
Exchange rate movement				4 088	4 088
Amortisation		(4 081)	(2 347)		(6 428)
Balance at end of year	–	4 819	11 008	143 079	158 906

Intangible assets other than goodwill

Included in intangible assets other than goodwill are the following significant individual intangible assets and their remaining amortisation periods:

GROUP	Remaining amortisation period 2014	2013	2012	Carrying value 2014 R'000	2013 R'000	2012 R'000
Zaad						
– Capitalised product development costs	**< 9 years**			**74 471**		
Capespan						
– Metspan Hong Kong customer lists	**17 years**			**14 209**		
– Capespan software and development costs	**7 years**			**9 631**		
				98 311	–	–

Goodwill allocation

Goodwill is allocated to cash-generating units ("CGUs"), being each operating subsidiary. A summary of the goodwill allocation is as follows:

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Zaad (previously Agricol Holdings)	**51 722**	51 722	
Klein Karoo Seed Marketing	**69 065**		
Chayton			
– Chobe Agrivision	**38 253**	29 378	
– Somawhe	**73 897**	61 979	
	232 937	143 079	–

Goodwill is tested for impairment annually by comparing the carrying value to the recoverable amount of the CGUs, being the higher of value-in-use and fair value less to sell. Therefore, should fair value less cost to sell exceed the carrying value, goodwill is considered adequately supported.

Zaad

The fair value less cost to sell of Zaad is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2013: 10). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. During the current and prior year, had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Klein Karoo Seed Marketing

The fair value less cost to sell of Klein Karoo Seed Marketing is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12. The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Chayton

The fair value less cost to sell of Chayton, which consists of two CGUs, namely Chobe Agrivision and Somawhe, is determined on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other supporting tangible assets (level 3 unobservable inputs). This was based mainly on an average value of US$11 840 (R127 746 at the reporting date) (2013: US$10 000 – R84 700 at the prior reporting date) per irrigated hectare. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value (2013: impairment of R13.7 million).

Furthermore, a discounted cash flow calculation was also performed, which supported the aforementioned conclusion. The following main assumptions were applied in the discounted cash flow calculation:

- Weighted average cost of capital 17.7%
- Annual input and commodity price increase 5.0%

At the reporting date, the directors were satisfied that the carrying value of goodwill is adequately supported.

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
3. **INVESTMENT IN SUBSIDIARY**						
Unlisted shares at cost less provision for impairment				**2 125 732**	2 117 521	2 117 521

The company holds 100% of the issued share capital of Zeder Financial Services Ltd.

		GROUP	
	2014	2013	2012
	R'000	R'000	R'000

4. INVESTMENT IN ASSOCIATES

	2014 R'000	2013 R'000	2012 R'000
4.1 Investment in ordinary shares of associates			
– Unlisted but quoted	**1 821 814**	2 126 535	2 567 104
4.2 Loans and preference share investments in associates[1]	**18 239**	54 470	66 101
– Thembeka OVB Holdings (Pty) Ltd			66 101
– Klein Karoo Seed Marketing[2]		50 470	
– Klein Karoo Akademie[3]	**3 472**		
– Klein Karoo Seed Zimbabwe[3]	**14 767**		
– Other[4]		4 000	

Notes:

1. Loans and preference share investments in associates approximate fair value.
2. The loan was unsecured, carried interest at a rate of prime less 1% and has been repaid.
3. These loans are unsecured, interest free with no repayment terms.
4. The loan was capitalised during the year.

Reconciliation of ordinary share investments:

		GROUP	
	2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**2 126 535**	2 567 104	2 081 949
Subsidiaries acquired	**181 047**		
Acquisitions			
– Cash	**242 184**	124 319	264 476
– Share issue[1]	**8 209**		
– Other	**6 881**		
Equity accounting			
– Share of profits of associates[2]	**164 518**	299 024	245 384
– Loss on dilution of interest in associate		(155 276)	(7 856)
– Dividends received	**(63 549)**	(117 437)	(73 503)
– Other comprehensive income	**31 200**	32 130	40 128
Transfer from equity securities at fair value			61 120
Impairment of associates[3]	**(21 421)**		
Fair value gain on step-up acquisition	**17 205**	22 023	
Transfer to non-current asset held for sale	**(311 195)**	(159 580)	
Transfer to subsidiaries	**(503 999)**	(50 409)	
Disposals	**(95 543)**	(435 363)	(44 594)
Exchange rate movement	**39 742**		
Balance at end of year	**1 821 814**	2 126 535	2 567 104
Market value of unlisted investments (based on published over-the-counter prices)	**2 513 516**	2 475 500	2 863 199

Notes:

1. During the year, Zeder made a voluntary, partial offer to Kaap Agri and Agri Voedsel shareholders.
2. Equity accounted earnings as per the income statement of R218 million (2013: R300.2 million) (2012: R285.8 million), includes the reversal of other comprehensive income of associates of R55.9 million (2013: R1.2 million) (2012: R40.4 million) as per the statement of comprehensive income, as well as the equity accounted loss from investments in joint ventures of R2.4 million (refer note 5).
3. The impairment of associates consists of a R14 million impairment relating to Suidwes and a R7.4 million impairment relating to Bluegreen Oceans. The investment in Suidwes was written down to its recoverable amount (based on unobservable market data) prior to being reclassified as a non-current asset held for sale.

2014 acquisitions and disposals

Significant acquisitions during the year included investments in existing associates of R817 million, *inter alia,* Agri Voedsel, Kaap Agri, Capespan and Klein Karoo Seed Marketing. The additional shares acquired in Capespan and Klein Karoo Seed Marketing resulted in the group obtaining control of same (refer note 31.3). Furthermore, through Capespan, the group acquired a 36% interest in Gestão de Terminais SA, a company incorporated in Mozambique. The group disposed of its entire shareholding in NWK, Suidwes, and Thembeka OVB.

2013 acquisitions and disposals

Cash acquisitions during the prior year included increasing the group's already existing interest in associates; Kaap Agri, Capevin Holdings, Agri Voedsel and Capespan. During the prior year, the group acquired a 49% interest in Klein Karoo Seed Marketing. At the reporting date the group had a standing public offer for the purchase of Kaap Agri shares. The group disposed of 15% of its shareholding in Capevin Holdings, with the remaining 5% being reclassified as held for sale (refer note 14). Furthermore, the group obtained control over Zaad (refer note 31.3).

2012 acquisitions and disposals

Cash acquisitions during the year mainly relates to increasing the group's already existing interest (fair value of R61.1 million) in NWK Ltd by investing a further R117.6 million. This caused the group to obtain significant influence over NWK Ltd. Furthermore, the group also invested an additional R114.1 million in Capespan Group Ltd. The group disposed of its interest, with a carrying value of R44.6 million, in MGK Business Investments Ltd. This gave rise to a loss of R0.1 million.

Further information

Refer Annexure B for further details regarding investments in associates.

5. INVESTMENTS IN JOINT VENTURES

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
5.1. **Ordinary share investments**	**67**		
5.2. **Loans granted to joint ventures**	**1 553**		
Reconciliation of ordinary share investment:			
Balance at beginning of year			
Additions	**2 461**		
Equity accounted earnings	**(2 394)**		
	67	–	–

6. EQUITY SECURITIES

Available-for-sale	**3 756**	3 031	–
– Listed		773	
– Unlisted but quoted	**1 007**	2 258	
– Unquoted	**2 749**		
At fair value through profit or loss	**202 772**	97 484	217 538
– Listed	**163 792**		43 378
– Unlisted but quoted		3	3
– Unquoted	**38 980**	97 481	174 157
	206 528	100 515	217 538

The unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances (refer note 35 for fair value disclosure).

GROUP	Available-for-sale R'000	Fair value through profit or loss R'000	Total R'000
Reconciliation			
Balance at 1 March 2011		206 682	206 682
Transfer to investment in associated companies at fair value		(61 120)	(61 120)
Additions		73 536	73 536
Disposals		(42 993)	(42 993)
Net fair value gains		41 433	41 433
Balance at 29 February 2012		217 538	217 538
Subsidiaries acquired	2 393		2 393
Additions	24		24
Disposals		(142 314)	(142 314)
Net fair value gains	614	22 260	22 874
Balance at 28 February 2013	3 031	97 484	100 515
Subsidiaries acquired	**6 190**		**6 190**
Additions*		**177 797**	**177 797**
Disposals	**(5 929)**	**(60 157)**	**(66 086)**
Net fair value gain/(loss)	**464**	**(12 352)**	**(11 888)**
Balance at 28 February 2014	**3 756**	**202 772**	**206 528**

**Additions relate mainly to the acquisition of Pioneer Foods ordinary shares.*

7. LOANS AND ADVANCES

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Secured loans	**72 454**	16 261	
Unsecured loans	**6 160**		
	78 614	16 261	–

Secured loans include a production loan of R45 million from Capespan to Kaspernek Orchards (supplier of Capespan) and a loan to a non-controlling shareholder of Zaad amounting to R16 million. The loan to Kaspernek carries interest at prime +1%, has fixed repayment terms, and the Kaspernek farm and fruit serves as security. The loan to AE Jacobs, non-controlling shareholder of Zaad and non-executive director of Zeder, carries interest at prime less 2%, is repayable by July 2017 and his shareholding in Zaad serves as security. The loan was advanced to AE Jacobs on 1 July 2012 in order to fund the acquisition of his shareholding in Zaad.

8. EMPLOYEE BENEFITS

Assets and liabilities relating to the group's employee benefits can be summarised as follows:

GROUP	2014 Assets R'000	2014 Liabilities R'000	2014 Net R'000	2013 Assets R'000	2013 Liabilities* R'000	2013 Net* R'000	2012 Assets R'000	2012 Liabilities R'000	2012 Net R'000
Short-term employee benefits									
Performance-based remuneration		**(40 800)**	**(40 800)**		(1 110)	(1 110)			–
Leave pay		**(17 612)**	**(17 612)**		(994)	(994)			–
Other		**(500)**	**(500)**				–		–
Long-term incentive scheme		**(27 607)**	**(27 607)**				–		–
Post-employment defined benefit plans	**33 090**	**(111 046)**	**(77 956)**		(516)	(516)			–
	33 090	**(197 565)**	**(164 475)**	–	(2 620)	(2 620)	–	–	–
Non-current portion	**33 090**	**(124 379)**	**(91 289)**			–			–
Current portion		**(73 186)**	**(73 186)**		(2 620)	(2 620)			–

**The prior year employee benefits were included in trade and other payables at the previous reporting date.*

Long-term incentive scheme

The executive management of Capespan is part of a long-term incentive scheme based on the increase in Capespan's headline earnings per share, measured over a three-year rolling period. Amounts provided for in terms of this scheme is recognised through profit or loss.

Post-retirement medical aid benefits – Capespan Group Ltd

The group, through Capespan, provides for post-employment medical aid benefits in respect of certain retired employees. This liability is for a relatively small group of staff and their dependants who were already retired from International Harbour Services (Pty) Ltd, Outspan International Ltd and Unifruco Ltd prior to the merger between Unifruco and Outspan in 1999. To qualify for the scheme they had to be permanently employed, be a member of the company designated scheme at retirement and remain resident in South Africa until their retirement. The obligation was quantified by an independent actuary.

Retirement funds – Capespan Europe

The group, through Capespan, operates a number of externally funded defined benefit and defined contribution pension schemes across Europe and Japan. The schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the group.

The accompanying disclosures relate to all of the group's significant defined benefit retirement schemes in the United Kingdom and Continental Europe: The South African Co-operative Citrus Exchange Ltd pension and life assurance schemes ("SACCE"), and the Capespan Continent NV and Fresh Fruit Services CV plan ("CCNV"). In addition, the group has a pension scheme in Germany called the Capespan Germany GmbH pension scheme.

Actuarial valuations were carried out for the schemes. All calculations were carried out by independent actuaries using the projected unit credit method.

GROUP

The respective employee defined benefit plan deficits can be analysed as follows:

	2014 Capespan Group Ltd		
	Assets R'000	**Liabilities R'000**	**Net R'000**
Present value of funded obligations		**(21 260)**	**(21 260)**
Subsidiaries acquired		**(22 243)**	**(22 243)**
Interest expense		**(1 481)**	**(1 481)**
Actuarial gains		**515**	**515**
Employer contributions		**1 949**	**1 949**
Balance at end of year	**–**	**(21 260)**	**(21 260)**

	2014 Capespan Europe Assets R'000	Liabilities R'000	Net R'000
Fair value of plan assets	**33 090**		**33 090**
Present value of funded obligations		**(89 786)**	**(89 786)**
	33 090	**(89 786)**	**(56 696)**
Subsidiaries acquired	**25 184**	**(72 139)**	**(46 955)**
Interest expense		**(14 848)**	**(14 848)**
Return on plan assets	**12 003**		**12 003**
Actuarial gains		**634**	**634**
Employee contributions	**(4 097)**	**4 097**	**–**
Employer contributions		**3 021**	**3 021**
Exchange differences		**(10 854)**	**(10 854)**
Settlements		**303**	**303**
Balance at end of year	**33 090**	**(89 786)**	**(56 696)**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Capespan Group Ltd	Capespan Europe SACCE	CCNV	Germany
Discount rate	0.8%	4.4%	3.3%	3.4%
Future salary increases	1.0%		3.0%	3.5%
Inflation		2.8%	2.0%	2.2%

Sensitivity analyses for each significant actuarial assumption (i.e. what impact would a change in the actuarial assumption have on the net defined benefit obligation):

	Capespan Group Ltd			Capespan Europe		
GROUP	**Change in assumption**	**Increase**	**Decrease**	**Change in assumption**	**Increase**	**Decrease**
Discount rate	**0.5%**	**765**	**(817)**	**0.1%**	**5 150**	**(5 275)**
Inflation	**1.0%**	**(1 779)**	**1 587**	**0.1%**	**(1 329)**	**3 502**
Medical cost trends	**1.0%**	**(1 325)**	**3 502**			
Mortality	**1 year**	**(1 105)**	**1 064**	**1 year**	**(14 645)**	**14 105**

9. BIOLOGICAL ASSETS

	GROUP 2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**31 264**	–	–
Subsidiaries acquired	**144 106**	69 074	
Exchange rate movement	**5 622**	2 528	
Additions	**128 860**	30 879	
Harvests	**(164 615)**	(99 920)	
Disposals	**(34 321)**		
Change in fair value due to biological transformation	**90 510**	28 703	
Balance at end of year[4]	**201 426**	31 264	–
Non-current	**117 979**	–	–
Orchards[1]	**49 422**		
Vineyards[1]	**68 557**		
Current	**83 447**	31 264	–
Maize[2]	**6 396**		
Soya[2]	**33 567**	31 264	
Orchards[3]	**12 885**		
Vineyards[3]	**14 262**		
Sugar cane[3]	**16 337**		

Notes:

1. The fair value of the non-current biological assets were determined using the discounted cash flow model. The following table shows the significant unobservable inputs applied in the model:

Non-current biological assets	Grapes	Citrus	Pome Apples	Pears
Useful life (years)	20	25 – 30	30	30
Discount rate (%)	16.7	14.3 – 15.5	15.0	15.0

   The model also takes into account a 2% inflationary increase for income and costs, income tax at 28%, and the model does not assume any replanting to take place, as only the existing assets are present valued and not any future replanting.

2. These current biological assets are valued at cost, since an insignificant level of biological transformation has taken place since planting.
3. These current biological assets, which comprise the grapes on the vineyards and orchards have been valued using the following assumptions:
   - expected sales realisation of all grapes and pome at free on board value for export fruit and net value for local sales;
   - budgeted costs to harvest and sell per the approved budget for the year 2014;
   - packing and cooling costs as per the approved budget; and
   - overheads directly attributable to the operation for the year.
4. The fair value of biological assets have been calculated using unobservable inputs (level 3).

10. INVENTORIES

	GROUP 2014 R'000	2013 R'000	2012 R'000
Raw materials	**52 270**	15 666	
Work in progress	**3 996**		
Finished goods	**683 497**	158 959	
	739 763	174 625	–

During the year, Zaad wrote off inventory to the value of R11 million, and there were no significant movements in the group's provision for impairment of inventory.

11. TRADE AND OTHER RECEIVABLES

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Trade receivables (gross of impairment)	**898 574**	83 703	
Trade receivables (impairment)	**(18 724)**	(345)	
Value added tax	**41 672**	3 421	3 670
Prepayments and sundry receivables*	**205 701**	13 950	50 831
	1 127 223	100 729	54 501

**Includes non-financial assets of R5.4 million (2013: Rnil) (2012: Rnil).*

12. DERIVATIVE FINANCIAL ASSETS

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Forward currency exchange contracts (refer note 35)	**1 299**		

13. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Bank balances	**632 261**	390 417	11 553
Money market fund	**382 507**	362 198	65 925
	1 014 768	752 615	77 478

The money market fund earned interest at money market rates during the period under review. Money market funds are invested in highly liquid instruments with a weighted average maturity of less than 90 days.

14. NON-CURRENT ASSETS HELD FOR SALE

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
– Carrying value at beginning of year	**287 733**		
– Subsidiaries acquired	**10 113**		
– Transfer from investment in associates	**311 195**	295 063	
– Net fair value gain	**59 049**	(7 330)	
– Disposals	**(490 520)**		
	177 570	287 733	–

At the reporting date, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings shares, which are expected to be realised through sale in the coming months.

15. STATED/SHARE CAPITAL

	GROUP			COMPANY		
	2014 **R'000**	2013 R'000	2012 R'000	**2014** **R'000**	2013 R'000	2012 R'000
Ordinary shares						
Authorised						
2 000 000 000 ordinary shares with no par value (2013: 1 500 000 000 ordinary shares with a par value of 1 cent each) (2012: 1 500 000 000 ordinary shares with a par value of 1 cent each)		15 000	15 000		15 000	15 000
Issued						
980 188 331 ordinary shares with no par value (2013: 978 088 517 ordinary shares with a par value of 1 cent each) (2012: 978 088 517 ordinary shares with a par value of 1 cent each)	**1 748 061**	9 781	9 781	**1 748 061**	9 781	9 781
Cumulative, non-redeemable, non-participating preference shares						
Authorised						
250 000 000 shares with no par value (2013: 250 000 000 shares with a par value of 1 cent each) (2012: 250 000 000 shares with a par value of 1 cent each)		2 500	2 500		2 500	2 500

During the year, the company converted its ordinary and preference shares to shares with no par value.

Share incentive scheme of subsidiary

During the current and prior year, Chayton operated an equity-settled share incentive scheme. In terms of the scheme, share options were granted to executive directors and senior management. The total equity-settled share-based payment charge recognised in profit or loss amounted to R1.6 million (2013: Rnil). This charge was credited to other reserves and non-controlling interest.

	2014		2013		2012	
Analysis of outstanding scheme shares by financial year of maturity:	**Weighted average strike price (R)**	**Number**	Weighted average strike price (R)	Number	Weighted average strike price (R)	Number
2014/15	**728**	**9 243**	728	9 243		
2015/16	**789**	**9 243**	789	9 243		
2016/17	**854**	**9 243**	854	9 243		
2017/18	**925**	**9 243**	925	9 243		
2018/19	**1 002**	**9 243**	1 002	9 243		
		46 213		46 213		–

Granting of Chayton ordinary share options occurred as follows:	Number of shares	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
11 April 2012	**10 606**	728.20	33	–	6.14	34.22
20 April 2012	**2 781**	788.65	33	–	6.69	34.64
19 June 2012	**5 035**	854.15	33	–	7.08	37.68
3 August 2012	**17 722**	924.99	33	–	7.49	41.46
14 September 2012	**10 069**	1 001.72	33	–	7.80	43.77
	46 213					

No share options vested or were granted during the year. The value of the options was calculated using the Black-Scholes-Merton model.

16. **OTHER RESERVES**

GROUP	Available-for-sale R'000	Foreign currency translation R'000	Share-based payment R'000	Other* R'000	Total R'000
Balance at 1 March 2011				10 100	10 100
Currency translation adjustments					–
Fair value gains on available-for-sale investments					–
Share of other comprehensive income of associates				55 320	55 320
Reclassification of share of associates' other comprehensive income on disposal				(55 564)	(55 564)
Transactions with non-controlling interest					–
Balance at 29 February 2012				9 856	9 856
Currency translation adjustments		9 585			9 585
Fair value gains on available-for-sale investments	363				363
Share of other comprehensive income of associates				32 317	32 317
Reclassification of share of associates' other comprehensive income on disposal				(1 412)	(1 412)
Transactions with non-controlling interest				(45 180)	(45 180)
Balance at 28 February 2013	363	9 585	–	(4 419)	5 529
Currency translation adjustments		**106 704**			**106 704**
Fair value gains on available-for-sale investments	**317**				**317**
Share of other comprehensive income of associates				**30 779**	**30 779**
Reclassification of share of associates' other comprehensive income on disposal				**(55 466)**	**(55 466)**
Reclassification of gains on available-for-sale investments	**(624)**				**(624)**
Share-based payment costs – employees			**1 339**		**1 339**
Cash flow hedges				**(12 181)**	**(12 181)**
Transactions with non-controlling interest		**(1 276)**		**1 000**	**(276)**
Balance at 28 February 2014	**56**	**115 013**	**1 339**	**(40 287)**	**76 121**

**Relates mainly to other comprehensive income attributable to associates, cash flow hedge reserve and a written put option held by a non-controlling shareholder of a subsidiary.*

	2014 R'000	GROUP 2013 R'000	2012 R'000
17. DEFERRED INCOME TAX			
Deferred income tax assets	**59 388**		
Deferred income tax liabilities	**(104 612)**	(53 895)	(2 636)
Net deferred income tax liability	**(45 224)**	(53 895)	(2 636)
Deferred income tax assets			
To be recovered within 12 months			
To be recovered after 12 months	**59 388**		
	59 388	–	–
Deferred income tax liabilities			
To be recovered within 12 months	**(17 302)**		
To be recovered after 12 months	**(87 310)**	(53 895)	(2 636)
	(104 612)	(53 895)	(2 636)

GROUP	**Tax losses R'000**	**Provisions R'000**	**Unrealised profits R'000**	**Intangible assets and other differences R'000**	**Total R'000**
Balance at 1 March 2011			(5 899)		(5 899)
Reversal of deferred tax on disposal of equity securities			2 782		2 782
Credited to profit and loss			481		481
Balance at 29 February 2012			(2 636)		(2 636)
Subsidiaries acquired		1 134	(258)	(27 560)	(26 684)
Reversal of deferred tax on disposal of equity securities			3 830		3 830
(Charged)/credited to profit and loss		(328)	(29 022)	1 841	(27 509)
Charged to other comprehensive income			(251)		(251)
Exchange rate movement				(645)	(645)
Balance at 28 February 2013	–	806	(28 337)	(26 364)	(53 895)
Subsidiaries acquired	**67 823**	**4 147**	**(3 519)**	**(57 029)**	**11 422**
(Charged)/credited to profit and loss	**(17 373)**	**1 917**	**(4 444)**	**7 041**	**(12 859)**
(Charged)/credited to other comprehensive income			**(1 238)**	**193**	**(1 045)**
Exchange rate movement		**(1 526)**	**(51)**	**12 730**	**11 153**
Balance at 28 February 2014	**50 450**	**5 344**	**(37 589)**	**(63 429)**	**(45 224)**

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss and available-for-sale, is calculated using the effective capital gains tax rate of 18.67%. Deferred income tax was calculated on other temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
18. **BORROWINGS**						
Non-current						
Secured redeemable preference shares (2012: Bridge loan facility)	**300 000**	300 000	130 000			
Secured loans	**414 475**	145 351				
Unsecured loan	**24 058**					
	738 533	445 351	130 000	–	–	–
Current						
Secured loans	**76 021**					
Unsecured loan		50 835		**68 051**	53 925	64 801
Bank overdrafts	**377 571**					
Accrued preference dividends	**6 107**	9 146	1 895			
Unamortised structuring fee			(1 192)			
	459 699	59 981	703	**68 051**	53 925	64 801

Secured redeemable preference shares

Preference shares issued by Zeder Financial Services Ltd to RMB of R300 million, which are secured by investments in associates and subsidiaries with a market value of R3 billion (2013: R2,5 billion) and carry a fixed dividend rate of 8.11% nominal annual compounded monthly, and are repayable by September 2017. The carrying value of these preference shares approximates its fair value.

Secured loans

The following significant borrowings are included in secured loans:

Capespan has a R100 million term loan from ABSA, which carries interest at prime less 1.5%, has fixed repayment terms.

Zaad has a R50 million term loan from FNB, which carries interest at prime less 1.25%. The balance will be settled with five yearly repayments of approximately R10 million each, commencing July 2014, and is secured by a bond of R60 million over the property, plant and equipment (refer note 1).

Chayton has an United States dollar-denominated loan from the African Agriculture and Trade Investment Fund of R107 million, which carries a fixed interest rate of 5.75% an additional charge payable if Chayton's gross profit exceeds a specified threshold. The loan plus accrued interest will be settled with two repayments in October 2015 and 2016. This loan is secured by property, plant and equipment with a carrying value of R75 million (refer note 1).

Chayton also has an United States dollar-denominated loan from Stanbic of R87 million, which amortises over a period of five years with semi-annual repayments. Chayton's investment in Somawhe Estates serve as security for the loan.

Unsecured loan

The group's unsecured loan, held through Chayton, related to a 90-day loan from Stanbic Mauritius, which carried interest at Libor plus 3%. The company's unsecured loan is from Zeder Financial Services Ltd, a wholly-owned subsidiary. The loan is interest-free and repayable on demand.

Bank overdrafts

Zaad has a bank overdrafts of R97 million (euro-denominated) from ABN Amro Bank N.V. and a R132 million overdraft from FNB.

Effective interest rates

The effective interest rates applicable to borrowings range between 1.5% and 13% (2013: 5.75% and 8.22%) (2012: Jibar + 220bps).

The servicing of borrowings is funded by free cash flows generated by the operations.

All borrowings, except for the bank overdrafts arose from the purchase of assets.

19. DERIVATIVE FINANCIAL LIABILITIES

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Non-current			
Non-controlling interests put option liability*	**45 666**	45 666	
Current			
Forward currency exchange contracts (refer note 35)	**15 236**		

**During the prior year, the group entered into a transaction with a non-controlling shareholder, which grants the party the right to put its entire shareholding to the group at a market-related fixed price/earnings multiple. The option is exercisable in July 2017 and the carrying value at the reporting date represents the present value of the possible exercise price.*

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
20. TRADE AND OTHER PAYABLES						
Trade payables	**816 903**	148 333				
Management fee payable (refer note 26.1)	**102 402**	34 789	29 896			
Deferred purchase consideration*	**113 342**					
Unsettled share trades and other payables	**48 652**	1 744	2 466		33	33
	1 081 299	184 866	32 362	**–**	33	33

**Relates to an earn-out clause payable in 2014 (refer note 34).*

21. REVENUE			
Agricultural produce	**5 409 870**	328 113	
Logistical services	**600 830**		
	6 010 700	328 113	–

22. COST OF SALES			
Changes in finished goods	**4 982 379**	171 440	
Raw material and consumables used	**129 543**	50 673	
Transportation expenses	**16 385**	7 896	
Commission	**6 300**	4 428	
	5 134 607	234 437	–

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
23. **INVESTMENT INCOME**						
Interest income	**50 775**	7 258	4 198			
Loans and advances	**4 537**					
Trade and other receivables	**799**	2 121	421			
Cash and short-term funds	**45 439**	5 137	3 777			
Dividend income	**13 579**	5 844	59 524	**25 000**	50 000	–
Equity securities held at fair value through profit or loss	**3 496**	4 662	53 798			
Equity securities held as available-for-sale	**140**	52				
Non-current assets held for sale	**9 943**					
Preference share investment in associate		1 130	5 726			
Subsidiary company				**25 000**	50 000	
	64 354	13 102	63 722	**25 000**	50 000	–

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
24. **FAIR VALUE GAINS AND LOSSES**			
Unrealised net fair value gains and losses			
– Equity securities – at fair value through profit or loss	**(12 352)**	18 573	41 433
– Equity securities – available-for-sale	**464**		
– Fair value gain on step-up acquisition of an associate to a subsidiary	**17 205**	22 023	
– Net foreign exchange gains	**7 102**	161	
– Loss on derivative financial instruments		(906)	
– Non-current assets held for sale (refer note 14)	**59 049**	(7 330)	
Realised net fair value gains and losses			
– Equity securities – at fair value through profit or loss	**58 481**		9 804
– Non-current asset held for sale	**14 004**		
	143 953	32 521	51 237
25. **OTHER OPERATING INCOME**			
Management and other fee income	**1 818**	1 924	
Profit on sale of property, plant and equipment	**336**	1 839	
Bad debts recovered	**1 628**		
Sundry income	**5 146**	1 717	577
	8 928	5 480	577
26. **EXPENSES**			
26.1 **Management fees**			
Base fee expense	**59 022**	58 560	47 953
Performance fee expense	**59 022**		
	118 044	58 560	47 953

The base and performance fees are payable to PSG Corporate Services (Pty) Ltd ("PSGCS"), an indirect subsidiary of PSG Group, the company's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSGCS provides management services, including corporate secretarial, advisory, investment and financial services and all related aspects thereto to the Zeder group of companies.

Effective from the beginning of the year, the shareholders of the company approved a new management fee structure with regards to the calculation of the base and performance fees. The base fee was previously calculated at 2% p.a. (exclusive of VAT) on the net asset value of the group (excluding cash) as at the end of every half-year and 0.15% p.a. (exclusive of VAT) on the daily average cash balance. The performance fee was calculated on the last day of the financial year at 10% p.a. on the outperformance of the group's portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year.

Based on the new management fee structure, the base fee is calculated at the end of every half-year as 1.5% p.a. (exclusive of VAT) of the company's volume weighted average market capitalisation for that half-year. The performance fee is calculated at the end of the financial year as 20% p.a. on the company's share price outperformance of the GOVI (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends ("hurdle price"). The performance fee pertaining to a financial year may not exceed that year's base fee. If the performance fee exceeds the base fee, the excess performance fee is carried forward to the following financial year, by adjusting the hurdle price of the following year accordingly. The excess at year-end amounted to R21 million.

26.2 **Marketing, administration and other expenses**

	GROUP 2014 R'000	2013 R'000	2012 R'000
Depreciation	**65 309**	15 289	–
– Land	**5 626**	2 342	
– Buildings	**7 737**	1 412	
– Vehicles and plant	**45 780**	11 210	
– Office equipment	**6 166**	325	
Amortisation of intangible assets	**20 354**	6 428	
Operating lease rentals	**44 628**	1 260	–
– Properties	**26 887**	1 044	
– Equipment	**17 741**	216	
Auditors' remuneration	**9 033**	961	–
– Audit services – current year	**7 764**	946	
– Audit services – prior year	**1 170**		
– Other services	**99**	15	
Employee benefit expenses	**397 333**	31 169	–
– Salaries, wages and allowances	**370 857**	28 037	
– Social security costs	**7 943**	1 474	
– Equity-settled share-based payment costs	**1 676**		
– Pension costs – defined contribution plans	**3 966**	1 658	
– Pension costs – defined benefit plans	**10 688**		
– Medical costs – defined contribution plans	**2 203**		
Impairments	**7 137**	–	–
– Intangible assets	**1 155**		
– Loans and advances	**3 515**		
– Trade and other receivables	**2 467**		
Loss on sale of property, plant and equipment	**4 174**	51	
Repairs, maintenance and vehicle costs	**54 158**	13 702	
Marketing and administration costs	**27 591**	18 898	–
– Administration fees	**413**	9 089	
– Marketing	**3 797**	2 846	
– Professional fees	**23 381**	6 963	
Insurance	**15 604**	1 594	
Communication costs	**10 713**		
Commission paid	**12 756**	15 727	
Other costs	**72 464**	15 026	3 188
	741 254	120 105	3 188

	GROUP 2014 R'000	2013 R'000	2012 R'000
27. FINANCE COSTS			
Redeemable preference shares	**24 681**	30 992	4 332
Secured loans	**18 213**		
Unsecured loan	**17 042**		
Bank overdrafts	**25 585**		
PSG Corporate Services (Pty) Ltd bridging loan		3 797	330
Amortisation of structuring fee		1 192	1 403
Other	**441**	1 218	1 120
	85 962	37 199	7 185

PSG Corporate Services (Pty) Ltd is a fellow subsidiary of the group. Interest was calculated on outstanding balances at market related rates.

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
28. **TAXATION**			
Current taxation			
– Current year	**48 824**	71 516	3 636
– Prior year	**51**		
Deferred taxation			
– Current year	**17 033**	23 455	(3 263)
Foreign current taxation			
– Current year	**35 394**	723	
Foreign deferred taxation			
– Current year	**(4 174)**	224	
	97 128	95 918	373
Reconciliation of effective tax rate:	**%**	%	%
South African standard tax rate	**28.0**	28.0	28.0
Adjusted for:			
– Non-taxable income	**(1.8)**	(0.3)	(5.0)
– Capital gains tax rate differential	**(4.0)**	(3.7)	(4.2)
– Non-deductible charges	**10.9**	4.3	4.7
– Income from associates and joint ventures	**(10.6)**	(13.8)	(23.2)
– Foreign tax rate differential	**0.9**		
– Special tax allowances	**(0.4)**	(0.1)	
– Other	**0.4**	0.1	
– Deferred tax assets written off/not recognised	**0.9**	1.2	
– Effect of tax losses utilised	**(2.4)**		
– Prior period adjustments	**0.5**		
Effective tax rate	**22.5**	15.7	0.3
Tax charges relating to components of other comprehensive income			
– Currency translation movements	**(1 488)**		
– Fair value gains on available-for-sale investments	**(73)**	(251)	
– Reclassification of gains on available-for-sale investments	**324**		
– Share of other comprehensive income of associates	**(1 183)**		
– Reclassification of share of associates' other comprehensive income	**1 183**		
– Actuarial gains on employee defined benefit plans	**193**		
	(1 044)	(251)	–

29. **RELATED-PARTY TRANSACTIONS AND BALANCES**

The following related parties were identified with which the company and/or group transacted during the year, and/or balances were outstanding at year-end:

Party	**Relationship**
PSG Group Ltd	Ultimate holding company
Zeder Financial Services Ltd	Wholly-owned subsidiary
Zeder Investments Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zeder Africa (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Chayton Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
PSG Corporate Services (Pty) Ltd	Subsidiary of ultimate holding company
PSG Online Securities (Pty) Ltd	Subsidiary of ultimate holding company
PSG Money Market Fund	Fund managed by a fellow subsidiary of ultimate holding company

Related-party transactions during the year included dividends received from associates (refer note 4), interest paid to PSG Corporate Services (refer note 27), the management fee expense (refer note 26.1), professional fees (refer note 26.2), interest income (refer note 23) and interest paid (refer note 27).

Included in the group's interest income (refer note 23) is R818 000 (2013: R407 000) (2012: R60 000) received from PSG Online Securities and R18 681 000 (2013: R955 000) (2012: R2 658 000) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R5,208,000 (2013: R5 276 000) (2012: R12 000) paid to PSG Corporate Services for corporate finance and tax services relating to acquisitions made during the year.

Brokerage and administration fees of R15 000 (2013: R1 082 000) (2012: R9 000) were incurred with PSG Online Securities during the year. These fees related to trades that took place via the group's share trading accounts.

During 2008, the corporate finance arm of PSG Corporate Services facilitated a process whereby the group obtained an interest in an investee company. In exchange for waiving the facilitation fee payable in respect thereof, PSG Corporate Services is entitled to receive a portion of the dividends received each year from the mentioned interest for a five-year period as well as a share of the increase in the market value of the investment after five years. During the prior year, the portion of dividends paid amounted to R216 000 (2012: R204 000) and the one-off share of the increase in market value paid was R1 712 000.

During the prior year, the group entered into a written put agreement with AE Jacobs, who is a non-executive director of the company, forms part of the group's key management personnel, and is also a non-controlling shareholder in a subsidiary of the group. The agreement grants him the right to sell his non-controlling interest to the group at a market related fixed multiple in 2017 (refer note 19 for the possible future redemption amount).

Included in revenue are goods sold by Zaad to Kaap Agri amounting to R11 907 000.

Included in cost of goods sold are consumables purchased by Chayton from Kaap Agri amounting to R3 193 000. Details of the audited directors' emoluments and share dealings are included in the directors' report.

Related-party balances outstanding at the reporting date included cash invested with PSG Money Market Fund (refer note 13) and the management fee payable (refer note 20).

Directors' emoluments

Directors' emoluments are paid by PSG Group in terms of the management agreement (refer note 26.1). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	Company contributions R'000	Performance -related[1] R'000	Fees R'000	Total 2013 R'000
28 February 2014					
Executive					
N Celliers	**1 975**	**25**	**2 000**		**4 000**
WL Greeff [4]					**–**
Non-executive					
GD Eksteen				**108**	**108**
WA Hanekom				**20**	**20**
AE Jacobs[2,3]	**1 458**	**167**			**1 625**
JF Mouton[4]					**–**
PJ Mouton[4]					**–**
CA Otto[4]					**–**
MS du Pré le Roux				**108**	**108**
LP Retief				**114**	**114**
	3 433	**192**	**2 000**	**350**	**5 975**
28 February 2013					
Executive					
N Celliers	1 084	16	1 000		2 100
WL Greeff[4]					–
AE Jacobs [2]	249	3			252
Non-executive					
JF Mouton[4]					–
CA Otto[4]					–
PJ Mouton[4]					–
GD Eksteen				99	99
MS du Pré le Roux				99	99
LP Retief				104	104
	1 333	19	1 000	302	654
29 February 2012					
Executive					
AE Jacobs	1 382	18	350		1 750
WL Greeff[4]					–
Non-executive					
JF Mouton[4]					–
CA Otto[4]					–
GD Eksteen				95	95
MS du Pré le Roux				95	95
LP Retief				100	100
	1 382	18	350	290	2 040

Notes:

1. Performance-related emoluments were paid in respect of the 2014 and 2013 and 2012 year respectively.
2. During the prior year, AE Jacobs resigned as CEO of Zeder, and during the current year joined Zeder as a non-executive director.
3. The basic salary and company contributions received by AE Jacobs during the current year relate to his employment as CEO of Zaad, a subsidiary.
4. These directors receive directors' emoluments from PSG Group for services rendered to PSG Group and its investee companies.

The company's prescribed officers include members of PSG Group's executive committee, which manages the group (as further discussed in the corporate governance section of Zeder's annual report), and whose remuneration is disclosed in PSG Group's annual report.

In addition to the cash-based remuneration above, share options have been awarded to Mr N Celliers, the cost of which is carried by PSG Group in terms of the aforementioned management agreement. None of these share options have vested to date and the cost (determined using an option pricing model) carried by PSG Group amounts to R3.6 million.

Mr N Celliers' share options awarded to date will vest as follows:

	Number of shares	
28 February 2014	**PSG Group**	**Zeder**
FY15	14 011	775 581
FY16	15 768	882 593
FY17	15 768	882 593
FY18	15 768	882 593
FY19	1 756	107 013
Total	**63 071**	**3 530 373**

The weighted average strike price per share of Mr N Celliers' aforementioned PSG Group and Zeder share options is R56.84 (2013: R53.53) and R3.05 (2013: R2.90), respectively.

During Mr AE Jacobs' term as CEO, share options were awarded to him in addition to the cash-based remuneration disclosed above. The cost of which was also carried by PSG Group in terms of the aforementioned management agreement. At 29 February 2012, the last reporting date at which Mr AE Jacobs held the position of CEO, he held 245 683 PSG Group share options, issued in separate tranches at an average strike price of R19.58 per share. All unexercised share options lapsed upon his resignation as CEO.

Shareholding of directors

	Beneficial		Non-beneficial		Total	
28 February 2014	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
N Celliers				**2 635 933**	**2 635 933**	**0.269**
GD Eksteen				**250 000**	**250 000**	**0.026**
WL Greeff	**80 000**				**80 000**	**0.008**
AE Jacobs		**70 000**			**70 000**	**0.007**
JF Mouton				**80 000**	**80 000**	**0.008**
MS du Pré le Roux				**250 000**	**250 000**	**0.026**
CA Otto				**80 000**	**80 000**	**0.008**
	80 000	**70 000**	**–**	**3 295 933**	**3 445 933**	**0.352**

The only change in the shareholding of directors since the prior year was the acquisition of 250 000 shares by GD Eksteen and 2 635 933 shares by N Celliers. Also refer to the shareholder analysis in note 36.

	Beneficial		Non-beneficial		Total	
28 February 2013	Direct	Indirect	Direct	Indirect	Number	%
AE Jacobs		70 000			70 000	0.007
WL Greeff	80 000				80 000	0.008
JF Mouton				80 000	80 000	0.008
MS du Pré le Roux				250 000	250 000	0.026
CA Otto				80 000	80 000	0.008
	80 000	70 000	–	410 000	560 000	0.057

The only movement in the shareholding of directors was a decrease in AE Jacobs' shareholding from 130 000 in the prior year to 70 000 at the date of this report. Also refer to the shareholder analysis in note 36.

29 February 2012	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total Number	%
AE Jacobs		130 000			130 000	0.013
WL Greeff	80 000				80 000	0.008
JF Mouton				80 000	80 000	0.008
MS du Pré le Roux				250 000	250 000	0.026
CA Otto				80 000	80 000	0.008
	80 000	130 000	–	410 000	620 000	0.063

The shareholding of directors remained unchanged for the year under review. Also refer to the shareholder analysis in note 36.

30. CAPITAL COMMITMENTS AND CONTINGENCIES

	GROUP **2014 R'000**	2013 R'000	2012 R'000
Operating leases commitments			
Operating leases – premises			
– Due within 1 year	**69 396**	837	
– Due within 1 to 5 years	**313 519**	292	
– Due after more than 5 years	**466 259**		
	849 174	1 129	–
Operating leases – vehicles and plant			
– Due within 1 year	**6 586**		
– Due within 1 to 5 years	**8 755**		
	15 341	–	–
Operating leases – equipment			
– Due within one year	**17 378**	64	
– Due within 1 to 5 years	**22 761**	52	
	40 139	116	–
Capital expenditure commitments			
Property, plant and equipment authorised but not yet contracted	**53 369**		
Property, plant and equipment contracted	**33 098**		

	GROUP 2014 R'000	2013 R'000	2012 R'000

31. NOTES TO THE STATEMENTS OF CASH FLOWS

31.1 Cash generated from operations

	2014 R'000	2013 R'000	2012 R'000
Profit before taxation	**431 332**	605 481	334 985
Interest income	**(50 775)**	(7 258)	(4 198)
Dividend income	**(13 579)**	(5 844)	(59 524)
Finance costs	**85 962**	37 199	7 185
Depreciation	**65 309**	15 289	
Amortisation	**20 354**	6 428	
Structuring fee paid			(1 112)
Net profit on sale of property, plant and equipment	**3 838**	(1 788)	
Net fair value gains	**(143 953)**	(32 521)	(51 112)
Change in fair value of biological assets	**(90 510)**	(28 703)	
Impairments	**28 558**		
Net gain on disposal of investment in associates	**3 836**	(502 890)	
Share of profits of associates	**(218 011)**	(300 249)	(285 756)
Net loss on dilution of interest in associate		155 276	7 856
Equity-settled share-based payment costs	**1 676**		
Non-cash translation movements*	**(11 431)**	8 912	
Sub-total	**112 606**	(50 668)	(51 676)
Changes in working capital	**188 036**	85 420	(52 241)
Increase in trade and other payables	**165 920**	73 071	2 142
Decrease in trade and other receivables	**88 863**	24 089	(54 383)
Decrease in inventories	**24 786**	19 139	
Increase in biological assets	**(128 860)**	(30 879)	
Employee benefits	**37 327**		
	300 642	34 752	(103 917)

**Relates mainly to the foreign exchange rate movements on borrowings and working capital.*

31.2 Taxation paid

	GROUP **2014 R'000**	2013 R'000	2012 R'000
Current taxation charged to profit or loss	**(84 269)**	(72 239)	(3 636)
Movement in net taxation liability	**(217)**	(20 229)	4
	(84 486)	(92 468)	(3 632)

31.3 Subsidiaries acquired

2014 acquisitions

Capespan

The group acquired a further 25.3% shareholding in Capespan and thereby increased its interest to 71.1%. At the reporting date, the group held 72.1% in Capespan, which is a global fruit procurement company and South Africa's largest fruit exporter. The remeasurement of the previously held interest in an associated company resulted in a non-headline gain of R16.1 million being recognised in net fair value gains in the income statement.

Klein Karoo Seed Marketing (“KKS”)

The group, through Zaad, acquired the remaining 51% of KKS on 31 October 2013. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R1,1 million being recognised in net fair value gains in the income statement. KKS is a seed company that develops and distributes vegetable, pasture and agronomic seed in developing countries, mainly throughout Africa and the Middle East. KKS has offices and research stations in, *inter alia*, South Africa, Zambia, Zimbabwe, Jordan and the Netherlands.

Accounting for these business combinations has been finalised and the summarised assets and liabilities recognised at acquisition date were:

GROUP	Capespan R’000	KKS R’000	Total R’000
Property, plant and equipment	(308 295)	(124 477)	(432 772)
Biological assets	(144 106)		(144 106)
Intangible assets	(58 112)	(70 824)	(128 936)
Investment in associates	(181 047)		(181 047)
Loans to and preference share investments in associates		(9 274)	(9 274)
Equity securities	(6 190)		(6 190)
Loans and advances	(64 390)	(4 346)	(68 736)
Derivative financial assets		(57)	(57)
Deferred income tax assets	(59 295)	(1 114)	(60 409)
Income tax receivable	(19 583)		(19 583)
Inventories	(105 734)	(319 575)	(425 309)
Trade and other receivables	(973 284)	(147 421)	(1 120 705)
Cash and cash equivalents	(350 304)	(1 365)	(351 669)
Non-current assets held for sale	(10 113)		(10 113)
Borrowings	538 666	371 907	910 573
Deferred income tax liabilities	36 195	12 792	48 987
Net employee benefits	122 333	4 815	127 148
Income tax payables	14 889	1 024	15 913
Trade and other payables	638 823	91 690	730 513
Total identifiable net assets	(929 547)	(196 225)	(1 125 772)
Non-controlling interest	268 563	34 245	302 808
Previously held investment at fair value	403 004	100 995	503 999
Goodwill		(69 065)	(69 065)
Total consideration	(257 980)	(130 050)	(388 030)
Cash consideration paid	(257 980)	(130 050)	(388 030)
Cash and cash equivalents acquired	350 304	1 365	351 669
Net cash inflow/(outflow) from business combination	92 324	(128 685)	(36 361)

Acquisition costs of R4.2 million were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement.

Had Capespan and KKS been consolidated with effect from 1 March 2013 instead of their acquisition dates, the group income statement would have reflected additional revenue of R1.9 billion and profit of R9 million.

2013 acquisitions

Agricol

On 28 March 2012, the group acquired the remaining 74.9% of the issued share capital in Agricol for a cash consideration of R150 million. Agricol is incorporated in the Republic of South Africa and its activities include plant breeding, production, international trade, processing and distribution of seed. The identifiable net assets acquired amounted to R149 million, with goodwill amounting to R52 million. Zeder's initial 25.1% interest in Agricol was remeasured to its fair value of R50 million, which resulted in a gain of R22 million (refer note 24). In July 2012 the group sold 8% of its stake in Agricol to a non-controlling shareholder, leaving the group with a 92% shareholding at the reporting date.

Chayton

On 10 April 2012, Zeder acquired 100% of the issued share capital in Chayton, a company incorporated in Mauritius, which operate as a holding company for farming operations in Zambia. A cash consideration of R24 million was paid for Chayton's identifiable net liabilities of R4 million, resulting in the recognition of R28 million in goodwill. Subsequently, Zeder invested an additional R253m cash in Chayton, and held a 73.4% interest in the company at the reporting date.

Somawhe

On 31 July 2012, Zeder, through its subsidiary Chayton, acquired 100% of the issued share capital in Somawhe, a farming operation incorporated in Zambia. Cash consideration of R275 million was paid for Somawhe's identifiable net assets of R215 million, resulting in the recognition of R59 million in goodwill.

The summarised assets and liabilities recognised at acquisition date were:

GROUP	Agricol R'000	Chayton R'000	Somawhe R'000	Total R'000
Property, plant and equipment	(38 892)	(129 006)	(177 171)	(345 069)
Biological assets		(14 033)	(55 041)	(69 074)
Intangible assets	(21 574)	(681)		(22 255)
Equity securities	(2 393)			(2 393)
Inventories	(79 181)	(3 850)	(10 813)	(93 844)
Trade and other receivables	(61 377)	(3 825)	(5 115)	(70 317)
Cash and cash equivalents	(31 287)	(9 948)	(9 818)	(51 053)
Deferred income tax liabilities	8 532	1 322	16 830	26 684
Borrowings	4	146 364	18 078	164 446
Current income tax liabilities	19 679		1 057	20 736
Trade and other payables	57 381	18 058	6 614	82 053
Total identifiable net (assets)/liabilities	(149 108)	4 401	(215 379)	(360 086)
Previously held investment in Agricol at fair value	50 409			50 409
Goodwill	(51 722)	(28 063)	(59 206)	(138 991)
Total consideration	(150 421)	(23 662)	(274 585)	(448 668)
Cash consideration paid	(150 421)	(23 662)	(274 585)	(448 668)
Cash and cash equivalents acquired	31 287	9 948	9 818	51 053
	(119 134)	(13 714)	(264 767)	(397 615)

Goodwill recognised from the business combinations can be attributed to the employee corps and geographical footprint of the respective businesses, as well as expected synergies and growth potential.

Acquisition costs of R4.8 million (2013: R6.1 million) were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement (refer note 26.2).

32. **EARNINGS PER SHARE**

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
The calculation of earnings per share is based on the following:			
Earnings attributable to equity holders of the company	**291 318**	511 741	334 612
Net loss on dilution of interest in associates		155 276	7 856
Non-headline items of associates and joint ventures	**11 377**	(42 776)	(43 303)
– Gross	**11 561**	(42 776)	(43 303)
– Non-controlling interest	**(184)**		
Net loss/(profit) on disposal of investments in associates	**3 836**	(410 404)	711
– Gross	**3 836**	(502 890)	125
– Tax effect		92 486	586
Net gain on disposal of non-current assets held for sale	**(3 758)**	–	–
– Gross	**(14 004)**		
– Tax effect	**10 246**		
Fair value gain on step-up acquisition of an associate to a subsidiary	**(17 120)**	(22 023)	–
– Gross	**(17 205)**	(22 023)	
– Non-controlling interest	**85**		
Reclassification of reserves of associates with step-up to subsidiary or disposal	**(55 466)**	–	–
– Gross	**(57 070)**		
– Non-controlling interest	**421**		
– Tax effect	**1 183**		
Reclassification of gains on available-for-sale financial assets	**(812)**	–	–
– Gross	**(1 010)**		
– Non-controlling interest	**71**		
– Tax effect	**127**		
Impairment of investment in associate (refer note 4)	**21 421**		
Net profit on sale of property, plant and equipment	**(66)**	(1 433)	–
– Gross	**3 838**	(1 788)	
– Non-controlling interest	**(89)**	143	
– Tax effect	**(3 815)**	212	
Impairment of intangible assets and goodwill	**1 063**	–	–
– Gross	**1 155**		
– Non-controlling interest	**(92)**		
Fair value adjustment on non-current asset held for sale	**727**	5 961	–
– Gross	**1 210**	7 330	
– Non-controlling interest	**(290)**		
– Tax effect	**(193)**	(1 369)	
Headline earnings	**252 519**	196 342	299 876
The calculation of the weighted number of shares in issue is as follows:			
– Number of shares at beginning of year ('000)	**978 089**	978 089	978 089
– Weighted number of shares issued during the year ('000)	**1 674**		
– Weighted number of shares at end of year ('000)	**979 763**	978 089	978 089
Earnings per share (cents)			
– Attributable – basic and diluted	**29.7**	52.3	34.2
– Headline – basic and diluted	**25.8**	20.1	30.7

33. **SUBSEQUENT TO REPORTING DATE EVENTS**

The acquisition of Mpongwe Milling that was announced on SENS on 13 November 2013, became effective after the reporting date and is being implemented at present.

On 7 April 2014 the company declared a final dividend of 4.5 cents per share in respect of the year ended 28 February 2014, which is payable on 5 May 2014.

34. **CONTINGENT CONSIDERATION**

The deferred purchase consideration recognised (refer note 20) relates to an earn-out clause payable within the next 12 months. This is calculated by discounting the estimated average net profit before tax for three years using average forecast exchange rates.

35. **FINANCIAL RISK MANAGEMENT**

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by each major entity within the group under policies approved by the respective boards of directors. Each entity identifies, evaluates and utilises derivative financial instruments to hedge financial risks as appropriate. Each major entity's board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the classes set out below in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 *Financial Instruments – Disclosures.* The sensitivity analyses presented below are based on reasonable possible changes in market variables for equity prices, interest rates and foreign exchange rates for the group.

GROUP	**At fair value through profit or loss R'000**	**Available-for-sale R'000**	**Loans and receivables R'000**	**Held for sale R'000**	**Total R'000**
Financial assets at 28 February 2014					
– Loans and preference share investments in associates			**18 239**		**18 239**
– Loan granted to joint ventures			**1 553**		**1 553**
– Equity securities	**202 772**	**3 756**			**206 528**
– Non-current assets held for sale				**177 570**	**177 570**
– Loans and advances			**78 614**		**78 614**
– Trade and other receivables			**1 080 110**		**1 080 110**
– Derivative financial assets	**1 299**				**1 299**
– Cash and cash equivalents			**1 014 768**		**1 014 768**
	204 071	**3 756**	**2 193 284**	**177 570**	**2 578 681**

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 28 February 2013					
– Loans and preference share investments in associates			54 470		54 470
– Equity securities	97 484	3 031			100 515
– Non-current assets held for sale				287 733	287 733
– Loans and receivables			16 261		16 261
– Trade and other receivables			97 308		97 308
– Cash and cash equivalents			752 615		752 615
	97 484	3 031	920 654	287 733	1 308 902
Financial assets at 29 February 2012					
– Equity securities	217 538				217 538
– Loans and preference share investments in associates			66 101		66 101
– Trade and other receivables			50 831		50 831
– Cash and cash equivalents			77 478		77 478
	217 538	–	194 410	–	411 948

COMPANY

The company had no financial assets at the current or prior reporting date.

	At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
GROUP			
Financial liabilities at 28 February 2014			
– Borrowings	**1 198 232**		**1 198 232**
– Derivative financial liabilities		**45 666**	**45 666**
– Trade and other payables	**1 081 299**		**1 081 299**
	2 279 531	**45 666**	**2 325 197**
COMPANY			
Financial liabilities at 28 February 2014			
– Borrowings	**68 051**		**68 051**
	68 051	**–**	**68 051**
GROUP			
Financial liabilities at 28 February 2013			
– Borrowings	505 332		505 332
– Derivative financial liabilities		45 666	45 666
– Trade and other payables	187 486		187 486
	692 818	45 666	738 484

	At amortised cost R’000	At fair value through profit or loss R’000	Total R’000
COMPANY			
Financial liabilities at 28 February 2013			
– Borrowings	53 925		53 925
– Trade and other payables	33		33
	53 958	–	53 958
GROUP			
Financial liabilities at 29 February 2012			
– Borrowings	703		703
– Trade and other payables	32 362		32 362
	33 065	–	33 065
COMPANY			
Financial liabilities at 29 February 2012			
– Borrowings	64 801		64 801
– Trade and other payables	33		33
	64 834	–	64 834

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Price risk

The group is exposed to equity securities price risk because of investments held and classified on the statement of financial position as at fair value through profit or loss, available-for-sale and held for sale. The group manages price risk by investing in a portfolio of investments and monitoring equity securities’ prices on a regular basis.

The table below summarises the sensitivity of the group’s post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2013: 20%) (2012: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2014 20% increase R’000**	2013 20% increase R’000	2012 20% increase R’000	**2014 20% decrease R’000**	2013 20% decrease R’000	2012 20% decrease R’000
Impact on post-tax profit	**61 866**	62 659	37 417	**(61 866)**	(62 659)	(37 417)
Impact on post-tax other comprehensive income	**611**	493	–	**(611)**	(493)	–

Cash flow and fair value interest rate risk

The group’s interest rate risk arises from interest-bearing investments, receivables and borrowings, which expose the group to cash flow interest rate risk if it is a variable rate instrument, or to fair value interest rate risk if it is a fixed rate instrument.

Cash flow and fair value interest rate risk (continued)	GROUP **2014** **R'000**	 2013 R'000	 2012 R'000
Loans and preference share investments in associates			
Floating rate		50 470	66 101
Fixed rate and interest-free	**18 239**	4 000	
Loans to and preference share investments in joint ventures			
Fixed rate and interest-free	**1 553**		
Loans and advances			
Floating rate	**72 750**		
Fixed rate and interest-free	**5 864**		
Trade and other receivables			
Floating rate	**847 983**	14 906	
Fixed rate and interest-free	**232 127**	82 402	
Cash, money market investments and other cash equivalents			
Floating rate	**1 014 768**	60 401	77 478
Borrowings			
Floating rate	**(797 645)**	(199 231)	130 703
Fixed rate and interest-free	**(400 587)**		
	995 052	12 948	274 282
Floating rate	**1 137 856**	(73 454)	274 282
Fixed rate and non-interest bearing	**(142 804)**	86 402	
	995 052	12 948	274 282

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2013: 1%) (2012: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	**2014** **1%** **increase** **R'000**	2013 1% increase R'000	2012 1% increase R'000	**2014** **1%** **decrease** **R'000**	2013 1% decrease R'000	2012 1% decrease R'000
Impact on post-tax profit	**8 193**	2 893	448	**(8 193)**	(2 893)	(448)

Foreign exchange risk

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Management monitors this exposure and cover is used where appropriate.

The group's financial assets and liabilities denominated in foreign currency are analysed in the following table:

GROUP	**African currencies R'000**	**British pound sterling R'000**	**United States dollar R'000**	**Euro R'000**	**Asian currencies R'000**	**Total R'000**
At 28 February 2014						
Financial assets						
– Trade and other receivables	**28 392**	**209 931**	**178 863**	**207 381**	**63 325**	**687 892**
– Cash and cash equivalents	**85 686**	**47 292**	**211 673**	**61 390**	**44 787**	**451 368**
Financial liabilities						
– Trade and other payables	**(74 235)**	**(70 566)**	**(119 252)**	**(65 028)**	**(10 167)**	**(339 248)**
– Borrowings	**(3 157)**		**(228 565)**	**(153 814)**		**(385 536)**
Total	**36 686**	**186 657**	**42 719**	**50 469**	**97 945**	**414 476**

	United States dollar R'000	Euro R'000	Asian currencies R'000	Total R'000
At 28 February 2013				
Financial assets				
Trade and other receivables	19 401	503		19 904
Cash and cash equivalents	40 316	133		40 449
Financial liabilities				
Trade and other payables	(88 117)	(3 173)	(5 943)	(97 233)
Borrowings	(145 686)			(145 686)
Total	(174 086)	(2 537)	(5 943)	(182 566)

At the reporting date, the group was entered into the following forward exchange contracts to acquire the following foreign currency nominal amounts:

GROUP – 2014	**Foreign amount '000**	**Rand exposure translated at closing rate R'000**
Exports		
United States dollar	**28 562**	**296 555**
Euro	**6 038**	**86 436**
British pound sterling	**5 155**	**88 190**
Asian currencies	**149 866**	**14 817**
African currencies	**154 074**	**284 245**
		770 243
Imports		
Euro	**690**	**9 971**

The table below shows the sensitivity of post-tax profits of the group to a 20% (2013: 20%) appreciation/ depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

	Other comprehensive income		**Post-tax profits**	
2014	**Increase R'000**	**Decrease R'000**	**Increase R'000**	**Decrease R'000**
United States dollar	**32 451**	**(32 451)**	**255 518**	**(255 518)**
British pound sterling	**28 041**	**(28 041)**	**168 074**	**(168 074)**
Euro	**25 478**	**(25 478)**	**296 719**	**(296 719)**
Asian currencies	**14 378**	**(14 378)**	**33 320**	**(33 320)**
African currencies	**11 644**	**(11 644)**	**15 686**	**(15 686)**
Other			**(1 294)**	**1 294**
2013				
United States dollar	3 687	(3 687)	64 503	(64 503)

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4), loans and advances (refer note 7), trade and other receivables (refer note 11) and cash and cash equivalents (refer note 13). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

The following tables provides information regarding the aggregated credit risk exposure for the financial assets:

GROUP – 28 February 2014	P1 Moody's R'000	Baa1 Moody's R'000	Not rated R'000	Carrying value R'000
Loans and preference share investments in associates			**18 239**	**18 239**
Unquoted equity securities			**41 729**	**41 729**
Loan granted to joint ventures			**1 553**	**1 553**
Loans and advances			**78 614**	**78 614**
Trade and other receivables			**1 080 110**	**1 080 110**
Derivative financial assets	**1 299**			**1 299**
Cash and cash equivalents – bank balances		**632 261**		**632 261**
Cash and cash equivalents – money market fund			**382 507**	**382 507**
	1 299	**632 261**	**1 602 752**	**2 236 312**
GROUP – 28 February 2013				
Loans and preference share investments in associates			54 470	54 470
Unquoted equity securities			97 481	97 481
Loans and receivables			16 261	16 261
Trade and other receivables			100 729	100 729
Cash and cash equivalents – bank balances		390 417		390 417
Cash and cash equivalents – money market fund			362 198	362 198
		390 417	631 139	1 021 556
GROUP – 29 February 2012				
Loans and preference share investments in associates			66 101	66 101
Unquoted equity securities			174 157	174 157
Trade and other receivables			50 831	50 831
Cash and cash equivalents – bank balances		11 553		11 553
Cash and cash equivalents – money market fund			65 925	65 925
		11 553	357 014	368 567

Loans and preference share investments in associates, loan granted to joint ventures and loans and advances consist of secured and unsecured assets. There are no significant concentrations of credit risk. The group assesses all counterparties for creditworthiness before transacting, and monitors creditworthiness on a regular basis.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of receivables and, where appropriate, credit guarantee insurance cover is purchased. Capespan, to whom the majority of trade and other receivables relate, established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Capespan performs ongoing credit evaluations on the financial condition of trade receivables, and where appropriate, purchases credit guarantee insurance. Capespan's credit guarantee insurance is limited to an annual aggregate of R300 million.

The unquoted equity securities are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value.

The unrated cash and cash equivalents relate to the group's investment in money market funds of which the underlying instruments are rated in terms of the Collective Investment Schemes Control Act. The mandate of the fund is to invest in cash deposits and highly liquid, fixed-interest securities with a weighted average maturity of less than 90 days. A spread of investments in top-quality financial instruments and institutions moderates the risk through diversification.

Refer the foreign exchange risk note where the receivables denominated in foreign currencies are disclosed. These receivables are susceptible to credit risk and the currency denominations provide indication of their geographical area.

The table below gives an age analysis of receivables that are past due but not impaired. The other classes of financial assets do not contain assets that are past due but not impaired.

GROUP	0 – 2 months R'000	2 – 6 months R'000	6 – 12 months R'000	Total R'000
At 28 February 2014	**96 367**	**54 058**	**5 674**	**156 099**
At 28 February 2013	19 935	6 051	3 913	29 899
At 29 February 2012	–	–	–	–

Reconciliation of allowance for impairment of trade receivables:

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**345**		
Subsidiaries acquired	**28 473**	345	
Amounts written off	**(11 662)**		
Impairment provision	**1 568**		
Balance at end of year	**18 724**	345	–

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

The tables below analyses the group companies' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP	Less than one year R'000	One to five years R'000	Over five years R'000	Total R'000
28 February 2014				
– Borrowings	**546 469**	**810 007**	**50 764**	**1 407 240**
– Derivative financial liabilities		**45 666**		**45 666**
– Trade and other payables	**1 135 364**			**1 135 364**
	1 681 833	**855 673**	**50 764**	**2 588 270**
28 February 2013				
– Borrowings	24 676	498 683	94 790	618 150
– Derivative financial liabilities		45 666		45 666
– Trade and other payables	187 486			187 486
	212 162	544 349	94 790	851 302
29 February 2012				
– Borrowings	11 705	154 916		166 621
– Trade and other payables	32 362			32 362
	44 067	154 916	–	198 983

COMPANY	Less than one year R'000	No fixed repayment terms R'000	Total R'000
28 February 2014			
– Borrowings		**68 051**	**68 051**
28 February 2013			
– Borrowings		53 925	53 925
– Trade and other payables	33		33
	33	53 925	53 958
29 February 2012			
– Borrowings		64 801	64 801
– Trade and other payables	33		33
	33	64 801	64 834

Fair value estimation

Financial assets and liabilities carried at fair value are disclosed by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following financial assets are measured at fair value:

GROUP – 2014	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through profit or loss				
– Derivative financial assets	**990**	**309**		**1 299**
– Equity securities	**163 792**	**1 007**	**41 729**	**206 528**
	164 782	**1 316**	**41 729**	**207 827**
Liabilities				
– Derivative financial liabilities	**15 236**		**45 666**	**60 902**
GROUP – 2013				
Assets				
– Equity securities	290 767	97 481		388 248
Liabilities				
– Derivative financial liabilities			45 666	45 666
GROUP – 2012				
Assets				
– Equity securities	43 381	174 157		217 538
Liabilities				
– Derivative financial liabilities				–

Capital risk management

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders.

The group's dividend policy is to declare and pay dividends according to its free cash flow model, i.e. dividends and interest received less management fees, interest and related taxation paid.

The group's capital comprises total equity and borrowings, as shown in the group statement of financial position. When funding is required, the group will either raise additional capital or utilise debt. There is no restriction on the level of gearing. However, the group will continuously assess the extent of gearing employed, in the context of the level of liquidity within the group's portfolio.

36. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
2014				
Range of shareholding				
1 – 20 000	**4 445**	**76.3**	**27 745 258**	**2.8**
20 001 – 50 000	**709**	**12.2**	**24 062 119**	**2.5**
50 001 – 100 000	**292**	**5.0**	**21 691 540**	**2.2**
100 001 – 500 000	**241**	**4.1**	**53 277 570**	**5.4**
500 001 – 1 000 000	**46**	**0.8**	**31 879 676**	**3.3**
Over 1 000 000	**91**	**1.6**	**821 532 168**	**83.8**
	5 824	**100.0**	**980 188 331**	**100.0**
Public and non-public shareholding				
Non-public				
– Directors	**7**	**0.1**	**3 445 933**	**0.4**
– PSG Financial Services Ltd	**1**	**–**	**415 176 633**	**42.4**
Public	**5 816**	**99.9**	**561 565 765**	**57.3**
	5 824	**100.0**	**980 188 331**	**100.0**
Major shareholders holding 5% or more at 28 February 2014				
PSG Financial Services			**415 176 633**	**42.4**
Coronation and its client*			**140 514 697**	**14.3**
Allan Gray and its clients*			**135 102 961**	**13.8**
Sanlam Investment Management and its clients*			**50 134 858**	**5.1**
			740 929 149	**75.6**

**The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

2013				
Range of shareholding				
1 – 20 000	3 502	73.9	22 777 633	2.3
20 001 – 50 000	628	13.2	21 644 437	2.2
50 001 – 100 000	273	5.8	20 506 324	2.1
100 001 – 500 000	191	4.0	41 481 124	4.2
500 001 – 1 000 000	56	1.2	39 723 039	4.1
Over 1 000 000	90	1.9	831 955 960	85.1
	4 740	100.0	978 088 517	100.0
Public and non-public shareholding				
Non-public				
– Directors	4	0.1	490 000	0.1
– PSG Financial Services Ltd	1	–	415 176 633	42.4
Public	4 735	99.9	562 421 884	57.5

	Shareholders		Shares held	
	Number	%	Number	%
	4 740	100.0	978 088 517	100.0
2012				
Range of shareholding				
1 – 20 000	2 455	68.1	17 334 782	1.8
20 001 – 50 000	538	14.9	18 885 719	1.9
50 001 – 100 000	262	7.3	19 853 770	2.0
100 001 – 500 000	204	5.7	45 575 289	4.7
500 001 – 1 000 000	48	1.3	33 735 781	3.4
Over 1 000 000	98	2.7	842 703 176	86.2
	3 605	100.0	978 088 517	100.0
Public and non-public shareholding				
Non-public				
– Directors	5	0.1	620 000	0.1
– PSG Financial Services Ltd	1	–	415 176 633	42.4
Public	3 599	99.9	562 291 884	57.5
	3 605	100.0	978 088 517	100.0

SIGNIFICANT SUBSIDIARIES
for the year ended 28 February 2014

			Effective interest held directly or indirectly[2]			Profit or loss attributable to non-controlling interest			Carrying value of non-controlling interest		
Subsidiary	**Country of incorporation**[1]	**Nature of business**	**2014 %**	2013 %	2012 %	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	100.0	100.0	100.0						
Zaad Holdings Ltd (previously Agricol Holdings Ltd	South Africa[3]	Agricultural	92.0	92.0		**4 768**	1 559		**76 400**	24 045	
Capespan Group Ltd	South Africa[4]	Fruit procurement/ export	72.1			**42 830**			**318 964**		
Chayton Africa (previously Chayton Atlas investments)	Mauritius[5]	Agricultural	76.7	73.4		**(4 712)**	(3 737)		**140 594**	85 064	
Total						**42 886**	(2 178)		**535 958**	109 109	

[1]Principle place of business is the country of incorporation, unless otherwise stated.

[2]Ownership interest equal voting rights.

[3]Operating via subsidiaries in Southern Africa, Europe and the Middle East.

[4]Operating via an associate in China and various subsidiaries throughout the rest of the world. The group obtained control over Capespan Group Ltd during the year (refer note 31.3).

[5]Operating via subsidiaries in Zambia.

Subsidiary	**Profit/ (loss) from continuing operations 2014 R'000**	**Total comprehensive income for the year 2014 R'000**	**Revenue 2014 R'000**	Profit/ (loss) from continuing operations 2013 R'000	Total comprehensive income for the year 2013 R'000	Revenue 2013 R'000	Profit/ (loss) from continuing operations 2012 R'000	Total comprehensive income for the year 2012 R'000	Revenue 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)[1,2]	**46 875**	**54 435**	**465 417**	28 437	28 764	294 063			
Capespan Group Ltd[3,4]	**117 585**	**261 790**	**7 182 213**						
Chayton Africa (previously Chayton Atlas Investments)[3]	**(15 235)**	**22 807**	**137 940**	(25 344)	(17 843)	63 439			

[1]Represents the year ended 28 February 2014 (2013: 28 February 2013).

[2]During the prior year, Zaad changed its financial year-end to 28 February, therefore the prior year represents the eight months ended 28 February 2013.

[3]Represents the year ended 31 December 2013 (2013: 31 December 2013).

[4]Included in Zeder's results is Capespan's results for the eight months ended 31 December 2013.

	Dividends paid								
Subsidiary	**To non-controlling interest 2014 R'000**	**To owners of the parent 2014 R'000**	**Total 2014 R'000**	To non-controlling interest 2013 R'000	To owners of the parent 2013 R'000	Total 2013 R'000	To non-controlling interest 2012 R'000	To owners of the parent 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)			**–**			–			–
Capespan Group Ltd	**13 170**	**18 712**	**31 882**			–			–
Chayton Africa (previously Chayton Atlas Investments)			**–**			–			–

	Assets								
Subsidiary	**Non-current 2014 R'000**	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**336 844**	**744 401**	**1 081 245**	166 166	188 291	354 457			–
Capespan Group Ltd	**1 124 363**	**1 447 759**	**2 572 122**			–			–
Chayton Africa (previously Chayton Atlas Investments)	**472 992**	**251 899**	**724 891**	388 917	161 855	550 772			–

	Liabilities								
Subsidiary	**Non-current 2014 R'000**	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**137 555**	**500 045**	**637 600**	53 023	76 468	129 491			–
Capespan Group Ltd	**291 351**	**887 916**	**1 179 267**			–			–
Chayton Africa (previously Chayton Atlas Investments)	**193 093**	**152 629**	**345 722**	112 467	134 224	246 691			–

	UNAUDITED Zeder's portion of the net profit of major subsidiaries*		
Subsidiary	**2014 R'000**	2013 R'000	2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**39 690**	25 740	
Capespan Group Ltd	**79 196**		

** Zeder's portion of major subsidiaries' net profit is calculated based on those subsidiaries' most recently published net profit multiplied by Zeder's average shareholding in those subsidiaries. Figures are only presented in respect of years where Zeder held a controlling interest at the reporting date.*

SIGNIFICANT ASSOCIATES
for the year ended 28 February 2014

Associate	Country of incorporation*	Nature of business	Effective interest held directly or indirectly ** 2014 %	2013 %	2012 %	Dividends received during the year 2014 R'000	2013 R'000	2012 R'000	Carrying value at year-end 2014 R'000	2013 R'000	2012 R'000
Agri Voedsel Ltd	South Africa	Investment company with a voting and economic interest in Pioneer Foods Group Ltd of 25%, 30% and 31%, respectively	**48.0**	45.0	44.7	**34 320**	27 590	18 089	**1 158 375**	1 063 537	913 156
Kaap Agri Ltd	South Africa [1]	Agricultural	**39.9**	34.9	33.4	**13 984**	8 766		**412 961**	271 555	310 292
Golden Wing Mau	China	Fruit procurement/ distribution	**25.0**			**8 339**			**231 759**		
Capespan Group Ltd [2]	South Africa [3]	Fruit procurement/export		37.1	40.9		10 749	6 046		298 255	261 179
Klein Karoo Seed Marketing (Pty) Ltd [2/4]	South Africa [4]	Agricultural		49.0						90 851	
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	South Africa [3]	Agricultural			25.1			7 530			27 503
Thembeka OVB (Pty) Ltd [5]	South Africa	Investment company with an effective interest of 20% in Overberg Agri Ltd		49.0	49.0	**975**	16 381			79 389	63 382
NWK Ltd [5]	South Africa	Agricultural		19.9	19.9	**5 931**	15 503	5 201		220 027	190 682
Suidwes Investments Ltd [5]	South Africa	Agricultural		24.1	23.7		4 250	3 539		101 405	86 734
Capevin Holdings Ltd [6]	South Africa	Beverages			39.8		34 198	30 552			714 176
Bluegreen Oceans (Pty) Ltd	South Africa	Aqua culture								1 516	
Other immaterial associated companies (aggregated)								2 546	**18 719**		
Total						**63 549**	117 437	73 503	**1 821 814**	2 126 535	2 567 104

*Principle place of business is the country of incorporation, unless otherwise stated.

**Ownership interest equal voting rights.

[1] Operating via various subsidiaries throughout Southern Africa.

[2] The group obtained control over the company during the year (refer Annexure A).

[3] Operating via an associate in China and various subsidiaries throughout the rest of the world. The group obtained control over Capespan Group Ltd during the year (refer note 31.3).

[4] Operating via subsidiaries in Southern Africa, Europe and the Middle East.

[5] The group disposed of its interest in the associate during the year.

[6] The group disposed of the majority of its interest in the associate during the prior year.

Assets

Associate[1]	**Non-current 2014 R'000**	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Agri Voedsel Ltd	**2 067 645**	**6 203**	**2 073 848**	1 963 249	4 758	1 968 007	2 155 975	1 310 492	3 466 467
Kaap Agri Ltd	**454 567**	**1 664 015**	**2 118 582**	408 381	1 464 031	1 872 412	365 887	1 310 492	1 676 379
Thembeka OVB Ltd			**–**	79 066		79 066			–
NWK Ltd	**935 900**	**1 477 300**	**2 413 200**	763 900	1 532 700	2 296 600	607 400	1 868 600	2 476 000
Suidwes Investments Ltd	**853 633**	**1 386 291**	**2 239 924**	610 624	961 286	1 571 910	484 653	834 905	1 319 558
Capevin Holdings Ltd	**2 095 530**	**2 641**	**2 098 171**	1 794 697	3 445	1 798 142	1 652 027	3 685	1 655 712
Klein Karoo Seed Marketing[3]									
Capespan Group Ltd[3]				1 012 639	1 383 957	2 396 596	867 938	996 740	1 864 678

[1] These figures are the latest published full year results available for these companies.

[2] Kwacha figures converted to rand at the reporting date.

[3] The group obtained control over the company during the year (refer Annexure A).

Liabilities

	Non-current 2014 R'000	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Agri Voedsel Ltd		**4 177**	**4 177**		4 811	4 811	20 093	876 772	896 865
Kaap Agri Ltd	**24 907**	**1 097 787**	**1 122 694**	21 723	955 746	977 469	20 093	880 365	900 458
Thembeka OVB Ltd			**–**			–			–
NWK Ltd	**251 600**	**780 300**	**1 031 900**	72 100	833 900	906 000	108 300	1 116 100	1 224 400
Suidwes Investments Ltd	**1 079 863**	**546 529**	**1 626 392**	797 444	239 175	1 036 619	33 188	815 747	848 935
Capevin Holdings Ltd	**47**	**5 148**	**5 195**	47	7 069	7 116	35	3 962	3 997
Klein Karoo Seed Marketing									
Capespan Group Ltd				424 088	802 791	1 226 879	236 257	637 833	874 090

Total share capital and share premium per associate:	**UNAUDITED**
Agri Voedsel Ltd (Rm)	397 237
Kaap Agri Ltd (Rm)	456 643

	UNAUDITED Zeder's portion of the net profit/(loss) of major associates *		
Associates	**2014 R'000**	2013 R'000	2012 R'000
Agri Voedsel Ltd	**110 694**	89 996	(59 764)
Kaap Agri Ltd	**57 569**	42 065	30 397
Capespan Group Ltd		53 129	12 899

** Zeder's portion of major associates' net profit/(loss) is calculated based on those associates' most recently published net profit/(loss) multiplied by Zeder's average shareholding in those associates. Figures are only presented in respect of years where Zeder held significant influence at the reporting date.*

SEGMENT REPORT
for the year ended 28 February 2014

At 28 February 2013, the group was organised into four reportable segments, namely:(i) Zaad Holdings, (ii) Chayton, (iii) food and agri, and (iv) beverages. Zaad Holdings and Chayton are subsidiaries, while food and agri and beverages comprises investments in associates and equity securities.

Following Zeder obtaining a controlling interest in Capespan (refer note 31.3), the chief operating decision-maker (being PSG Group's executive committee, which manages the group) ("CODM") has revised their segmentation of how they review segments' performance and allocate capital. This revision resulted in the reportable segments being restated to consist of the following: (i) food, beverages and related services, (ii) agri-related retail, trade and services, (iii) agri-inputs and (iv) agri-production.

Recurring headline earnings is calculated on a see-through basis. Zeder'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 Zeder do not equity account or consolidate in terms of accounting standards, are included in the calculation of recurring headline earnings.

The segments represent different sectors in the broad agribusiness industry. The segment report set out below was compiled based on the revised segmentation and comparatives have been restated accordingly. These restatements had no impact on reported amounts of profit or loss, assets, liabilities, equity or cash flows.

Segments operate mainly in the Republic of South Africa, while some subsidiaries operate to a lesser extent elsewhere (refer Annexures A and B for further details). Additional geographical information has not been presented since same is not reviewed by the CODM, nor is the information available and the cost to develop it would be excessive.

Non-recurring headline earnings include equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises revenue from sale of goods and investment income, as per the income statement.

Sum-of-the-parts ("SOTP") is a key valuation tool used to measure Zeder's performance. In determining SOTP, 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 measured using the relevant accounting standards which include historical cost and the equity accounting method.

	GROUP 2014 R'000	GROUP 2013 R'000
Recurring headline earnings		
Food, beverages and related services	**239 284**	205 652
Agri-related retail, trade and services	**74 062**	120 419
Agri-inputs	**49 554**	28 662
Agri-production	**(4 796)**	(21 759)
Net interest, taxation and other income and expenses	**(7 081)**	(23 323)
Management (base) fee	**(59 022)**	(58 560)
Recurring headline earnings	**292 001**	251 091
Management (performance) fee	**(59 022)**	
Other non-recurring headline earnings	**19 539**	(54 748)
Headline earnings	**252 518**	196 343
Non-headline items	**38 796**	315 399
Attributable earnings	**291 314**	511 742
SOTP segmental analysis		
Segments		
Food, beverages and related services	**3 078 268**	2 047 010
Agri-related retail, trade and services	**593 302**	819 298
Agri-inputs	**678 805**	368 900
Agri-production	**560 394**	276 925
Cash and cash equivalents	**376 102**	692 214
Other net liabilities	**(365 383)**	(301 097)
SOTP value	**4 921 488**	3 903 249

Segment profit before tax	UNAUDITED 2014 R'000	UNAUDITED 2013 R'000
Food, beverages and related services	**362 513**	520 634
Agri-related retail, trade and services	**158 287**	143 591
Agri-inputs	**46 271**	47 115
Agri-production	**(17 110)**	(24 546)
Management fees and other income and expenses	**(118 629)**	(81 313)
Profit before tax	**431 332**	605 481
Food, beverages and related services	**5 442 658**	–
Revenue from sale of goods	**5 407 343**	
Investment income	**35 315**	
Agri-related retail, trade and services		
Investment income	**3 496**	5 792
Agri-inputs	**467 780**	266 602
Revenue from sale of goods	**465 417**	264 746
Investment income	**2 363**	1 856
Agri-production	**137 947**	63 684
Revenue from sale of goods	**137 940**	63 367
Investment income	**7**	317
Unallocated investment income (mainly head office interest income)	**23 173**	5 137
IFRS Revenue	**6 075 054**	341 215

SEGMENTAL REPORTING – 2012

The group is organised into two reportable segments, namely food and agri, and beverages. These segments represent the major associate and equity investments of the group. Both segments operate mainly in the Republic of South Africa.

Recurring headline earnings is calculated on a see-through basis. Zeder's consolidated recurring headline earnings is the sum of its effective interest in that of each of its underlying investments, regardless of its percentage shareholding. The result is that equity investments which Zeder does not equity account in terms of accounting standards, are included in the calculation of recurring headline earnings.

Non-recurring headline earnings include equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associated companies' one-off gains/losses (e.g. Competition Commission penalties and restructuring costs) are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises dividends received and fair value gains and losses relating to equity securities, as well as income from associated companies and gains/losses on disposal of interests in associated companies, as per the income statement.

For the year ended 29 February 2012	Recurring headline earnings R'000	Non-recurring headline earnings R'000	Headline earnings R'000	Net asset value R'000
Food and agri	265 066	29 846	294 912	2 134 101
Beverages	58 302		58 302	714 176
	323 368	29 846	353 214	2 848 277
Net interest and other income and expenses	(2 422)	(3 176)	(5 598)	1 276
Management fees and taxation	(47 983)	243	(47 740)	(32 527)
Total	**272 963**	**26 913**	**299 876**	**2 817 026**
Non-headline items			34 736	
Attributable earnings			**334 612**	
Recurring headline earnings per share (cents)	**27.9**			

Segmental income analysis for the year ended 29 February 2012	Food and agri R'000	Beverages R'000	Unallocated income R'000	Total R'000
Investments income				
– Interest income	421		3 777	4 198
– Dividend income	59 524			59 524
Share of profits of associated companies	227 189	58 567		285 756
Loss on disposal of investment in associated company	(125)			(125)
Net fair value gains	51 237			51 237
Segmental income	**338 246**	**58 567**	**3 777**	**400 590**

Segment profit before tax for the year ended 29 February 2012	Unaudited 2012 R'000
Food and agri	329 756
Beverages	58 567
Management fees and other income and expenses	(53 338)
Profit before tax	**334 985**

CORPORATE GOVERNANCE STATEMENT

Zeder is managed by PSG Group in terms of the Management Agreement and adheres to PSG Group's corporate governance policies. For more detail regarding these policies, refer to PSG Group's annual report which is available at www.psggroup.co.za.

Zeder is committed to the four values underpinning good corporate governance – responsibility, accountability, fairness and transparency – as also advocated in the King Code of Governance Principles (King III). Zeder's corporate governance policies have in all material respects been applied appropriately during the financial year ending 28 February 2014.

Due to the size and nature of the Company, the Board does not consider application of all the principles contained within King III appropriate. Where specific principles have not been applied, explanations for these are contained within this **Annexure 13**. A detailed analysis of the Zeder Group's adherence to King III is also available at www.zeder.co.za.

BOARD OF DIRECTORS

There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual director has unfettered powers of decision-making. The Board remains autonomous, albeit that there is a formal management agreement in place between Zeder and PSG Corporate Services. Details of Zeder's directors are provided on in **Annexure 2** of this Prospectus. The independence of the non-executive directors is considered on an ongoing basis by the board as a whole.

Although certain of the non-executive Directors are not classified as independent in terms of King lll, all of the non-executive Directors are independent of thought and action. The Board believes that Directors should own shares in the Company. A Director, as a shareholder, will thus share proportionally in the consequences of any good or bad decision.

The Board met four times during the past financial year as set out in the table below. Mr WA Hanekom was appointed to the board on 7 October 2013. Mr JF Mouton fulfils the role of non-executive chairman, Mr N Celliers that of chief executive officer, and Mr WL Greeff that of financial director. Due to the nature and size of the business of the Company, the experience of the directors and the knowledge that directors have regarding the particular business of the Company, induction, as well as ongoing training and development of Directors, are not driven through formal processes.

Zeder does not have a nomination committee, and Director appointments are considered to be a matter for the Board as a whole, with all appointments being made in a formal and transparent manner.

Zeder's Memorandum of Incorporation requires one third of the non-executive Directors of the Company to retire by rotation and offer themselves for re-election by shareholders at the annual general meeting. In addition thereto, newly appointed Directors should retire and offer themselves for re-election by shareholders at the first annual general meeting following their appointment.

Board Attendance	8 April 2013	19 July 2013	7 October 2013	10 February 2014
JF Mouton (chairman)	√	√	√	√
N Celliers	√	√	√	√
GD Eksteen	√	√	√	√
WL Greeff	√	√	√	√
WA Hanekom	√			
AE Jacobs	√	√	√	
PJ Mouton	√	√	√	√
MS du Pre le Roux[1]	√	√	√	
CA Otto	√	√	√	√
LP Retief[2]	√	√	√	√

√ – Present

Notes: 1. Mr MS du Pré le Roux resigned from the Board on 20 June 2014; and

2. Mr LP Retief resigned from the Board with effect from 25 July 2014.

The Board's key roles and responsibilities are:

- 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 does not conduct regular appraisals of its members and committees. Consideration will be given to same in future.

The audit and risk committee consists of three independent non-executive directors, namely Messrs CA Otto, WA Hanekom and GD Eksteen. The audit and risk committee met on 8 April 2013 and 7 October 2013.

Attendance	8 April 2013	7 October 2013
GD Eksteen	√	√
MS du Pre le Roux[1]	√	√
LP Retief[2]	√	√

√ – Present

Notes: 1. Mr MS du Pré le Roux resigned from the Board on 20 June 2014; and

2. Mr LP Retief resigned from the Board with effect from 25 July 2014.

The audit and risk committee has formal terms of reference and their report is on page 22 of Zeder's Annual Report 2014.

The Board has not appointed a remuneration committee as PSG Corporate Services fulfils this role in terms of the formal Management Agreement. The remuneration paid to Messrs N Celliers, GD Eksteen, AE Jacobs, WA Hanekom, MS du Pré le Roux and LP Retief is disclosed in **Annexure 2** of this Prospectus. Messrs WL Greeff, JF Mouton, PJ Mouton and CA Otto received remuneration from PSG Corporate Services for services rendered to PSG Group and its subsidiaries in general.

The executive committee, which comprises five directors with three being non-executive (Messrs JF Mouton, PJ Mouton and CA Otto), has been tasked as the committee with the responsibility of 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.

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

EXECUTIVE COMMITTEE

The executive committee responsible for the management of Zeder comprises Messrs JF Mouton (chairman), N Celliers, WL Greeff, JA Holtzhausen, PJ Mouton and CA Otto. This committee meets regularly, at least twice a month, and is primarily responsible for the allocation and investing of the Company's resources, including capital.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management is overseen by the audit and risk committee. Based on the functions performed by the audit and risk committee and PSG Corporate Services, in terms of the formal Management Agreement, the Board is confident that the system of internal controls and current risk management processes are effective and aligned to the business needs and that it is not necessary to establish an internal audit function.

Based on the size and nature of the business, the audit and risk committee believes that certain governance mechanisms are not warranted. These include implementation of a combined assurance model and implementation of an IT governance framework.

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

COMPANY SECRETARY

PSG Corporate Services 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 Ltd. Board members also have 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 between the company secretary and the Zeder Group.

The declaration by the company secretary in terms of section 88(2)(e) of the Companies Act of South Africa is presented page 23 of Zeder's Annual Report 2014.

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 the principles of King III in regards to integrated reporting and disclosure, to the extent appropriate to their business.

Zeder applies the principles of integrated reporting at group level to the extent that such are considered appropriate.

SUSTAINABILITY

Social responsibility

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

Financial reporting and stakeholder communication

Zeder has identified its two major stakeholders as its shareholders and investment 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.

Communication with investment companies is done on an ongoing basis. 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.

APPLICATION OF PRINCIPLES IN THE KING III CODE

Zeder is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code of Governance Principles ("King III"). The Board does not consider application of all principles contained within King III appropriate for Zeder. The table presented below sets out all the principles contained within King III, as well as comments on Zeder's application of same. This document should be read in conjunction with Zeder's annual report for the year ended 28 February 2014.

1 – Not applied/will not be applied.

2 – In process/partially applied.

3 – Full application.

Nr	Principle	Stage of maturity	Comments
1.	**Ethical leadership and corporate citizenship**		
1.1	The board should provide effective leadership based on an ethical foundation.	3	Applied. Ethics form part of the values of the company and the board. The board provides effective leadership based on an ethical foundation.
1.2	The board should ensure that the company is, and is seen to be, a responsible corporate citizen.	3	Applied. Projects for corporate social investments are regularly assessed and the board ensures that the company is a responsible corporate citizen.
1.3	The board should ensure that the company's ethics are managed effectively.	3	Applied. Ethical principles are always applied during decision-making.
2.	**Board and directors**		
2.1	The board should act as the focal point for and custodian of corporate governance.	3	Applied. The board as a whole is responsible for effective corporate governance.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	3	Applied. Strategy, risk, performance and sustainability are considered collectively by the board in the decision-making process.
2.3	The board should provide effective leadership based on an ethical foundation.	3	Applied. Ethics form part of the values of the company and the board.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	3	Applied. The board ensures that the company is a responsible corporate citizen and in line with the image the company would like to project.
2.5	The board should ensure that the company's ethics are managed effectively.	3	Applied. Ethics are the responsibility of the board as a whole.
2.6	The board should ensure that the company has an effective and independent audit committee.	3	Applied. The audit committee consists of three independent non-executive directors.

Nr	Principle	Stage of maturity	Comments
2.7	The board should be responsible for the governance of risk.	3	Applied. The board as a whole is responsible for risk governance.
2.8	The board should be responsible for information technology governance.	3	Applied. The board as a whole is responsible for information technology governance in the company.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	3	Applied. Compliance with all applicable laws and adherence to non-binding rules, codes and standards form part of the values of the company.
2.10	The board should ensure that there is an effective risk-based internal audit function.	1	Not applied. 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 system of internal control and risk management processes for the group are effective.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	3	Applied. The board monitors stakeholders' perceptions, in light of the importance of the company's reputation.
2.12	The board should ensure the integrity of the company's integrated report.	3	Applied. Due care is applied during the completion of the integrated report to ensure its integrity.
2.13	The board should report on the effectiveness of the company's system of internal controls.	3	Applied. This is reported on in the company's annual report.
2.14	The board and its directors should act in the best interests of the company.	3	Applied. The board acts in the best interests of the company.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act of South Africa.	3	Applied. This will be considered, if applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.	3	Applied. Mr JF Mouton fills the role of non-executive chairman and Mr N Celliers the role of CEO. Mr JF Mouton is not classified as independent in terms of King III because of his substantial indirect shareholding in Zeder. Accordingly, Mr LP Retief was appointed as lead independent director. Mr Retief resigned as a director with effect from 25 July 2014. A new lead independent director will be appointed in due course.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	3	Applied. The board has appointed a CEO and a framework for the delegation of power has been established.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	3	Applied. The majority of directors are non-executive. The majority of non-executive directors are independent as defined by King III.

Nr	Principle	Stage of maturity	Comments
2.19	Directors should be appointed through a formal process.	3	Applied. The appointment of directors is a matter for the board as a whole and is conducted in a formal and transparent manner.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	2	Partially applied. 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 the group operates. Consideration will be given to an induction programme for future appointees. Directors have unlimited access to the company's resources regarding training and development.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	3	Applied. PSG Corporate Services (Pty) Ltd has been appointed as the company secretary, having access to competent, suitably qualified and experienced employees.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	2	Partially applied. The board does not conduct annual appraisals of its members and committees. Consideration will be given to same going forward.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities.	3	Applied. Committees make recommendations which are approved at board level.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	3	Applied. Given that Zeder directors also serve on the boards of subsidiaries, the board is of the view that it is not necessary to formulate a governance framework between Zeder and its subsidiaries. The situation will be continuously monitored.
2.25	Companies should remunerate directors and executives fairly and responsibly.	3	Applied. The board is of the view that directors and executives are remunerated on a basis being fair and reasonable to both the employee and company.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	3	Applied. The remuneration of directors is disclosed in the directors' report (included in the annual report). Due to the limited number of individuals employed at a group level, disclosure of the remuneration of senior executives who are not directors is not deemed to be appropriate as such information is sensitive to peer review and adds no value to stakeholders.
2.27	Shareholders should approve the company's remuneration policy.	3	The company's remuneration policy is approved by PSG Group as part of the management agreement between Zeder and PSG, in light thereof that PSG carries the cost of remunerating Zeder's directors.

Nr	Principle	Stage of maturity	Comments
3.	**Audit committees**		
3.1	The board should ensure that the company has an effective and independent audit committee.	3	Applied. The audit and risk committee consists of three independent non-executive directors.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors.	3	Applied. Audit and risk committee members are suitably skilled and experienced.
3.3	The audit committee should be chaired by an independent non-executive director.	3	Applied. The audit and risk committee is chaired by an independent non-executive director.
3.4	The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information). The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report. The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents.	3	Applied. Performed by the audit and risk committee.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	3	Applied. The audit and risk committee ensures that a combined assurance model is applied.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	3	Applied. The audit and risk committee has satisfied itself in this regard.
3.7	The audit committee should be responsible for overseeing the internal audit function.	3	Applied. 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 system of internal control and risk management processes for the group are effective.
3.8	The audit committee should be an integral component of the risk management process.	3	Applied. This forms part of the audit and risk committee's role and function.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	3	Applied. This forms part of the audit and risk committee's role and responsibilities.

Nr	Principle	Stage of maturity	Comments
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	3	Applied. Reported at board level and in the annual report.
4.	**The governance of risk**		
4.1	The board should be responsible for the governance of risk.	3	Applied. Governed by the board as a whole.
4.2	The board should determine the levels of risk tolerance.	3	Applied. Risk levels are discussed at board level.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	3	Applied. Performed by the audit and risk committee.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	3	Applied. The board has delegated to management the responsibility to design, implement and monitor the risk management plan, and management has done so to the satisfaction of the board.
4.5	The board should ensure that risk assessments are performed on a continual basis.	3	Applied. The board performs risk assessments on a continual basis.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	3	Applied. All risk factors within the current business model are continually monitored.
4.7	The board should ensure that management considers and implements appropriate risk responses.	3	Applied. Responses are monitored and preventative measures implemented to the extent possible.
4.8	The board should ensure continual risk monitoring by management.	3	Applied. Risk-monitoring forms part of planning and decision making and is continuously performed.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	3	Applied. This occurs at board level.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	3	Applied. Disclosed in the annual report and further disclosures are assessed when needed.
5.	**The governance of information technology (IT)**		
5.1	The board should be responsible for IT governance.	3	Applied. The Board is responsible for IT governance.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	3	Applied. Objectives are aligned.

Nr	Principle	Stage of maturity	Comments
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	3	Applied. As IT does not play a significant role in the sustainability of Zeder's business at a group level due to its nature and size, the investment and expenditure in IT at group level are insignificant. The board is accordingly satisfied that the current systems of IT governance at group level are appropriate.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	3	Applied. As IT does not play a significant role in the sustainability of Zeder's business at a group level due to its nature and size, the investment and expenditure in IT at group level are insignificant.
5.5	IT should form an integral part of the company's risk management.	3	Applied. IT is considered as part of risk management.
5.6	The board should ensure that information assets are managed effectively.	3	Applied. The board is comfortable with the current practice.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	3	Applied. The audit and risk committee assists the board in carrying out its responsibilities.
6.	**Compliance with laws, codes, rules and standards**		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	3	Applied. The board considers compliance with applicable laws, codes, rules and standards and changes thereto.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	3	Applied. The board and each individual director have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.
6.3	Compliance risk should form an integral part of the company's risk management process.	3	Applied. Compliance duly forms part of the risk management process.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	3	Applied. This is performed by the PSG Group executive committee, which consists of 3 executive and 2 non-executive directors.
7.	**Internal audit**		
7.1	The board should ensure that there is an effective risk-based internal audit.	3	Applied. 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 system of internal control and risk management processes for the group are effective.
7.2	Internal audit should follow a risk-based approach to its plan.		

Nr	Principle	Stage of maturity	Comments
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.		
7.4	The audit committee should be responsible for overseeing internal audit.		
7.5	Internal audit should be strategically positioned to achieve its objectives.		
8.	**Governing stakeholder relationships**		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	3	Applied. The board monitors stakeholders' perceptions in light of the importance of the company's reputation.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	3	Applied. Stakeholder relationships are critical for the company and performed by the executive team.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	3	Applied. All stakeholders are considered during decision-making.
8.4	Companies should ensure the equitable treatment of shareholders.	3	Applied. Equitable treatment of shareholders is important and considered during decision-making.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	3	Applied. Communication with stakeholders is the responsibility of the board, PSG Group's executive committee and the company secretary.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	3	Applied. The board is informed of any disputes to ensure speedy and effective resolutions.
9.	**Integrated reporting and disclosure**		
9.1	The board should ensure the integrity of the company's integrated report.	3	Applied. Due care is applied during the compilation of the integrated report to ensure its integrity.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	3	Applied. The company reports on sustainability matters as part of its corporate governance section in the annual report.
9.3	Sustainability reporting and disclosure should be independently assured.	1	Not applied, due to the nature of its business (i.e. investment holding company), Zeder will not obtain independent assurance over its sustainability reporting.

ZEDER SHARE PRICE HISTORY

The high, low and closing prices of the ordinary shares on the JSE, and the volumes and value traded, quarterly from July 2011 to June 2013, monthly from July 2013 to June 2014 and for each trading day from 1 July 2014 to the Last Practicable Date, were as follows:

		Close (cents)	High (cents)	Low (cents)	Value (R)	Volume (shares)
Quarterly						
2011	September	242	268	222	67 326 604	27 721 136
	December	260	273	230	62 070 134	25 266 400
2012	March	260	270	250	120 152 631	46 593 817
	June	282	289	257	131 174 571	47 793 699
	September	270	298	263	90 339 002	31 948 334
	December	300	328	265	104 464 216	36 480 954
2013	March	354	364	299	95 936 669	29 026 420
	June	380	500	336	186 328 739	48 507 187
Monthly						
2013	July	400	415	354	104 793 331	27 547 362
	August	408	424	393	48 565 128	11 941 152
	September	448	460	375	32 852 347	7 974 241
	October	433	458	400	51 685 983	12 227 134
	November	434	487	418	134 031 321	31 516 790
	December	430	450	382	70 833 975	16 883 499
2014	January	410	460	394	60 058 602	13 897 486
	February	409	438	377	42 556 354	10 526 814
	March	417	422	400	26 783 936	6 493 529
	April	438	448	414	67 962 130	15 818 903
	May	449	480	438	94 623 639	20 312 795
	June	570	583	443	135 847 529	27 350 806
Daily						
2014	1 July	566	575	550	10 902 107	1 935 223
	2 July	549	575	539	3 713 168	667 535
	3 July	540	547	530	3 854 145	713 822
	4 July	537	548	537	3 568 785	663 557
	7 July	535	540	535	12 748 098	2 381 659
	8 July	534	535	533	1 749 261	327 004
	9 July	533	536	533	1 525 925	285 577
	10 July	530	540	530	4 467 584	836 621
	11 July	533	535	531	2 982 078	559 131
	14 July	532	534	530	9 366 764	1 758 538
	15 July	533	536	531	7 844 124	1 467 176
	16 July	545	555	534	4 367 077	806 935
	17 July	543	550	533	6 902 631	1 272 276
	18 July	550	550	540	14 390 412	2 643 807
	21 July	546	550	538	1 735 890	319 897
	22 July	537	547	536	1 148 252	212 367
	23 July	540	540	537	52 030 358	9 635 788
	24 July	533	555	533	1 204 132	223 456
	25 July	545	547	533	4 447 491	821 743

	Close (cents)	High (cents)	Low (cents)	Value (R)	Volume (shares)
28 July	565	565	545	2 596 039	467 457
29 July	585	594	565	22 788 476	3 913 360
30 July	583	590	576	3 156 222	542 340
31 July	583	589	579	4 259 721	732 139

DETAILS REGARDING PRINCIPAL PROPERTIES OCCUPIED

No	Company	Location	Area (m^2)	Tenure	Lease expiration	Monthly rental (R)
1.	Capespan	Vineyards Square North, Farm 4, Vineyards Office Estate, Bellville	599	4 years	2016-01-31	R68 362.25 with an annual escalation of 7.5%. Currently R79 001.13 per month
2.	Zeder	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600.	Note 1	Note 1	Note 1	Note 1
3.	Agri Voedsel	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600.	Note 1	Note 1	Note 1	Note 1
4.	Zaad	Eagle Street, Brackenfell, 7560.	100	Note 2	Note 2	Note 2

Notes:

1. No rental is paid as office space is included in the services offered in terms of the Management Agreement; and
2. The property is owned by the Zaad group of companies.

GENERAL DESCRIPTION AND NATURE OF BUSINESS OF AVL

1. BACKGROUND AND OVERVIEW

Agri Voedsel Limited (registration number 2007/015880/06) was incorporated as a public company on 30 May 2007.

Zeder holds 48.5% of AVL, which has as its sole investment a shareholding in Pioneer Food Group Limited ("**Pioneer Foods**"), representing a 30.4% economic interest and a 26.3% voting interest in Pioneer Foods (Zeder also has a further direct shareholding of 1.1% in Pioneer Foods). Pioneer Foods is a leading food and beverage producer and distributor in Southern Africa, with annual revenue in excess of R20 billion. It boasts an impressive leadership team, intent on optimising current operations and growing into new and international markets by leveraging its broad consumer product basket and state-of–the-art infrastructure. Supplying over 80 countries, Pioneer Foods' product portfolio spans bread, pasta and biscuits to fruit juices, fresh produce and some of the best-known cereal brands.

2. PROSPECTS OF AVL

AVL's prospects are directly linked to those of Pioneer Foods. Pioneer stated as follows in its interim results announcement released on SENS on 19 May 2014:

"Prospects for Pioneer Foods remain good despite strong economic headwinds. A critical focus on market share is fundamental as a key source of growth in a highly combative market environment. Continuing transformation of the organisation's business model is an enabling imperative to sustained profitability and margin expansion. Precision in executing the aforementioned will be a high priority. Margin management within the maize category, cost-push inflation, and the generation of value chain efficiencies are key focal points in the second half of the financial year."

3. MATERIAL BORROWINGS

AVL has not received any material loans.

4. MATERIAL CONTRACTS

No material contracts have been entered into by AVL, being a restrictive funding arrangement and/or a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Prospectus or that contains an obligation or settlement that is material to AVL as at the date of this Circular.

5. MATERIAL CHANGES

There have been no material changes in the financial or trading position of AVL since it published its unaudited results for the six months ended 31 March 2014 and the date of this Prospectus.

6. LITIGATION STATEMENT BY DIRECTORS OF AVL

There are no legal or arbitration proceedings which may have, or have during the 12 (twelve) months preceding the date of this Prospectus, had a material effect on the financial position of AVL and the directors of AVL are not aware of any proceedings that would have a material effect on the financial position of AVL or which are pending or threatened against AVL.

ZEDER RISK ANALYSIS AT A GROUP LEVEL

Risk	Risk description	Root causes to the risk	Consequences of the risk	Impact	Likelihood	Inherent risk exposure	Current business processes/controls in place to manage identified risks	Residual risk exposure
Accounting risk	Inaccurate accounting for significant transactions, inaccurate management information, etc.	Various	Various	Moderate	Possible	Moderate	Budgetary control processes, technical accounting updates with external auditor and group technical financial manager, ongoing communication with external auditors, obtaining external tax advice, etc.	Minor
Compliance risk	Transgression of laws or regulations	Inadvertent transgression of laws or regulations	Various	Moderate	Possible	Moderate	External tax advice, corporate advisors' and sponsors' involvement, group technical financial manager involvement, etc.	Minor
Information technology risk	Loss of data, business continuity, etc.	Insufficient back-up of data and business continuity support	Various	Minor	Unlikely	Minor	Not a live-system environment, regular scheduled data back-ups and off-site storage, etc.	Minor
Current investment and performance risk	Poor company performance	Various	Various	Critical	Possible	Critical	Well diversified investment portfolio, constant monitoring of investees' performance, representation on investees' boards, etc.	Moderate
New investment and strategic risk	Undesirable investments, poor sector performance, insufficient remedial action taken in respect of poor performance, etc.	Various	Various	Critical	Possible	Critical	Well diversified investment portfolio, predefined limits for capital at risk, highly skilled investment team, due diligences on new investments, constant monitoring of investees' and sector performance, representation on investees' boards, etc.	Moderate
Market risk	Changes impacting adversely on market prices (interest rate, exchange rate, etc.), political instability, etc.	Various	Various	Critical	Possible	Critical	Zeder does not take short term positions, market conditions monitored by management on an ongoing basis, conservative gearing policy, hedging, etc.	Minor

Risk	Risk description	Root causes to the risk	Consequences of the risk	Impact	Likelihood	Inherent risk exposure	Current business processes/controls in place to manage identified risks	Residual risk exposure
People risk	Loss of key management personnel	Inadequate incentives, poor working environment, etc.	Various	Major	Unlikely	Major	Appropriate long-term incentives offered to key management personnel, focus on good working environment, etc.	Minor
Reputational risk	All other risks have an indirect impact on our reputation	Various	Various	Critical	Possible	Critical	Open communication, full disclosure, monitoring of shareholder queries and media sources, etc.	Major

LEGEND:
- Impact = Low, Minor, Moderate, Major, Critical
- Likelihood = Rare, Unlikely, Possible, Likely, Major
- Inherent risk exposure (i.e. a combination of Impact and Likelihood) = Low, Minor, Moderate, Major, Critical
- Residual risk exposure (i.e. the remaining risk following mitigation) = Minor, Moderate, Major, Extreme