



**Aspen Pharmacare Holdings Limited
(Registration number 1985/002935/06)**

Board Charter

**Adopted by the Board of Directors on 15 September 2010 and
amended by the Board of Directors on**

- (i) 3 March 2011**
- (ii) 1 December 2011**
- (iii) 27 June 2013**
- (iv) 6 December 2016**
- (v) 13 September 2017**

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**ASPEN PHARMACARE HOLDINGS LIMITED, ITS SUBSIDIARIES AND SIGNIFICANT
JOINT VENTURE ENTITIES
("the Company" and "the GROUP")**

BOARD CHARTER

1 INTRODUCTION

- 1.1 The board of directors of Aspen Pharmacare Holdings Limited, its subsidiaries and significant joint venture entities ("the Group") acknowledges the need for a board charter as recommended in the Code of Governance Principles for South Africa – 2016 ("King IV").
- 1.2 This board charter is subject to the provisions of the Companies Act 71 of 2008 ("the Companies Act"), Aspen Pharmacare Holdings Limited's ("the Company") Memorandum of Incorporation (or MOI) and any other applicable law or regulatory provision.
- 1.3 This board charter is not intended to replace or amend the Company's MOI in any way. In the event of a conflict between these constituting documents and the charter, the provisions of the constituting documents shall have preference. The board charter is also not intended to contain a comprehensive summary of the applicable legal principles.

2 PURPOSE OF THE BOARD CHARTER

The purpose of this charter is to set out the board's role and responsibilities as well as the requirements for its composition and meeting procedures.

3 COMPOSITION

- 3.1 The board comprises a balance of executive and non-executive directors, with a majority of non-executive directors. The majority of non-executive directors will be independent where practicable.
- 3.2 The board will aspire to comprise an appropriate racial and gender balance in line with the annual targets for representation set by the board, in conjunction with the Remuneration & Nomination Committee.
- 3.3 The board size is dictated by the Company's MOI.
- 3.4 Directors are appointed through a formal process and the Remuneration & Nomination Committee assists with the process of identifying suitable candidates to be proposed to the board and, in turn, the shareholders.
- 3.5 The group chief executive and the deputy group chief executive / financial

director are *ex officio* members of the board.

- 3.6 A formal induction programme is established for new directors.
- 3.7 Inexperienced directors are developed through mentorship programmes.
- 3.8 Continuing professional development programmes are implemented which ensure that directors receive regular briefings on changes in risks, applicable laws and the operating environment.

4 ROLE AND RESPONSIBILITIES

The collective role and responsibilities of the board's directors are to:

- 4.1 approve the Group's annual budget and its forecasts;
- 4.2 monitor the Group's performance against its budget, forecasts, strategy and other objectives;
- 4.3 ensure accountability for organisational performance;
- 4.4 provide effective guidance, steering, direction and advice to the executive directors and the business as a whole;
- 4.5 act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Group along sound corporate governance principles;
- 4.6 act jointly - no director has any authority to severally perform any act on behalf of the Company or the board unless specifically authorised or requested by the board or as authorised nominees of the board. Directors are jointly accountable for the decisions of the board.
- 4.7 appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - 4.7.1 contributing to and approving policy, planning and strategy;
 - 4.7.2 satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
 - 4.7.3 identifying key performance and risk areas;
 - 4.7.4 ensuring that the strategy will result in sustainable outcomes;
 - 4.7.5 considering sustainability as a business opportunity that guides strategy formulation;
- 4.8 provide effective leadership on an ethical foundation;

- 4.9 set annual targets for race and gender representation in respect of its membership;
- 4.10 ensure that the Group is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group but also the impact that business operations have on the environment and the society within which it operates;
- 4.11 ensure that the Group's ethics are managed effectively;
- 4.12 ensure that the Group has an effective and independent audit committee;
- 4.13 be responsible for the governance of risk;
- 4.14 be responsible for information technology (IT) governance and in this regard ensure that –
 - 4.14.1 such governance is on each board agenda;
 - 4.14.2 the group chief information officer reports functionally to the Audit & Risk Committee; and
 - 4.14.3 the group chief information officer appears before and reports to the board at least once each calendar year;
- 4.15 the board shall remain accountable for enforcing and monitoring effective IT governance irrespective of whether the responsibility for the provision of IT goods and services has been delegated to another party (or Group division);
- 4.16 ensure that the Group complies with applicable laws and considers adherence to non-binding rules and standards;
- 4.17 ensure that there is an effective risk-based internal audit;
- 4.18 appreciate that stakeholder's perceptions affect the Group's reputation;
- 4.19 ensure the integrity of the Group's integrated report;
- 4.20 act in the best interests of the Group by ensuring that individual directors:
 - 4.20.1 adhere to legal standards of conduct;
 - 4.20.2 are permitted to take independent advice in connection with their duties in accordance with the procedures set out in this charter;
 - 4.20.3 disclose real or perceived conflicts to the board and deal with them accordingly;

- 4.20.4 deal in securities only in accordance with the policies set out in this charter;
- 4.21 commence business rescue proceedings as soon as the Group is financially distressed;
- 4.22 elect a chairman of the board that is a non-executive director, preferably an independent non-executive director where practicable;
- 4.23 appoint and evaluate the performance of the group chief executive and deputy group chief executive;
- 4.24 in regards to the sustainability of the Group:
 - 4.24.1 oversee the effective implementation of the Group Sustainability Policy;
 - 4.24.2 assess key sustainability performance measures taking into consideration the economic, social and environmental factors relevant to the Group;
 - 4.24.3 assess management's plans and strategies aimed at ensuring the sustainability of the Group;
 - 4.24.4 ensure that there is adequate external assurance on sustainability issues, where considered necessary;
 - 4.24.5 ensure that sustainability issues that are disclosed in the Company's integrated report are timely, comprehensive, relevant, accurate and reliable and that no conflicts or differences arise when compared with the financial results; and
 - 4.24.6 ensure that the Group's Responsible Corporate Citizenship Philosophy is implemented effectively;
- 4.25 appoint the company secretary; and
- 4.26 generally do everything necessary to fulfil its roles set out above.

5 THE CHAIRMAN

5.1 *Description*

- 5.1.1 The chairman shall at all times be a non-executive director.
- 5.1.2 The chairman shall strive to be a firm and objective leader who brings out the best in each director.
- 5.1.3 The role of the chairman shall always be separate from that of the group chief executive and the lead independent director

(unless the lead independent director is fulfilling the role of the chairman), respectively.

5.2 ***Appointment***

The chairman shall be elected annually at the first meeting of the board following the Group's annual general meeting.

5.3 ***Responsibilities***

The chairman:

5.3.1 must ensure that the board remains efficient, focused and that it operates as a unit; and

5.3.2 is responsible for running the board.

5.4 ***Duties***

5.4.1 Relating to the board, the chairman must:

5.4.1.1 ensure the smooth functioning of the board in the interests of good governance;

5.4.1.2 provide overall leadership to the board without limiting the principle of collective responsibility for all board decisions;

5.4.1.3 together with the group chief executive and the company secretary, formulate an annual work plan for the board against agreed objectives and goals; and

5.4.1.4 continue to act objectively to ensure that all relevant matters are on the agenda of board meetings and are properly discussed.

5.4.2 Relating to directors, the chairman must:

5.4.2.1 ensure that newly appointed directors are properly inducted and orientated by the company secretary;

5.4.2.2 monitor and evaluate board and committee appraisals;

5.4.2.3 ensure that all directors make a full and constructive contribution to the affairs of the Group;

5.4.2.4 ensure that the executive directors play a management role and fully participate in the governance of the Group;

- 5.4.2.5 take the lead role in removing non-performing and unsuitable directors from the board;
- 5.4.2.6 in conjunction with the Remuneration & Nomination Committee, annually appraise the performance of the group chief executive and the deputy group chief executive/financial director;
- 5.4.2.7 in conjunction with the Remuneration & Nomination Committee, actively participate in the selection of board members and oversee a formal succession plan for the board, group chief executive and senior executive management;
- 5.4.2.8 in conjunction with the group chief executive annually appraise the performance of each director, other than the chairman;
- 5.4.2.9 act as the main information link between the board and management, and particularly between the board and the group chief executive; and
- 5.4.2.10 take a lead role in appraising the going concern status of the Group.

5.4.3 In meetings, the chairman must:

- 5.4.3.1 subject to the provisions of clause 6.3, preside over meetings;
- 5.4.3.2 subject to the provisions of clause 6.4.2, act as the facilitator at meetings to ensure that:
 - 5.4.3.2.1 appropriate discussion takes place;
 - 5.4.3.2.2 no director dominates the discussions; and
 - 5.4.3.2.3 discussions result in logical and understandable outcomes;
- 5.4.3.3 ensure that all the relevant information and facts are placed before the board to enable the directors to reach an informed decision;
- 5.4.3.4 ensure that the board has unrestricted access to all Group information, records, documents, property and employees, subject to prior notice of the intended

access being given to the group chief executive or, in his absence, the deputy group chief executive;

5.4.3.5 establish standards for preparation of board packs and reports;

5.4.3.6 preside over the Company's shareholder meetings;

5.4.3.7 play an active role in setting the agenda for meetings; and

5.4.3.8 ensure that the content and order of the agendas for shareholder meetings are appropriate.

5.4.4 Additional duties

5.4.4.1 engage with stakeholders as and when required to do so, in consultation with executive management; and

5.4.4.2 be available to the group chief executive and the deputy group chief executive/financial director between board meetings to provide counsel and advice.

6 THE LEAD INDEPENDENT DIRECTOR

6.1 *Description*

6.1.1 The lead independent director shall at all times be an independent non-executive director.

6.1.2 The role of the lead independent director shall always be separate from that of the chairman (unless the lead independent director is fulfilling the role of the chairman) and the group chief executive, respectively.

6.2 *Appointment*

The lead independent director shall be elected annually at the first meeting of the board following the Group's annual general meeting.

6.3 *Responsibilities*

The lead independent director will assume the responsibilities of the chairman solely and exclusively when the chairman has a conflict of interests, when the chairman's performance is being appraised and when

the chairman's term of office is being considered.

6.4 ***Duties***

6.4.1 Relating to the chairman, the lead independent director must in conjunction with the group chief executive annually appraise the performance of the chairman.

6.4.2 In meetings which are chaired by the lead independent director, the lead independent director must:

6.4.2.1 preside over such meetings;

6.4.2.2 act as a facilitator at such meetings to ensure that:

6.4.2.2.1 appropriate discussions take place;

6.4.2.2.2 no director dominates the discussion; and

6.4.2.2.3 discussions result in logic and understandable outcomes;

6.4.2.3 ensure that all the relevant information and facts are placed before the board to enable the directors to reach an informed decision.

7 **THE GROUP CHIEF EXECUTIVE**

7.1 ***Description***

7.1.1 The group chief executive must play a critical and strategic role in the operational success of the business.

7.1.2 The role of the group chief executive shall be separate from that of the chairman.

7.2 ***Appointment***

The group chief executive shall be appointed by the board under the guidance of the Remuneration & Nomination Committee.

7.3 ***Responsibilities and Duties***

The group chief executive:

- 7.3.1 is responsible for formulating and recommending to the board strategies and policies and for ensuring their implementation once agreed to by the board;
- 7.3.2 must serve as the chief spokesperson of the Group;
- 7.3.3 must ensure that the day-to-day business affairs of the Group are appropriately monitored and managed;
- 7.3.4 must develop and recommend to the board, a long-term strategy and vision for the Group, that will generate satisfactory levels of shareholder value and positive, reciprocal relations with its relevant stakeholders;
- 7.3.5 must develop and recommend to the board an annual budget that supports the Group's long-term strategy;
- 7.3.6 must strive to achieve the Group's economic, social and environmental goals and objectives;
- 7.3.7 must ensure that the Group has an effective management team;
- 7.3.8 must actively participate in the development of management and succession planning; and
- 7.3.9 in conjunction with the chairman annually appraise the performance of each director.

7.4 ***Appraisal and Evaluation***

The Remuneration & Nomination Committee will, in conjunction with the chairman, annually appraise the performance of the group chief executive and the deputy group chief executive.

8 THE EXECUTIVE DIRECTORS

8.1 ***Description***

The Executive directors:

- 8.1.1 are involved in the day-to-day management and running of the business;
- 8.1.2 are in the salaried employment of Group; and
- 8.1.3 are not remunerated for their services as directors of the board.

8.2 ***Appointment***

The Executive directors:

- 8.2.1 shall be appointed in accordance with the procedures set out in clause 12;
- 8.2.2 must be free of any conflict of interest between the duties they owe to the Group and their private interests, unless such interests have been fully declared to the board and have been deemed to be acceptable to the board.

8.3 ***Responsibilities and Duties***

Under the leadership, guidance and directive of the group chief executive, the executive directors:

- 8.3.1 have the authority to run the day-to-day affairs of the Group;
- 8.3.2 must ensure that effective control of management is exercised;
- 8.3.3 are accountable to the Group by means of regular reports to the board;
- 8.3.4 must be measured against agreed performance criteria and objectives relative to the current business climate and the prospects in each business unit;
- 8.3.5 must attend and participate actively in the proceedings at meetings whether present personally or by teleconference or video-conference facilities; and
- 8.3.6 must have responsibility for proposing strategy and for making and implementing operational decisions on running the business.

9 **THE NON-EXECUTIVE DIRECTORS**

9.1 ***Description***

The Non-executive directors:

- 9.1.1 should be individuals of high-calibre and credibility who make a significant contribution to the board's deliberations and decisions;
- 9.1.2 must have the necessary skill and experience to bring judgment to bear, independent of management, on issues of strategy, performance, resources, transformation, diversity and employment equity, standards of conduct and evaluation of

performance;

9.1.3 should carefully consider the number of appointments taken as directors to ensure that the Group enjoys the full benefit of their expertise, experience and knowledge;

9.1.4 are not involved in the day-to-day management and running of the business; and

9.1.5 are not in the salaried employment of Group.

9.2 ***Appointment and Removal***

The Non-executive directors shall be appointed in accordance with the procedures set out in clause 12:

9.2.1 to the extent to which a third party has contractual rights to nominate a non-executive director to the board, the procedures set out in clause 12 shall still apply;

9.2.2 shall be removed in accordance with the provisions of the Companies Act and the Company's MOI;

9.2.3 must, as far as is reasonably possible, avoid conflicts of interest between the duties they owe to the Group and their private interests. Where these conflicts of interests arise they must be disclosed and further dealt with in accordance with the provisions of this Charter and the Companies Act.; and

9.2.4 shall automatically retire upon attaining the age of 70 whereafter, subject to the provisions of the Companies Act and the Company's MOI, the board may thereafter, in its discretion, invite the said retiree to remain as a non-executive director on a year-to-year basis.

9.3 ***Responsibilities and Duties***

The non-executive directors:

9.3.1 derive no benefits for serving on the board, other than their fee, which fee shall be fixed by the shareholders in general meeting;

- 9.3.2 may not use the position of director or information obtained while acting in the capacity of director to gain advantage for him- or herself, or for any person other than the Company or a wholly owned subsidiary of the Company;
- 9.3.3 have unrestricted access to all the Group's information, records, documents, property and employees, subject to prior notice of the intended access being given to the group chief executive or, in his absence, the deputy group chief executive;
- 9.3.4 must make a significant contribution to the board's deliberations and decisions;
- 9.3.5 must exercise the powers and perform the functions of a director:
 - 9.3.5.1 in good faith and for a proper purpose;
 - 9.3.5.2 in the best interests of the Company; and
 - 9.3.5.3 with the requisite degree of care, skill and diligence.
- 9.3.6 must attend and participate actively in the proceedings at meetings whether present personally or by teleconference or video-conference facilities; and
- 9.3.7 must strive to complement the skills and experience of the executive directors, contributing to the formulation of policy and decision-making through their knowledge and experience of other businesses and sectors.

10 THE INDEPENDENT NON-EXECUTIVE DIRECTORS

10.1 *Description*

The independent non-executive directors are non-executive directors who:

- 10.1.1 are not representative of any shareholder who has the ability to control or materially influence management and/or the board;
- 10.1.2 have not been employed by the Group in any executive capacity for the preceding three financial years;
- 10.1.3 are not members of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the Group in an executive capacity;
- 10.1.4 are not professional advisors to the Group, other than in the

capacity as a director;

- 10.1.5 are not material suppliers to or customers of the Group;
- 10.1.6 have no material contractual relationships with the Group;
- 10.1.7 are free from any business or other relationship, which could be seen to materially interfere with the directors' capacity to act in an independent manner; and
- 10.1.8 do not have, relevant to the directors' personal wealth, significant direct or indirect shareholding in the Group which could be seen to materially interfere with the directors' capacity to act in an independent manner.

10.2 ***Appointment and Removal***

For the avoidance of doubt, the provisions of clause 9.2 shall apply, *mutatis mutandis*, to the appointment and removal of the independent non-executive directors.

10.3 ***Responsibilities and Duties***

For the avoidance of doubt, the provisions of clause 9.3 shall apply, *mutatis mutandis*, to the responsibilities and duties of the independent non-executive directors.

10.4 ***Assessment of Independence***

The independence of the independent non-executive directors will be assessed as part of the annual board evaluation programme performed by the board and the independence of any independent non-executive director serving for more than 9 years will be subjected to a rigorous review of his or her independence as part of this evaluation programme.

11 THE COMPANY SECRETARY

11.1 ***Description***

In terms of Section 86 of the Companies Act, the company secretary must be someone who is permanently resident in South Africa, and who, in the opinion of the directors, has the requisite knowledge of, or experience in,

relevant laws. In addition, the board requires that the company secretary must be someone with the requisite knowledge and experience to carry out the duties of a secretary of a public company.

11.2 *Appointment*

The company secretary shall be appointed in accordance with the provisions of clause 12.

11.3 *Responsibilities and Duties*

The company secretary:

- 11.3.1 must play a pivotal role in the corporate governance of the Group;
- 11.3.2 must provide the board (and each director individually) with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group;
- 11.3.3 is responsible to the board for ensuring compliance with procedures and regulations of a statutory nature;
- 11.3.4 is a central source of guidance and advice to the board and within the Group on matters of ethics and good governance;
- 11.3.5 must regularly monitor the information needs of the board;
- 11.3.6 must ensure that, in accordance with the pertinent laws, the proceedings and affairs of the board, the Group and, where appropriate, the shareholders are properly administered;
- 11.3.7 must ensure compliance by the Group with the JSE Limited Listings Requirements;
- 11.3.8 must table a report of all the directors and officers dealings in securities at each meeting;
- 11.3.9 is responsible for the induction of new directors;
- 11.3.10 is responsible for assisting the chairman and group chief executive in determining the annual board plan and the administration of other issues of a strategic nature at the board level;
- 11.3.11 must convene meetings at such time and venues as the chairman and the group chief executive, in consultation with him/her, deem appropriate;

- 11.3.12 must ensure that, except under exceptional circumstances, at least 21 (twenty-one) days' notice of the meetings is given; and
- 11.3.13 must ensure that, except under exceptional circumstances, board packs containing all relevant information and facts are given to the directors at least 5 (five) days before scheduled meetings.

12 THE APPOINTMENT OF NEW DIRECTORS

12.1 The Remuneration & Nomination Committee must:

- 12.1.1 on an on-going basis, but at least once a year, review the board structure, its gender, racial and size composition as well as the relationship between executive and non-executive directors to ensure that the board is sufficiently gender and racially diverse and has the necessary skills to competently discharge its duties having regard to the strategic direction of the Group;
- 12.1.2 at least annually report the outcome of its aforesaid review to the board;
- 12.1.3 as and when it considers appropriate, but in any event on each occasion on which an existing director resigns from the board, assess the skills represented on the board by the directors and determine whether those skills are sufficient for the board to competently discharge its duties;
- 12.1.4 identify suitable members of the board and the chairman, respectively;
- 12.1.5 after selecting a suitable candidate for appointment to the board, attend to:
 - 12.1.5.1 screen that candidate to ensure his/her suitability and that he or she is free from any conflicts of interest; and
 - 12.1.5.2 through the company secretary, ensure that he/she completes an appropriate "fit and proper" test;
- 12.1.6 make recommendations to the board on candidates which it considers appropriate for appointment to the board and simultaneously therewith confirm that the aforesaid screening and testing processes have been completed;
- 12.1.7 after the board has considered the proposal, arrange interviews between the candidate and the chairman, the group chief

executive and/or deputy group chief executive and any other director who the Remuneration & Nomination Committee deems appropriate;

- 12.1.8 non-executive director candidates will be requested to provide details of professional commitments and a statement confirming that the candidate has sufficient time available to fulfil the responsibilities as member of the board;
- 12.1.9 in consultation with the chairman of the board make recommendations to the board, following evaluations of directors, for the continuation (or not) in service of any director, as a director or as a member of any board committee;
- 12.1.10 in respect of each appointment to the board, ensure that the company secretary:
 - 12.1.10.1 attends to cause a Section 21 Declaration to be completed and transmitted to the JSE Limited, within 14 (fourteen) days of the effective date of the appointment;
 - 12.1.10.2 makes the appropriate SENS announcements;
 - 12.1.10.3 provides written notification of the appointment to the JSE Limited;
 - 12.1.10.4 gives notice of the appointment in the Group's next publication of listing particulars, interim report or annual financial statements; and
 - 12.1.10.5 attends to the induction of the director in accordance with the provisions of this charter.
- 12.2 The procedures set out in clauses 12.1.4 to 12.1.10 (inclusive) shall apply, *mutatis mutandis*, to the appointment of the company secretary.

13 THE INDUCTION OF NEW DIRECTORS

- 13.1 Each new director to the board shall be obliged to undertake an induction programme at the instance of the company secretary.
- 13.2 The induction programme shall involve orientating new directors on corporate governance, the business, the Group's strategies and business plans including, where appropriate, visits by the new director to the business and meetings with senior management.

14 INDEPENDENT PROFESSIONAL ADVICE

- 14.1 Directors have the right to seek professional advice from the Group's

professional advisers, at the Company's expense, on all issues relevant to his/her rights, duties and/or responsibilities as a director of the Company.

- 14.2 If a director is not satisfied with the advice given to him/her by the Group's professional advisers, then the director concerned may, subject to what is stated below, seek independent professional advice:
 - 14.2.1 the director concerned must give prior written notice to the chairman and the company secretary of:
 - 14.2.1.1 his/her intention to seek independent professional advice;
 - 14.2.1.2 the name of the Group's professional adviser/s which he/she initially consulted and reasons for he/she not being satisfied with that advice; and
 - 14.2.1.3 the name of the independent professional adviser/s that he/she proposes to instruct together with a brief summary of the subject matter and an estimate of the proposed cost.
 - 14.2.2 the chairman shall provide a written acknowledgement of receipt of the notification which shall state whether the fees for the independent professional advice sought are payable by the Company. In the event of the chairman stating that such fees are not payable by the Company, then the director concerned shall be solely liable for such fees. The chairman in exercising his rights and obligations under this clause 14.2 shall act reasonably and without delay.
- 14.3 The independent professional advice obtained by the director in question shall be made available to the board by the director concerned and shall be for the benefit of the board as a whole.
- 14.4 Directors shall ensure that no potential conflicts of interest exist or can arise between the Group and the independent professional adviser/s to be engaged.
- 14.5 Directors who are seeking independent professional advice shall ensure that the costs to the Group of the independent professional adviser/s shall be reasonable.
- 14.6 The aforesaid restrictions shall not apply to executive directors acting in the furtherance of their executive responsibilities and within their delegated powers.

- 14.7 Independent professional advice for the purposes of this policy shall exclude advice concerning the director's personal interests (such as service contracts with the Group or his/her dealings in the Company's securities or disputes with the Group unrelated to his/her directorship.)

15 SHARE DEALINGS BY DIRECTORS

15.1 *Regulatory Process to be Followed*

- 15.1.1 Directors may not deal in any securities relating to the Company without advising the chairman (or in his/her absence the lead independent director, whom failing the chairman of the Audit & Risk Committee) and without receiving written clearance from the chairman or the lead independent director or the chairman of the Audit & Risk Committee (as the case may be).
- 15.1.2 A director may not be given clearance to deal in any securities in breach of the JSE Limited Listings Requirements.
- 15.1.3 A copy of the written clearance, in respect of any dealing in securities, must be kept by the director concerned and the company secretary.
- 15.1.4 Directors who deal in securities are required to disclose this information, in writing, to the company secretary without delay, and in any event by no later than 24 (twenty four) hours after such dealing has taken place.
- 15.1.5 A report, detailing the directors' dealings in securities, is to be tabled by the company secretary at each meeting of the board.
- 15.1.6 Directors are obliged to prohibit any dealings in securities by his/her associate where such dealings will be in breach of the JSE Limited Listings Requirements, the Securities Services Act 36 of 2004, as amended or any other applicable legislation.

15.2 *Directors Encouraged to Hold Securities*

Executive directors are encouraged to hold securities in the Company recognizing that this has the capacity to increase the focus of the directors on the Group's performance and share value and thus is in the interests of shareholders.

16 BOARD MEETINGS

16.1 *The Memorandum of Incorporation*

The Company's MOI, in addition to the matters described in this charter, govern proceedings of meetings.

16.2 *Requirement*

16.2.1 Directors must attend all scheduled meetings of the board, including meetings called on an *ad hoc* basis for special meetings unless the procedures set out in 16.2.2 are adhered to.

16.2.2 Should a director not be able to attend a meeting, a letter explaining the reasons for non-attendance must be sent to the chairman for distribution to the board, if possible, no later than 1 (one) week before the scheduled meeting. In addition, that director must submit to the chairman for distribution to the board, comprehensive submissions on all agenda items by no later than the scheduled meeting.

16.2.3 The company secretary must furnish all the relevant information and facts to the directors which they will need in preparation for a meeting. Directors are expected to prepare thoroughly for meetings.

16.2.4 Each director is responsible for being satisfied that he/she has been furnished with all the relevant information and facts before making a decision in his/her capacity as a director.

16.2.5 All directors are expected to participate fully and constructively in board discussions.

16.2.6 All directors should bring the benefit of their particular knowledge, skills and abilities to the board.

16.2.7 Members of senior management, assurance providers and professional advisers may be in attendance at meetings, but by invitation only, and they shall not vote nor shall they form part of the quorum of any meeting.

16.2.8 The company secretary is the secretary to the board.

16.3 *Frequency*

16.3.1 The board must hold sufficient scheduled meetings to discharge all of its duties as set out in this charter but subject to a minimum of 4 (four) meetings per year.

16.3.2 Meetings will be held at such time and venue as the chairman

and group chief executive in consultation with the company secretary deems appropriate.

- 16.3.3 Details of attendance at meetings of each director will be disclosed in the annual report.
- 16.3.4 Except under exceptional circumstances (i.e. special meetings), at least 21 (twenty-one) days' notice of meetings will be given by the company secretary to each director.
- 16.3.5 Except under exceptional circumstances, at least 5 (five) days before the scheduled meeting, the company secretary will furnish all the relevant information and facts to the directors for the purposes of the scheduled meeting.
- 16.3.6 Meetings in addition to those scheduled may be held at the instance of a board member, if agreed to by the chairman or at the instance of at least two directors.
- 16.3.7 The chairman of the board may meet with the group chief executive, the deputy group chief executive and/or the company secretary prior to a board meeting to discuss important issues and agree on the agenda.

16.4 ***Quorum***

The Company's MOI dictates the quorum for meetings.

16.5 ***Proceedings***

16.5.1 *Annual Work Plan*

The board must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in this charter: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

16.5.2 *Agenda and Documentation*

A draft agenda must be circulated by the company secretary at least 10 (ten) days prior to each meeting to the members of the board requesting their input, unless urgent business dictates otherwise. A detailed agenda, together with supporting

documentation, must be circulated by the company secretary at least 5 (five) days prior to each meeting to the members of the board and other invitees, unless urgent business dictates otherwise.

16.5.3 Attendance Register

16.5.3.1 Every director present at a meeting shall, at the meeting, sign his name under the date of the meeting in a book to be kept for this purpose.

16.5.3.2 The aforesaid book shall be kept at the registered office of the Company or at the office where it is made up and shall during business hours be open to inspection by any shareholder without charge.

16.5.4 Keeping of Minutes

The company secretary shall ensure that the provisions of section 73(6) and (7) of the Companies Act are complied with and without limiting the generality of the foregoing that:

16.5.4.1 the minutes of all meetings will be prepared by the company secretary and will be circulated to the chairman for comment within 14 (fourteen) days of the meeting;

16.5.4.2 the chairman shall approve the minutes within 14 (fourteen) days of receipt of the draft minutes;

16.5.4.3 the minutes, as approved by the chairman, will be circulated to all directors for comment within 7 (seven) days of their approval by the chairman;

16.5.4.4 minutes of all meetings will be entered in English in a book to be kept for this purpose, with the company secretary, at the registered office of the Company;

16.5.4.5 minutes will also be kept electronically by the company secretary;

16.5.4.6 any resolution of directors in the form of a written resolution signed by the directors shall be deemed to be a minute of a meeting and shall be entered in the aforesaid book and electronic records and it shall be noted by the directors at the next succeeding

meeting;

16.5.4.7 the minutes of any meeting shall be signed by the chairman of that meeting as evidence of the proceedings at that meeting;

16.5.4.8 the minutes of any meeting shall be included in the board pack for the next succeeding meeting.

16.5.5 Board / Meeting Papers

16.5.5.1 directors must treat any confidential matters relating to the Group, learned in their capacity as a director, as strictly confidential and not divulge them to anyone without the written authority of the chairman, whom failing the group chief executive.

16.5.5.2 A record of board submissions, papers, material presented to the board and minutes of meetings, will be retained physically and electronically by the company secretary for an indefinite period.

16.5.5.3 All documents specified in clause 16.5.5.2 of this charter will be accessible, at all reasonable times, to all directors.

17 CONFLICTS OF INTEREST

17.1 On or before 1 October of each year (“disclosure period”) the directors are required, in a board meeting, to undertake a written disclosure giving full particulars of their interests, whether direct or indirect, in the Group in accordance with the provisions of section 75(4) of the Companies Act. In addition, in the event of a director’s interests in the Group varying or in the event of a director acquiring new interests in the Group, during the course of any disclosure period, then that director shall immediately give full particulars of such varied or new interest, in writing, to each member of the board and the company secretary.

17.2 A director who is in any way materially interested in any proposed contract to be entered into by him on behalf of the Group, shall, before entering into such contract, declare his interest and the full particulars thereof at a meeting and shall not enter into such contract unless and until a resolution has been passed by the directors (excluding the director who is in any way

materially interested in the proposed contract) approving thereof.

- 17.3 If a director is in any way materially interested (whether directly or indirectly) in a contract or proposed contract which is placed before the board at any meeting for confirmation or authorisation, then full particulars of the interest in such contract must be disclosed by the director concerned and minuted.
- 17.4 Directors must, as far as reasonably possible, avoid conflicts of interest between the duties they owe to the Group and their private interests.
- 17.5 In circumstances where a director is in any way materially interested (whether directly or indirectly) in any contract or proposed contract which is placed before the board of any meeting or if a conflict of duties and/or interests arises, then the director concerned shall –
- 17.5.1 be obliged to leave the meeting whilst the contract or proposed contract or conflict of duties and/or interest is discussed by the board; and
- 17.5.2 recuse himself from voting on the contract or proposed contract, conflict of duties and/or interest and as such shall not be entitled to vote thereon.

18 SHAREHOLDER MEETINGS

18.1 *The MOI*

The Companies Act and the Company's MOI, in addition to the matters described in this charter, govern proceedings of shareholder meetings.

18.2 *Requirement*

Each of the chairman of the board, the chairman of the Audit & Risk

Committee, the chairman of the Remuneration & Nomination Committee and the chairman of the Social & Ethics Committee must be present at the Company's annual general meetings, unless prior apology, with compelling reasons. In the event of the chairman, the chairman of the Audit & Risk Committee, the chairman of the Remuneration & Nomination Committee or the Social & Ethics Committee, respectively, not being so present then he/she shall appoint another director or member of such Committee (as the case may be) to so attend in his/her stead. The remaining directors will use their best endeavours to attend the Company's annual general meetings. The directors will use their best endeavours to attend all other shareholders meetings.

18.3 *Frequency*

18.3.1 The Company's annual general meeting of shareholders will be held once a year, within not more than 9 (nine) months after the end of every ensuing financial year, and general meetings of shareholders will be held whenever else circumstances necessitate.

18.3.2 Shareholder meetings will be held at such time and venue as the chairman and group chief executive in consultation with the company secretary deems appropriate.

18.3.3 Notices of shareholders meetings will be given to all shareholders in accordance with the provisions of the Companies Act.

18.4 *Quorum*

The Company's MOI dictates the quorum for shareholder meetings.

18.5 *Proceedings*

18.5.1 *Attendance Register*

18.5.1.1 Every director present at any shareholder meeting shall, at the meeting, sign his name under the date of the meeting in the book provided by the company secretary.

18.5.1.2 Such book shall be kept at the registered office of the Company or at the office where it is made up and shall during business hours be open to inspection by any shareholder without charge.

18.5.2 Keeping of Minutes

- 18.5.2.1 The minutes of all proceedings of the shareholder meetings will be prepared and sent to the chairman by the company secretary within 10 (ten) days of the shareholder meeting.
- 18.5.2.2 The chairman will comment and/or approve the minutes of the shareholder meeting within 5 (five) days of receipt of the aforesaid draft minutes and will sign the minutes as evidence of the proceedings at that meeting after such minutes have been approved as a true record by the board.
- 18.5.2.3 As is required by paragraph 16.21(b) of the JSE Limited Listings Requirements, the minutes of all shareholder meetings shall be lodged by the company secretary with the JSE Limited by no later than 30 (thirty) days after the relevant shareholder meeting.
- 18.5.2.4 Minutes of shareholder meetings will be entered in English in a book by the company secretary who will also keep an electronic copy of such minutes, at the registered office.
- 18.5.2.5 The minutes of any shareholder meeting shall be included in the board pack for the next succeeding meeting for approval.

19 DELEGATION AND BOARD COMMITTEES

- 19.1 The board delegates certain functions to the Audit & Risk Committee, the Remuneration & Nomination Committee and the Social & Ethics Committee, respectively.
- 19.2 Delegation of the board's authority to each of its committees is formally made –
 - 19.2.1 in respect of the Audit & Risk Committee in accordance with the terms of reference annexed hereto, marked **Annexure 1**;
 - 19.2.2 in respect of the Remuneration & Nomination Committee in accordance with the terms of reference annexed hereto, marked **Annexure 2**; and
 - 19.2.3 in respect of the Social & Ethics Committee in accordance with the terms of reference annexed hereto, marked **Annexure 3**.

- 19.3 Each committee's terms of reference are reviewed annually by the board and the relevant committee, respectively, on or before 1 October.
- 19.4 The committees are appropriately constituted with due regard to the skills required by each committee.
- 19.5 Members of the committees will ensure transparency and full disclosure to the board.
- 19.6 The committees have the full authority of the board in respect of a matter referred to it.
- 19.7 The creation of a committee, delegation of any power to a committee, or action taken by a committee, does not alone satisfy or constitute compliance by a director of his or her duties as prescribed in this charter, the Companies Act or the Company's MOI.
- 19.8 In order to ascertain their performance and effectiveness each committee will, at its meeting immediately preceding the Company's annual general meeting –
- 19.8.1 be subject to an annual evaluation by the board; and
- 19.8.2 be subject to a self-evaluation by its members.
- 19.9 Every director is entitled to attend any committee meeting as an observer. Non-members of the committee may, however, not participate in the meeting's proceedings without the specific consent of the committee chairman, do not have a vote at the meeting and are not entitled to fees for such attendance, unless payment of these fees is agreed to by the board.
- 19.10 The board has established a framework for the delegation of authority to Group management.

20 MATTERS RESERVED FOR THE BOARD

The following matters are reserved for decision and approval by the board, supported, where applicable, by the recommendations of the committees.

20.1 *Statutory, Regulatory and Ancillary Requirements*

- 20.1.1 The approval of interim and final financial statements.
- 20.1.2 The approval and recommendations of interim and final dividends or capital distributions.
- 20.1.3 The appointment or removal of the company secretary.
- 20.1.4 Endorse the Audit & Risk Committee's recommendation of the external auditors for appointment by the shareholders.

- 20.1.5 Resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
 - 20.1.6 Recommending amendments to the Company's MOI.
 - 20.1.7 Where material, prosecution, defence or settlement of legal or arbitration proceedings.
 - 20.1.8 The variation of rights attaching to shares where such powers are vested in the board.
 - 20.1.9 The development, approval, amendment of this charter, the Aspen Group Code of Conduct (**Annexure 3A**) and terms of reference for committees.
 - 20.1.10 The approval of all circulars and listings particulars.
 - 20.1.11 The approval of announcements made on the Johannesburg Stock Exchange News Service ("SENS") which relate to Category 1 Transactions or profit warnings. For the avoidance of doubt all other announcements made on SENS shall be approved by the Audit & Risk Committee and circulated to the board prior to publication.
 - 20.1.12 The approval of financial results announcements.
 - 20.1.13 Declaration of capital distributions or dividends to shareholders in terms of the authority granted to directors by shareholders at general meetings.
 - 20.1.14 The approval of the recommendation to shareholders for the approval of resolutions.
 - 20.1.15 The approval of the recommendation to shareholders for the proposed course of action recommended by the board.
 - 20.1.16 Any decision to list or delist shares on any stock exchange.
- 20.2 ***Accounting and Disclosure***
- 20.2.1 The approval of the annual integrated report of the Company, other than the auditor's report.
 - 20.2.2 The approval of the annual financial statements of the Group other than the auditor's report.
 - 20.2.3 Ensuring that the annual financial statements of the Group, are in conformity with International Financial Reporting Standards (IFRS) and any additional requirements in terms of the Companies Act, and fairly present the state of affairs of the

Group and the business as at the end of the financial year concerned and the profit or loss of the Group for that financial year.

- 20.2.4 Ensuring that the sustainability issues in the Company's integrated report are timely, comprehensive, relevant and reliable and that no conflicts or differences arise when compared with the Group's financial results.
- 20.2.5 The adoption of any significant change in or departure from the accounting policies and practices of the Group.
- 20.2.6 Reviewing the Group's borrowings and facilities for the effective conduct of the business from time to time.
- 20.2.7 The approval of material changes to the Group's strategic direction, forecasts and annual budgets.
- 20.2.8 The approval and recommendation to shareholders of any increase, reduction or alteration to the issued and/or authorised share capital of the Company.
- 20.2.9 The approval and recommendation to shareholders of the allotment, issue or disposal of shares (except for shares allotted under any share incentive scheme).
- 20.2.10 The repurchase of shares by the Company or any of its subsidiaries.

20.3 ***Board Membership and Committees***

- 20.3.1 The board appoints and removes both executive directors, non-executive directors and company secretary and determines any special terms and conditions attaching to such appointments.
- 20.3.2 The terms of reference of the chairman, group chief executive and the directors.
- 20.3.3 The terms of reference and membership of committees.

20.4 ***Management***

- 20.4.1 The appointment of executive directors and the terms and conditions of their employment.
- 20.4.2 The approval of changes relating to the Group's capital structure or its status as a listed Company.
- 20.4.3 The approval of the Group's long term objectives and commercial strategy.

20.4.4 The approval of the annual operating and capital expenditure budgets.

20.5 ***Emoluments***

20.5.1 Any increase in the fees of non-executive directors of the board (subject to the approval of shareholders in general meeting).

20.5.2 Any increase in the fees of non-executive directors serving as members of committees.

20.5.3 The approval of any employee incentive scheme, the rules applicable and any amendments made to the employee incentive scheme.

20.6 ***Contractual Commitments***

20.6.1 Major capital projects, acquisitions and disposals as are more fully detailed in the Group's Approvals Framework, for the time being.

20.6.2 Material, either by reasons of size or strategically, contracts of the Group as more fully detailed in the Group's Approvals Framework, for the time being.

20.7 ***Miscellaneous***

20.7.1 The review of the Group's overall corporate governance arrangements and how these are reported upon in the annual integrated report.

20.7.2 The formulation of policy regarding charitable donations.

20.7.3 Ensure that the Audit & Risk Committee reviews and reports to shareholders on internal controls.

20.7.4 Directors and officers liability insurance.

21 MANAGEMENT OF RISK

21.1 The board is responsible for the total process of risk management.

21.2 Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Group.

21.3 The board has delegated the management of risk to the Audit & Risk Committee.

21.4 The Audit & Risk Committee shall provide a risk management report to be

distributed to directors on a six-monthly basis for review before and consideration at relevant board meetings.

22 SUCCESSION PLANNING OF SENIOR MANAGEMENT

- 22.1 The board has delegated succession planning for the group chief executive, deputy group chief executive / financial director and senior management (as defined below) to the Remuneration & Nomination Committee with direct input, as appropriate, from the chairman and the group chief executive. (For the purposes of this Charter “senior management” shall mean executive directors and other key executive management of material Group companies).
- 22.2 The Remuneration & Nomination Committee will report to the board on senior management succession planning and on the Group’s programme for management developments.

23 STAKEHOLDER COMMUNICATION

- 23.1 The directors, where practicable, will enter into dialogue with stakeholders based on the Group’s Stakeholder Engagement Policy for the time being.
- 23.2 In communicating with stakeholders, the board will take due regard of statutory, regulatory and other directives regulating the dissemination of information by the Group.
- 23.3 The board will adhere to its duty to present a balanced and understandable assessment of the Group’s position in reporting to stakeholders.
- 23.4 The quality of information will be based on the principles of openness and will address material matters of significant interest and concern to stakeholders.
- 23.5 Reports to stakeholders will present a comprehensive and objective assessment of the activities of the Group so that shareholders and relevant stakeholders can obtain a full, fair and honest account of the Group’s performance.
- 23.6 The Group will encourage the attendance of shareholders to the annual general meetings where shareholders will be provided with the opportunity to ask questions of the board and about the Group.

24 EVALUATION

The evaluation of the board, its committees and individual directors, including the chairman, must be performed every year.

25 APPROVAL OF THIS CHARTER

This charter was approved by the board on 15 September 2010 and amended by the board on 3 March 2011, 1 December 2011, 6 December 2016 and 13 September 2017. It will be reviewed by the board as and when material changes are required to it.

END
