

# Zambeef Products PLC



## Corporate Governance Handbook

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## Important Information

Details of Existing Directors	Role(s)
Dr Jacob Mwanza	Chairman of the Board and Non-executive Director
Francis Grogan	Chief Executive Officer
Dr Lawrence Sikutwa	Non-executive Director Committee Membership: [ • ]
John Rabb	Non-executive Director Committee Membership: [ • ]
David Osborne	Non-executive Director Committee Membership: [ • ]
Yollard Kachinda	Non-executive Director Committee Membership: [ • ]
Margaret Kunda Chalwe-Mudenda	Non-executive Director Committee Membership: [ • ]
Prof. Enala Lyson Tembo-Mwase	Non-executive Director Committee Membership: [ • ]
Jonathan Andrew Kirby	Non-executive Director Committee Membership: [ • ]
Frank Nicolas Julia Braeken	Non-executive Director Committee Membership: [ • ]

## Definitions

In this Handbook, unless the context requires otherwise, the following definitions shall apply:

<b>AIM</b>	AIM, a market operated by the Exchange
<b>AIM Rules</b>	the AIM Rules for Companies published by the Exchange from time to time
<b>Articles</b>	the articles of association of the Company as adopted on 8 September 2016 as amended from time to time
<b>Board</b>	the Board of Directors
<b>Business Day</b>	any day upon which the Exchange and LuSE is open for business and any reference to "Business Days" shall be to clear business days
<b>CJA</b>	Criminal Justice Act 1993
<b>Close Period</b>	means any of the following periods when a PDMR is prohibited from Dealing: <ul style="list-style-type: none"><li>(a) the date immediately following the financial year end up to the date of the preliminary announcement of the Company's annual results (or, where no such announcement is released, up to the publication of the financial report);</li><li>(b) the date from the expiration of the first six month period of a financial year up to the date of publication of the Company's interim financial report; and</li><li>(c) any period when an issuer is trading under a cautionary announcement.</li></ul>
<b>CDC</b>	CDC Group PLC
<b>CDC Director</b>	means a director appointed to the Board by CDC pursuant to the Investment Agreement
<b>Company</b>	Zambeef Products PLC
<b>"Dealing", "Deal" or "Dealt"</b>	means any change whatsoever to the Holding of Securities in which the holder is a PDMR or a Person Closely Associated to that PDMR including: <ul style="list-style-type: none"><li>(a) acquisition, disposal, short sale, subscription or exchange;</li><li>(b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;</li><li>(c) entering into or exercise of equity swaps;</li><li>(d) transactions in or related to derivatives, including cash-settled transactions;</li><li>(e) entering into a contract for difference on a financial instrument of the Company;</li></ul>

- (f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- (g) subscription to a capital increase or debt instrument issuance;
- (h) transactions in derivatives and financial instruments linked to a debt instrument of the Company, including credit default swaps;
- (i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- (j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- (k) gifts and donations made or received, and inheritance received;
- (l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of MAR;
- (m) transactions executed in shares or units of investment funds, including alternative investment funds ("**AIFs**") referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council ("**AIFMD**"), insofar as required by Article 19 of MAR;
- (n) transactions executed by a manager of an AIF in which the PDMR or a Person Closely Associated with such a person has invested, insofar as required by Article 19 of MAR;
- (o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a PDMR or a Person Closely Associated with such a person;
- (p) borrowing or lending of shares or debt instruments of the Company or derivatives or other financial instruments linked thereto;
- (q) pledging or lending of Securities in the Company by or on behalf of a PDMR or a Person Closely Associated. A pledge, or a similar security interest, of Securities in the Company in connection with the depositing of the Securities in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility;
- (r) transactions undertaken by PDMRs or executing transactions or by another person on behalf of a PDMR or a Person Closely Associated, including where discretion is exercised;

- (s) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council ("Solvency II"), where:
  - (i) the policyholder is a PDMR or a Person Closely Associated;
  - (ii) the investment risk is borne by the policyholder, and
  - (iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy

<b>Designated Director</b>	a person appointed pursuant to paragraph 3.7 of the Share Dealing Policy
<b>Directors</b>	the Directors of the Company
<b>DTRs</b>	the Disclosure Guidance and Transparency Rules as published by the FCA
<b>Exchange or Exchange</b>	London Stock Exchange plc
<b>FCA</b>	the Financial Conduct Authority
<b>Group</b>	the Company and its subsidiaries from time to time
<b>Holding</b>	any legal or beneficial interest, whether direct or indirect, in Securities
<b>Inside Information</b>	<p>information of a precise nature, which has not been made public, relating, directly or indirectly, to the Securities, and which, if it were made public, would be likely to have a significant effect on the price of those Securities.</p> <p>For the purposes of the above definition, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the Securities. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information</p>
<b>Investment Agreement</b>	the investment agreement between the Company and CDC dated 3 August 2016
<b>LuSE</b>	the Lusaka Securities Exchange established under the LuSE Listing Rules
<b>LuSE Listing Rules</b>	the harmonised listing requirements of the Lusaka Securities Exchange
<b>MAR</b>	the Market Abuse Regulation (Regulation 596/2014), which came into force on 3 July 2016
<b>Officer of the Company</b>	a person who acts as an officer of the Company whether or not officially

**Person Closely Associated**

a person closely associated to a PDMR being:

- (a) a spouse or a partner considered to be equivalent to a spouse in accordance with national law;
- (b) a dependent child, in accordance with national law;
- (c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or
- (d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to in paragraphs (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person;

**PDMR**

means a person within the Company who is:

- (e) a member of the administrative, executive management or supervisory body of the Company;
- (a) an Officer of the Company;
- (b) a senior executive who is not a person referred to in paragraphs (a) or (b), who has regular access to Inside Information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company;

**RIS**

means a service approved by the London Stock Exchange for the distribution to the public of regulatory announcements

**Securities**

means any publicly traded or quoted securities of the Company or any member of its group, any securities that are convertible into such securities or any derivatives or other financial instruments linked to any of them

## **Chapter 1: Introductory to the Corporate Governance Practices of the Company**

### **Introduction**

Companies listed on the main market of the Exchange are required to comply with the UK Corporate Governance Code.

The UK Corporate Governance Code does not apply to companies floated on AIM. However, for the purposes of being listed on AIM, the Company has agreed to maintain appropriate standards of corporate governance.

In the UK, the UK Corporate Governance Code represents the 'gold standard'. However, the UK Corporate Governance Code was not specifically designed for smaller companies. Adherence to the full UK Corporate Governance Code is often inappropriate for smaller companies. In the past, in the absence of an alternative code, many AIM companies have adopted the UK Corporate Governance Code "to the extent applicable having regard to the size and resources of the company".

In 2013, the QCA published the QCA Code. According to the QCA, the QCA Code has been devised in consultation with a number of significant institutional smaller company investors.

In view of the current size and scale of operations of the Company, the Company has used the QCA Code and the earlier QCA guidelines as the base corporate governance standard. Where appropriate, the Company has also introduced features from the UK Corporate Governance Code.

The Company also must have regard to the provisions contained in the Articles and the Investment Agreement.

The Company's corporate governance practices, as enumerated in this Handbook, may be updated from time to time as necessary. The responsibility for keeping this Handbook updated has been delegated to the office of the Company Secretary.



## Chapter 2: Share Dealing Policy

### 1. Introduction

The primary purpose of the obligations imposed upon directors by the AIM Rules and MAR is to ensure that communication between their company and the market is maintained on a regular basis to enable a proper assessment of the company and its securities by shareholders and the public generally. The AIM Rules require that the Company must maintain a share dealing policy. In addition, MAR provides that persons discharging managerial responsibility within the Company do not deal during certain prescribed Close Periods.

Set out in this document is the Company's policy on dealings in securities for the purposes of Rule 21 of the AIM Rules for Companies.

The Policy applies to you if you are a PDMR (as defined below).

If the Policy does apply to you, you must understand that your freedom to deal in securities (including in particular, the Company's securities) is restricted in a number of ways - by English law (for example, the insider dealing provisions of the Criminal Justice Act 1993 ("**CJA**")); European law by virtue of the implementation of MAR; Zambian law by virtue of the Lusaka Securities Exchange Listing Rules; restrictions in a Director's service agreement; and also by this Policy. A brief summary of the provisions of the CJA and MAR are set out in Annex A to this Policy.

You must take care before any form of dealing in the Securities of the Company and, where appropriate, consult a solicitor or lawyer. For example, a dealing which may fall outside this Policy might still constitute an offence under insider dealing or market abuse legislation.

This document addresses the share dealing restrictions set out in the MAR alone. Its purpose is to ensure that PDMRs and Persons Closely Associated with them do not abuse, or place themselves under suspicion of abusing, unpublished price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of results.

The preceding introduction and the paragraph headings in this document, do not form part of the Policy, are for guidance and ease of reference only and are not to be construed as affecting the substance or interpretation of the Policy.

### 2. Restrictions on Dealings by PDMRs

2.1 Subject to paragraph 3, a PDMR may not Deal in any Securities, on his or her own account or for the account of a third party, directly or indirectly, during:

- (a) a Close Period; or
- (b) at any time when he or she is in possession of Inside Information; or
- (c) otherwise where clearance to Deal is not given under paragraph 2 of this Policy.

2.2 Paragraph 2.4 of Annex A to this Policy contains non-exhaustive guidance on the type of information which is usually to be regarded as Inside Information.

2.3 A PDMR must (so far as is consistent with his or her duties of confidentiality to the Company) seek to prohibit any Dealings in Securities during a Close Period or at a time when he or she is in possession of Inside Information by an investment manager with whom such PDMR has funds under management (whether or not discretionary).

2.4 A PDMR must not Deal in any Securities on considerations of a short term nature (for example, in order to make a quick profit). An investment with a maturity of one year or less will always be considered to be an investment of a short term nature.

### **3. Clearance to Deal**

3.1 A PDMR must not Deal, and must procure that Persons Closely Associated do not Deal, in any Securities without first notifying the Designated Director and receiving clearance to Deal from him or her.

3.2 The form of the application to Deal is set out in Annex B and should be used for the purpose of receiving clearance to Deal.

3.3 A response to a request for clearance to Deal must be given to the relevant PDMR in the form set out in Annex B within five Business Days of the request being made. The form of such response is set out at Annex C.

3.4 The Company must maintain a record of the response to any Dealing request made by a PDMR and of any clearance given. A copy of the response and clearance (if any) must be given to the PDMR concerned.

3.5 A PDMR who is given clearance to Deal, or his or her Person Closely Associated, must Deal as soon as possible and in any event within two Business Days of clearance being received.

3.6 The PDMR must notify the Designated Director of the Dealing within 24 hours of the Dealing using the share dealing notification form in Annex D. Failure to do so constitutes a breach of the Policy.

3.7 The Board will, from time to time, appoint and remove the Designated Director(s). At any time, there will be at least one Designated Director. The Company Secretary keeps a list of current Designated Director(s), which is available on request.

3.8 A Designated Director wishing to Deal in Securities must notify the other Designated Director(s) (or, if no other Designated Director has been appointed, the Chairman or Chief Executive Officer) and receive clearance before proceeding.

3.9 If for whatever reason the Designated Director appointed is not independent for a particular clearance request, provision will be made for an alternate Designated Director (or, if no other Designated Director has been appointed, the Chairman or Chief Executive Officer) to deal with the request.

### **4. Dealings Permitted During a Close Period**

4.1 Dealing in exceptional circumstances - extremely urgent, unforeseen and compelling reasons

(a) A PDMR, who is not in possession of Inside Information in relation to the Company, may be given clearance to Deal in some exceptional circumstances. Clearance may be given for such a person to immediately sell (but not purchase) Securities when he would otherwise be prohibited by this Policy from doing so.

(b) Circumstances will be considered exceptional, when they are extremely urgent, unforeseen and compelling and where their cause is external to the PDMR and the PDMR has no control over them.

- (c) When examining whether the circumstances described in the written request are exceptional, the Designated Director(s) will take into account, among other indicators, whether and to the extent to which the PDMR:
  - (i) is at the moment of submitting its request facing a legally enforceable financial commitment or claim; and
  - (ii) has to fulfil, or is in a situation entered into, before the beginning of the Close Period, requiring the payment of sums to a third party (including tax liability) and cannot reasonably satisfy a financial commitment or claim by means other than immediate sale of Securities.

#### 4.2 Dealing in exceptional circumstances - employee schemes and other Dealings

The Designated Director may also give clearance for a PDMR to Deal in the following instances:

- (a) where the PDMR has been awarded or granted Securities under an employee scheme, provided that the following conditions are met:
  - (i) the employee scheme and its terms have been previously approved by the Company in accordance with national law and the terms of the employee scheme specify the timing of the award or the grant and the amount of the Securities awarded or granted, or the basis on which such an amount is calculated and given that no discretion can be exercised; and
  - (ii) the PDMR does not have any discretion as to the acceptance of the awarded or granted;
- (b) where the PDMR has been awarded or granted Securities under an employee scheme that takes place in the Close Period, provided that:
  - (i) a pre-planned and organised approach is followed regarding the conditions, the periodicity, the time of the award, the group of entitled persons to whom the Securities are granted; and
  - (ii) the amount of the Securities to be awarded, the award or grant of the Securities takes place under a defined framework under which any Inside Information cannot influence the award or grant of the Securities;
- (c) where the PDMR exercises options or warrants or conversion of convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a Close Period, as well as sales of the Securities acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:
  - (i) the PDMR notifies the Directors of its choice to exercise or convert at least four months before the expiration date;
  - (ii) the decision of the PDMR is irrevocable; and
  - (iii) the PDMR has received the authorisation from the Directors prior to proceed;
- (d) where the PDMR acquires the Securities under an employee saving scheme, provided that all of the following conditions are met:

- (i) the PDMR has entered into the scheme before the Close Period, except when it cannot enter into the scheme at another time due to the date of commencement of employment;
  - (ii) the PDMR does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the Close Period; and
  - (iii) the purchase operations are clearly organised under the scheme terms and that the PDMR has no right or legal possibility to alter them during the Close Period, or are planned under the scheme to intervene at a fixed date which falls in the Close Period;
- (e) where the PDMR transfers or receives, directly or indirectly, Securities, provided that:
- (i) the Securities are transferred between two accounts of the PDMR; and
  - (ii) such a transfer does not result in a change in price of the Securities;
- (f) where the PDMR acquires qualification or entitlement to Securities and the final date for such an acquisition, under the Company's statute or by-law falls during the Close Period, provided that:
- (i) the PDMR submits evidence to the Designated Directors of the reasons for the acquisition not taking place at another time; and
  - (ii) the Designated Director(s) is satisfied with the provided explanation.

## **5. Dealings by Persons Closely Associated**

- 5.1 A PDMR must seek to prohibit by or on behalf of Persons Closely Associated to the PDMR any Dealings on considerations of a short-term nature and in the Securities during a Close Period, when in possession of Inside Information and otherwise when clearance is not given to a Dealing pursuant to paragraph 2 of this policy. This would include Dealings by investment managers on behalf of the PDMR or on behalf of Persons Closely Associated with that PDMR.
- 5.2 A PDMR must advise all Persons Closely Associated with them:
- (a) of the name of the Company;
  - (b) of the Close Periods during which they cannot Deal in the Securities;
  - (c) of any other periods when the PDMR knows he is not himself free to Deal in Securities under the provisions of the Policy unless his duty of confidentiality to the Company prohibits him from disclosing such periods; and
  - (d) that they must advise him and the Company immediately after they have Dealt in Securities.
- 5.3 PDMRs must provide the Company with a list of his or her Persons Closely Associated and notify the Company of any changes that need to be made to that list.

## **6. Notification of Transactions**

- 6.1 PDMRs must notify:

- (a) the FCA; and
- (b) the Designated Director,

in writing of all Dealings by themselves and Persons Closely Associated in the Securities as soon as practicable following the Dealing (and in any event no later than three Business Days thereafter). Such notification shall be made in the form set out at Annex D and, in the case of the FCA, submitted using their online form by PDMRs and Persons Closely Associated.

- 6.2 The Company will then notify a Regulatory Information Service without delay following receipt by the Company of the notification disclosing as far as possible the information specified by that notification. This will result in the transaction becoming publicly available information.

## **7. Breach of the Policy**

A breach of the provisions of this Policy by any person subject to it will be deemed to be a breach of that person's employment contract or letter of appointment with the Company.

## **8. Additional Rules imposed by the Lusaka Securities Exchange**

- 8.1 The LuSE Listing Rules require the Company via its sponsoring broker to announce the following information:

- (a) details of all transactions (including off market transactions) in securities relating to the Company by or on behalf of:
  - (i) a director and company secretary (held directly, indirectly or beneficially) of the Company;
  - (ii) a director and company secretary (held directly, indirectly or beneficially) of a major subsidiary company of the Company;
  - (iii) any associate of (a)(i) or (ii) above; or
  - (iv) any independent entity, in terms of which, any party in paragraph (a)(i)–(iii) above may derive any beneficial interest now or in the future.
- (b) such announcement shall contain the following information:
  - (i) the name of the director;
  - (ii) the name of the company of which he is a director;
  - (iii) the date on which the transaction was effected;
  - (iv) the price, number, total value and class of securities concerned;
  - (v) in the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise and/or vesting;
  - (vi) the nature of the transaction;
  - (vii) the nature and the extent of the director's interest in the transaction; and
  - (viii) confirmation that clearance has been given in terms of the LuSE Listing Rules.

## **Annex A**

### Summary of the provisions of the CJA and MAR

In addition to the rules set out in this Policy and in relation to the Company's AIM Listing, there are two principal pieces of legislation that PDMRs must be aware of when Dealing in both the Securities of the Company and securities in general. The CJA contains a criminal offence of insider dealing and MAR covers market abuse. A brief summary of these two pieces of legislation is set out below.

#### **1. Insider Dealing**

1.1 In broad terms, there are three criminal insider dealing offences:

- (a) dealing when in possession of inside information ("dealing");
- (b) encouraging another person to deal when in possession of inside information ("encouraging"); and
- (c) disclosing inside information otherwise than in the proper performance of the functions of the job ("disclosing").

1.2 Inside information is information which (a) is not public, (b) relates to the securities in a company, and (c) if it were publicly known would have a significant effect on the price of the shares/securities of that company. This may include information about the Company but it may also include confidential information regarding the intentions or prospects of someone the Company deals with or a competitor of the Company.

1.3 To commit the offence of insider dealing, the individual must know that the information is inside information and/or that it has been obtained from an inside source.

1.4 To commit the "dealing" offence one has to "deal" using inside information. This effectively means acquiring or disposing of shares or other securities or agreeing to acquire or dispose of them. The offence applies to shares as well as options, futures, warrants and other instruments related to the price of shares. A person also deals if they procure someone to deal for them.

1.5 To commit the "encouraging" offence, a person has to encourage someone else to "deal" using inside information. That person does not have to deal but the person encouraging them has to know or have reasonable cause to believe they would deal to commit the offence.

1.6 To commit the "disclosing" offence, a person has to disclose inside information otherwise than in proper performance of his employment, office or profession.

#### **2. Market Abuse**

Market abuse is designed to catch any behaviour which is damaging to the markets (this means most stock exchanges as well certain other markets). Market abuse, in essence, is market manipulation or information abuse. You should be aware that market abuse may be committed during "grey market" trading, that is once an application for the Company's securities to be admitted to trading has been made.

2.1 Insider Dealing under MAR and unlawful disclosure of Inside Information

Article 14 of MAR prohibits insider dealing and unlawful disclosure of Inside Information.

The prohibitions apply to anyone who holds Inside Information as a result of being a director or shareholder, having access to the information through their employment, profession or duties or being involved in criminal activities. They also apply where the person knows or ought to know that the information is Inside Information.

Insider dealing arises where a person possesses Inside Information and uses it by acquiring or disposing of, either directly or indirectly, financial instruments to which the information relates, whether on his own account or for another person. Where someone has placed an order before obtaining Inside Information, cancelling or amending the order using that information will also amount to insider dealing.

Recommending or inducing another person to engage in insider dealing is also prohibited.

A person in possession of Inside Information must not disclose it to any other person, except where the disclosure is made in the normal exercise of an employment, profession or duties.

Passing on recommendations or inducements to engage in insider dealing, knowing the recommendation or inducement was based on Inside Information, is also prohibited.

There are specific rules governing the conduct of market soundings: that is, communications of information, prior to the announcement of a transaction, in order to gauge the interest of possible investors.

## 2.2 Market manipulation

Article 15 of MAR prohibits market manipulation and attempted market manipulation. Market manipulation can be committed in a number of ways, including those described below.

A person may not enter into a transaction, place an order to trade or carry out any other behaviour that (other than for legitimate reasons and in conformity with accepted market practices on AIM accepted by the FCA):

- (a) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of the AIM Company's shares; or
- (b) secures, or is likely to secure, the price of the AIM Company's shares at an abnormal or artificial level.

A person may not enter into a transaction, place an order to trade or carry out any other activity or behaviour which affects or is likely to affect the price of the AIM Company's shares, which employs a fictitious device or any other form of deception or contrivance.

A person may not disseminate information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of the AIM Company's shares or secures, or is likely to secure, the price of the AIM Company's shares at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

## 2.3 Safe harbours

There are exemptions from the prohibitions on insider dealing, unlawful disclosure and market manipulation for buy-back programmes and stabilisation measures where certain conditions are met.

In the context of public takeovers and mergers, it will not be deemed, from the mere fact that a person is in possession of Inside Information, that he has used that information and has thereby engaged in insider Dealing, where he has obtained the Inside Information in the conduct of a takeover or merger and uses it solely for the purpose of proceeding with the takeover or merger, provided that at the point of acceptance of the takeover or approval of the merger any Inside Information has been made public or otherwise ceased to be Inside Information. This does not, however, apply to stakebuilding.

#### 2.4 Non-exhaustive, indicative list of events that might constitute inside information.

##### *Information directly concerning the issuer*

- (a) Changes in control and control agreements.
- (b) Changes in management and supervisory boards.
- (c) Changes in auditors or any other information related to the auditors' activity.
- (d) Operations involving the capital or the issue of debt securities or warrants to buy or subscribe for securities.
- (e) Decisions to increase or decrease share capital.
- (f) Mergers, splits and spin-offs.
- (g) Purchase or disposal of equity interests or other major assets or branches of corporate activity.
- (h) Restructurings or reorganisations that have an effect on the issuer's assets and liabilities, financial position or profits and losses.
- (i) Decisions concerning buy-back programmes or transactions in other listed financial instruments.
- (j) Changes in the class rights of the issuer's own listed shares.
- (k) Filing of petitions in bankruptcy or the issuing of orders for bankruptcy proceedings.
- (l) Legal disputes.
- (m) Revocation or cancellation of credit lines by one or more banks.
- (n) Dissolution or verification of a cause of dissolution.
- (o) Changes in asset value.
- (p) Insolvency of relevant debtors.
- (q) Reduction of real properties' values.
- (r) Physical destruction of uninsured goods.
- (s) New licences, patents or registered trademarks.
- (t) Decrease or increase in value of financial instruments in portfolio.



- (u) Decrease in value of patents or rights or intangible assets due to market innovation.
- (v) Receiving acquisition bids for relevant assets.
- (w) Innovative products or processes.
- (x) Serious product liability or environmental damages cases.
- (y) Changes in expected earnings or losses.
- (z) Relevant orders received from customers, their cancellation or important changes.
- (aa) Withdrawal from or entering into new core business areas.
- (bb) Relevant changes in the investment policy of the issuer.
- (cc) Ex-dividend date, dividend payment date and amount of the dividend; changes in dividend policy payment.

*Information relating indirectly to issuers or financial instruments*

- (dd) Data and statistics published by public institutions disseminating statistics.
- (ee) The coming publication of rating agencies' reports, research, recommendations or suggestions concerning the value of listed financial instruments.
- (ff) Central bank decisions concerning interest rates.
- (gg) Government decisions concerning taxation, industry regulation, or debt management.
- (hh) Decisions concerning changes in the governance rules of market indices.
- (ii) Regulated and unregulated markets' decisions concerning rules governing the markets.
- (jj) Competition and market authorities' decisions concerning listed companies.
- (kk) Relevant orders by government bodies, regional or local authorities or other public organisations.
- (ll) A change in trading mode (for example, information relating to knowledge that an issuer's financial instruments will be traded in another market segment, such as a change from continuous trading to auction trading) or a change of market maker or dealing conditions

**Annex B**

**Application to Deal Request Form**

Personal Details	
Name:	Address:
Position (e.g. consultant):	Postcode:
Proposed Dealing	
Number of shares/options:	Nature of transaction - (e.g. buying/selling/ exercise of options)
When do you intend to Deal (assuming you receive clearance to do so)?	Do you know anything about the Company or any member of the group or which relates to the Company or any member of the group which, if it were made public, would lead to a substantial movement in the Company's share price?

If the Dealing is to be done by someone other than the above-named PDMR, please give details (PDMR's or PDMR's spouse/children/trust/private company):

\_\_\_\_\_

\_\_\_\_\_

You must disclose to one of the Designated Director(s) any additional material facts which may affect the decision as to whether the Dealing should be permitted or not.

I \_\_\_\_\_ of \_\_\_\_\_

declare that the information above is true and that I have read the rules as set out in the Policy. I will inform promptly the Designated Director(s) if there is a change in any of the above circumstances. If the Dealing is approved, I will instruct a broker to carry out the transaction within 24 hours and will immediately notify the Designated Director(s) in writing when the Dealing has been effected.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Request authorised/refused\* by \_\_\_\_\_ Date: \_\_\_\_\_

(\*Delete whichever is not applicable)

**ON COMPLETION, THIS FORM IS TO BE HANDED TO A DESIGNATED DIRECTOR**

**Annex C**

Acknowledgement and Response

I hereby acknowledge receipt of the above Application to Deal and confirm that a copy of such will be maintained in the Company's records, along with this Acknowledgement.

I confirm clearance to Deal / I refuse permission to Deal (delete as appropriate).

Any clearance given may be retracted at any time prior to Dealing.

Upon receipt of any clearance to Deal, you must Deal as soon as possible and in any event, within 24 hours of receipt of this Acknowledgement. Such receipt is deemed to have taken place on the date written below.

Signed .....

Date .....

## Annex D

### Notification of Dealings in the Securities

The notification should be emailed to the FCA and the Designated Director(s) to be received as soon as is practicable (and no later than three business days) after the Dealing.

The form of dealing notification is prescribed by the FCA and can be found here:

<https://www.fca.org.uk/your-fca/documents/forms/pdmr-notification-form>

Below is some guidance on completing the form:

Full name of person Dealing	
Position/status	<p><i>[For PDMRs: the position occupied within the issuer should be indicated e.g. CEO, CFO.]</i></p> <p><i>[For persons closely associated,</i></p> <ul style="list-style-type: none"> <li>- <i>An indication that the notification concerns a Person Closely Associated with a relevant person;</i></li> <li>- <i>Name and position of the relevant person]</i></li> </ul>
Initial notification/ Amendment	<i>[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]</i>
Name of entity	<i>[Full name of the entity.]</i>
Legal Entity Identifier code	<i>[Legal Entity Identifier code in accordance with ISO 1744 LEI code.]</i>
Description of the financial instrument, type of instrument	<p><i>[- Indication as to the nature of the instrument:</i></p> <ul style="list-style-type: none"> <li>- <i>a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument]</i></li> </ul>
Identification code	<i>[e.g. ISIN]</i>
Nature of the transaction	<i>[Please refer to (a)-(s) of the definition of "Deal" within the Company's Dealing Policy]</i>
Number of shares acquired or disposed of	
Name in which acquired shares to be registered	
Price (per share)	



## **Chapter 3: Disclosure Policy**

### **1. Introduction**

- 1.1 This note sets out the key internal procedures, systems and controls of the Group to ensure that the Group complies with its obligations relating to inside information under the MAR and the AIM Rules (together, the “**Rules**”).
- 1.2 This note outlines the procedures:
- (a) to restrict access to inside information to those who need to know it;
  - (b) for disclosing inside information to the market as and when required; and
  - (c) to identify inside information.
- 1.3 This policy applies to all the Company’s directors and employees and to all other Group companies, their directors and employees. It is very important that the requirements of the Rules are strictly complied with and the policies and procedures set in this note are designed to achieve that. If the Company or an individual breaches the Rules, the FCA may impose sanctions on the Company and its directors. These could include financial penalties or public censure. If you do not follow the procedures you may also commit a criminal offence.
- 1.4 If you have any queries on this note or on the policies and procedures, you should contact Danny Museteka.

### **2. The Company’s obligations**

- 2.1 Pursuant to the Rules, the Company must:
- (a) inform the public as soon as possible of inside information (explained further below) which directly concerns the Company, except in certain very limited circumstances that justify a delay in making that disclosure;
  - (b) not disclose inside information selectively, except in very limited circumstances, or leak inside information; and
  - (c) restrict access to inside information to those who need to access it within the Group.
- 2.2 Where the Company has delayed the disclosure of inside information, it must:
- (a) keep an internal record of specified information;
  - (b) as soon as it announces the information following the period of delay, inform the FCA that there was a delay in disclosure; and
  - (c) if requested by the FCA, provide the FCA with a written explanation of how the conditions for delay were met.
- 2.3 The Group must also have procedures:
- (a) to identify information that may be inside information;
  - (b) to report potential inside information promptly so a decision can be taken about whether an announcement is needed; and

(c) to make sure any announcements are correct and complete.

2.4 These requirements come from the MAR and the AIM Rules for Companies which apply to the Company.

### **3. Identifying inside information**

3.1 Inside information is information:

- (a) of a precise nature;
- (b) which has not been made public;
- (c) that relates, directly or indirectly, to the Company or to one or more financial instruments (this would include information about the Group); and
- (d) which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments (eg the Company's share price or the price of its bonds) or on the price of related derivative financial instruments (i.e. ones the price or value of which depends on, or is affected by, the price or value of the shares or other financial instruments).

3.2 Information is precise if it:

- (a) indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur; and
- (b) is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the Company's share price (or the price of other financial instruments or related derivative financial instruments).

3.3 Significant effect on price

- (a) The information must be likely to have a significant effect on the price of the relevant investment. Information which may have a 'non-trivial' effect on price should be considered 'significant' for these purposes. Information should be considered to be 'likely' to have a significant effect on price if there is a more than fanciful prospect of the information having such an effect. It is not necessary for a potential future event to be more likely than not to happen to meet this test.
- (b) If there is doubt about whether information constitutes inside information, the Company is expected to take advice from its broker or other advisers.

3.4 Permitted selective disclosure

The Rules permit selective disclosure of inside information in limited circumstances to certain categories of persons, outside those in the Company who need to know it. FCA guidance suggests that these categories of recipient may include (but are not limited to):

- (a) the Company's advisers and advisers of any other persons involved in the matter in question;

- (b) persons with whom the Company is negotiating, or intends to negotiate, any commercial financial or investment transaction (including prospective underwriters or places of the financial instruments of the Company);
- (c) employee representatives or trade unions acting on their behalf;
- (d) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority;
- (e) major shareholders of the Company;
- (f) the Company's lenders; and
- (g) credit-rating agencies.

These persons must be obliged to keep the information confidential. You must consult with Danny Museteka before making any such selective disclosure.

### 3.5 Inadvertent disclosure of inside information

If inside information is inadvertently disclosed or leaked (whether by someone in the Group or someone else), the AIM and MAR Compliance Committee should be informed immediately so that an announcement can be made to the market at once and the Company can conduct an enquiry into the leak.

## 4. Responsibility for disclosure

The directors are responsible under the Rules for carefully and continuously monitoring whether changes in the Company's circumstances are such that there is an announcement obligation. To ensure that decisions can be made quickly, the Board has decided to delegate this responsibility to a committee, the AIM Compliance Committee. The AIM and MAR Compliance Committee will:

- (a) approve, and monitor compliance with, the Company's disclosure controls and procedures;
- (b) determine whether information is inside information;
- (c) determine whether inside information is to be announced as soon as possible or whether a delay is justified;
- (d) review the scope, content and accuracy of disclosure;
- (e) review and approve any announcements dealing with significant developments in the Company's business; and
- (f) consider if an announcement is needed if there are rumours about the Company or a leak of inside information and if a holding announcement is needed.

## 5. Operating procedures in relation to disclosure

The procedures outlined in this section are designed to ensure the timely and accurate disclosure of relevant information to the market.

### 5.1 Notifying possible inside information



If an event or issue or any other information that may be inside information is identified, it should be notified to a member of the AIM and MAR Compliance Committee as soon as possible. The fact that it may not be easy to work out whether the information will have a significant effect on the Company's share price, or that the information is uncertain (eg because events are changing or are unclear, such as a fraud is alleged or legal action is threatened but not yet taken), should not delay this notification. Similarly, for financial information there should not be a delay in providing information on one part of the business which may be material just because another part of the business is not yet available or may be showing a different result. The information should then be passed to the other members of the AIM and MAR Compliance Committee promptly and, where appropriate, to the Board.

Any such notification must include sufficient information to enable the AIM and MAR Compliance Committee to determine the significance of the event or issue and whether or not an announcement must be made. Where the information provided is uncertain or unclear, as much information as possible should be provided to help the AIM and MAR Compliance Committee to reach a view on it and updates should be provided promptly as more information becomes available.

A table of events and their typical treatment is set out below to help identify the sort of information to be notified. The table of events only gives examples and is not exhaustive.

The AIM and MAR Compliance Committee and, where appropriate, the Board as a whole will decide the appropriate treatment in each case. Each event or issue must be referred to AIM and MAR Compliance Committee to ensure that it is managed appropriately.

## 5.2 Use of external advisers

Where the AIM and MAR Compliance Committee is uncertain about the need for an announcement or its timing, the AIM and MAR Compliance Committee should seek advice from the Company's nominated adviser and, where appropriate, its external legal advisers. A record should be kept of the advice and reasons for the conclusion.

## 5.3 Drafting the announcement

Danny Museteka will co-ordinate the drafting of any relevant announcement as soon as practicable. The FCA expects there to be minimal delay between inside information being identified and an announcement being made (unless a delay is permissible). Any announcement should be correct and complete. It should give the full story and not omit any material fact or anything likely to affect what is said. A draft of the announcement must be circulated to the AIM and MAR Compliance Committee and others involved with the issue or event. This is so that those close to the issue or event can ensure that the announcement is verified to be accurate and not misleading. The AIM and MAR Compliance Committee is responsible for ensuring that this verification process is followed.

## 5.4 Holding announcements

If the AIM and MAR Compliance Committee has decided it can delay disclosure (e.g. where it is negotiating a transaction), it will arrange for the preparation of a holding announcement that can be published at short notice if there is a breach of confidentiality, or a breach is likely. It will also consider arrangements to monitor the market for rumours or leaks and maintain all necessary internal records.

The AIM and MAR Compliance Committee will also consider publishing a holding announcement if an event has occurred which is unclear or uncertain (e.g. where a fraud is alleged or legal action against the Company is threatened) and the AIM and MAR Compliance Committee decides more time is needed to consider the situation before putting out a further announcement at a later time.

Any holding announcement should detail as much of the subject matter as possible, set out the reasons why a fuller announcement cannot be made and include an undertaking to announce further details as soon as possible.

#### 5.5 Approval and release of the announcement

The AIM and MAR Compliance Committee or, where appropriate, the Board will decide upon the final form and release time for all announcements.

The announcement must be released through RIS. Danny Museteka will be responsible for issuing releases.

If the announcement has to be made outside office hours, it must be distributed as soon as possible to:

- (a) not less than two national newspapers in the United Kingdom;
- (b) two newswire services operating in the United Kingdom; and
- (c) RIS for release as soon as it opens.

Danny Museteka will be responsible for this process.

If the Company's shares or other instruments are traded on another regulated market, information should be released as far as possible at the same time on all markets.

The approved text will be posted on the Company's website (allowing access free of charge on a non-discriminatory basis) no later than close of the business day following the day of release and will be retained for five years. The inside information must be kept in an easily identifiable section of the website, organised in chronological order with the date and time of disclosure clearly indicated.

#### 5.6 Insider list process

The Company has adopted the policies set out in the 'Memorandum of inside information' on creating and keeping insider lists found at Appendix 6 of this Handbook. Any event or issue the AIM and MAR Compliance Committee considers for disclosure purposes will also be reviewed to determine whether the Company needs to create an insider list in relation to the event or issue.

Danny Museteka will be responsible for administering the Company's insider lists following any decision of the AIM and MAR Compliance Committee in accordance with the procedures set out in the memorandum of inside information.

At other times the Company may produce lists of those with access to confidential information that does not amount to inside information but that might in due course become side information. Garth Palmer will administer any such list.

### 6. **Analysing whether disclosure is required**

If there is any doubt as to whether information is inside information or an announcement should be made the matter must be referred to the AIM and MAR Compliance Committee or Danny Museteka.

The Company may, under its own responsibility, delay the public disclosure of inside information, provided that:

- (a) legitimate interest: immediate disclosure is likely to prejudice the legitimate interests of the Company;
- (b) not misleading: delay of disclosure is not likely to mislead the public; and
- (c) confidentiality: the Company is able to ensure the confidentiality of that information.

It is essential therefore that appropriate confidentiality agreements are put in place at the start of any important strategic projects that may ultimately involve inside information.

Examples of events that might require announcement (assuming information is inside information):

- (a) Unfounded rumour – no announcement necessary.
- (b) Largely accurate rumour/leak, e.g. rumour of impending significant transaction or capital raising – either holding announcement or accelerated announcement if possible.
- (c) Unforeseen circumstance, e.g. major supplier or customer becoming insolvent, a possible significant accounting error or fraud in major subsidiary identified or major legal proceedings threatened against any member of the Group:
- (d) if information is not ‘precise’ or would not have a significant effect on price - no announcement obligation but the situation should be kept under review;
- (e) if the information is inside information - an announcement should be made. The requirement to disclose ‘as soon as possible’ allows a short delay to assess the effect of the information on the share price. In these circumstances, a holding announcement should be prepared.

As noted above, where a decision to delay disclosure is made the Company is required to keep a detailed record of this decision, including the date and time when the information became inside information and when the decision to delay was made. When the information is published, the Company must notify the FCA that there was a delay in disclosure and, if requested by the FCA, the Company must also provide a written explanation of how the relevant conditions allowing delay were satisfied.

## **7. Dealing with the press, and investors and analysts**

Any enquiry from the press or from any analyst or investor seeking disclosure of any information about the Company or the Group should be directed to Francis Grogan. Insiders who confirm information put to them by a journalist may commit market abuse by disclosing inside information – even if the information was sourced from somewhere else first. If it seems that inside information has been leaked to a journalist (whether from the Group or elsewhere), Francis Grogan should be informed immediately.

The Company needs to be careful in dealing with enquiries in respect of market rumours. Although there is no regulatory obligation to deny a false rumour, if the Company wants to make a denial it should make an announcement via an RIS, not through any other route. The Company can provide unpublished information to third parties only if it is not inside information. If the information is inside information, it can only be provided if this is permitted by the Rules (see ‘Permitted Selective Disclosure’ above).

### **7.1 Dealing with the press**

Only Felix Lupindula is authorised to have any communications with the press during any project or transaction involving inside information and must keep a contemporaneous note of any such communication with details of the time, date and length of the communication, those involved and what was discussed. Copies of any emails should also be kept.

## 7.2 Dealing with analysts

When dealing with analysts, the Company:

- (a) should be careful to avoid inadvertently divulging any inside information, including where cumulative disclosure could amount to inside information;
- (b) may, in addition to providing non-public information that is not inside information, draw public information to analysts' attention, explain information that is in the public domain and discuss markets in which the Company operates, but should avoid correcting the analysts' conclusions;
- (c) generally need not correct errors in analysts' published reports, although if, as a result of serious and significant error, there is a widespread and serious misapprehension in the market, the AIM and MAR Compliance Committee should consider whether the Company should publish inside information to correct the error; and
- (d) should keep a contemporaneous note of meetings with analysts and, as far as reasonably practicable, ensure that at least two Company representatives are present.

If inside information is inadvertently disclosed, Francis Grogan or the AIM and MAR Compliance Committee should be informed immediately so that an announcement can be made to the market, generally at once.

## 8. Compliance

Compliance with this policy is important. All directors and employees are therefore required to assist the Company by complying with the procedures set out in this document as relevant and by advising Danny Museteka immediately of any breaches of this policy. If you have any concerns that something may be inside information you should not hesitate to contact Danny Museteka immediately but do not tell him what the potential piece of inside information is until asked by him.

## Chapter 4: AIM Rules Compliance Policy

### 1. Introduction

- 1.1 This document sets out the policy of the Company on compliance with the AIM Rules issued by the Exchange. The policy applies whilst the Company is quoted on AIM.
- 1.2 The Directors are responsible for ensuring compliance by the Company with its obligations under the AIM Rules from the date of its shares being admitted to trading on AIM, Rule 31 states: "An AIM Company must ensure that each of the Directors accept full responsibility, collectively and individually, for its compliance with the AIM Rules". Sections 3 to 8 of this compliance policy summarise the principal obligations to be observed by the Company. These obligations are contained in the AIM Rules. References to the Rules, or any particular Rule in these sections are references to the AIM Rules or the specific rule of the AIM Rules.
- 1.3 In particular, compliance with the obligations relating to disclosure is regarded by the Exchange as essential to the maintenance of an orderly market in securities and ensures that all users of the market have simultaneous access to the same information.
- 1.3.1 Failure by the Company to comply with the AIM Rules may result in the Exchange taking one or more courses of action. These include issuing a warning notice, fining or censuring the Company and suspending trading in or cancelling the admission of the Company's securities. In each case it is open to the Exchange to publish the fact of the measures taken against the Company.
- 1.3.2 The Exchange may from time to time amend the AIM Rules and the Company will be expected to comply with any such amendments.
- 1.3.3 In addition to the AIM Rules the Company and its Directors should be aware of the AIM Rules for Nominated Advisors (the "Nomad Rules"), setting out the responsibilities and obligations of the Company's Nomad, and the AIM Disciplinary Procedures and Appeals Handbook, each of which are appended hereto.

### 2. Principles

- 2.1 The Company will comply at all times with the AIM Rules, will maintain in place sufficient procedures, resources and controls to ensure compliance, and will seek advice from its Nominated Adviser ("**Nomad**") in this regard, and where appropriate act upon such advice.
- 2.1.1 The Board will seek advice and guidance without delay from its Nomad at all times and without delay in relation to any announcement that the Company may be required to make under the AIM Rules.
- 2.1.2 The Company is required to provide to the Nomad such information as the Nomad may reasonably request or require to enable it to carry out its responsibilities under the AIM Rules and the Nomad Rules. Specifically the Company must inform the Nomad in advance of any proposed change to the Board of Directors.
- 2.1.3 The Board will promptly inform the Nomad in respect of any new developments which are not public knowledge concerning a change in (i) the Company's financial condition; (ii) the Company's sphere of activity, (iii) the performance of the Company's business; or (iv) the expectation of the Company's performance.
- 2.1.4 The Board will supply any information requested by the Nomad without delay.
- 2.1.5 The Nomad will be able to contact at least one member of the Board at any time.

- 2.1.6 The Board will ensure that all the Board Meetings and Shareholders Meetings are properly and accurately minuted. If required, minutes of the meetings will be provided to the Nomad and the Exchange.

### **3. General Obligation to Disclose Price Sensitive Information (AIM Rules 10 & 11)**

- 3.1 The Company is under a general duty to notify a Regulatory Information Service ("RIS") provider (usually undertaken by the Company's Nomad or PR adviser) which is approved by the Exchange and authorised for the purposes by the Financial Services Authority of the UK without delay of any new developments which are not public knowledge and which concern a change in its financial condition, its sphere of activity, the performance of its business or its expectation of its performance and which would, if made public, be likely to lead to a substantial movement in the price of any of its securities. This general duty underlies many of the more specific obligations to make announcements set out in the AIM Rules, but the general requirements are additional to this and may be invoked where none of the specific obligations is relevant.
- 3.2 The Directors must ensure that relevant information is announced to the market as a whole through an RIS provider without delay. The general disclosure obligation is set out in full in rule 11 of the AIM Rules.
- 3.3 The Directors must also make more routine announcements (some of which are contained in more specific obligations in the AIM Rules (see the summary in paragraph 4 below)).
- 3.4 Any announcement must not be misleading, false or deceptive and must not omit anything likely to affect the import of such information and must be notified to an RIS provider no later than it is published elsewhere (Rule 10). However, care should be taken to avoid making a premature announcement when the whole picture cannot be revealed which might result in the market being misled. Every circumstance must be judged on its merits and early consultation with the Nomad is essential.
- 3.5 In any event, before the Company discloses any information to analysts, it must first discuss the proposed disclosure with its Nomad.

### **4. Routine Obligations to Disclose (AIM Rule 17)**

AIM Rule 17 sets out a number of requirements which oblige companies to notify the market on the happening of certain events, and each Director shall ensure that that he discloses to the Company all information of which he is aware and is required to be disclosed pursuant to Rule 17. This includes any change to the following information:

- 4.1 any unspent convictions in relation to indictable offences;
- 4.2 details of any bankruptcies or individual voluntary arrangements;
- 4.3 details of any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the Director was a director at the time of or within the twelve months preceding such events;
- 4.4 details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the Director was a partner at the time of or within the twelve months preceding such events;
- 4.5 details of receiverships of any asset of such director or of a partnership of which the Director was a partner at the time of or within the twelve months preceding such events; and

4.6 details of any public criticisms of such director by statutory or regulatory authorities (including recognised professional bodies), and whether the Director has ever 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.

#### **4.7 Change in adviser and/or broker**

4.7.1 The Company must notify an RIS provider without delay of the resignation, dismissal or appointment of the nominated adviser or broker.

#### **4.8 Notification of changes in shareholdings**

4.8.1 The Company must notify an RIS provider without delay of any relevant changes to any shareholdings of significant shareholders (being persons holding 3 per cent or more of a class of quoted securities in the Company) and of any dealings by Directors in the securities of the Company. Such notification should include the information specified in Schedule 5 of the AIM Rules.

4.8.2 The Company must require each director to disclose such information to it without delay insofar as that information is known to the director or could with reasonable diligence be ascertained by the director. A RIS provider must be notified “without delay” after receipt by the Company of such information. It is generally accepted that “without delay” requires an RIS provider to be notified as soon as possible and in any event prior to the close of the business day following the day on which information was known or should have been known.

#### **4.9 Board changes**

4.9.1 The Company should notify the Nomad of the intention to appoint a director without delay, allowing sufficient time for appropriate due diligence procedures to be carried out and required disclosure under the AIM Rules to be agreed, prior to the appointment being made.

4.9.2 The Company must notify a RIS provider without delay of the resignation, dismissal or appointment of any director.

4.9.3 Such notification must include the date of such occurrence and for an appointment, must include the information on any new director set out in Schedule 2(g) of the AIM Rules, relating to all directorships held by that new director over the previous five years, any unspent convictions, details of bankruptcies, receiverships or any public criticisms of that new director by any statutory or regulatory authorities (see paragraph (g) of Schedule 2 of the AIM Rules).

#### **4.10 Material changes in performance**

4.10.1 The Company must notify an RIS provider without delay of any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in an admission document or otherwise made public on its behalf.

#### **4.11 Other disclosures**

4.11.1 Other miscellaneous provisions under Rule 17 of the AIM Rules require the Company to notify an RIS provider without delay of such matters as changes in accounting reference dates and reasons for the issue of cancellation of any quoted securities by the Company.

4.11.2 The Company must also notify an RIS provider without delay of any decision to make any payment in respect of its quoted securities (which would include dividends).

## **5. Reporting and Financial Information**

### **5.1 Half-yearly reports (AIM Rule 18)**

The Company must prepare a half-yearly report in respect of the six month period from the end of the financial period for which financial information has been disclosed in an admission document, and at least every subsequent six months thereafter (save for the final period of six months preceding its accounting reference date for its annual audited accounts). These must be notified to an RIS provider (rule 18) without delay and in any event within three months of the end of the relevant period.

### **5.2 Annual accounts (AIM Rule 19)**

The Company must publish its annual audited accounts prepared in accordance with International Accounting Standards. These must be sent to the holders of the Company's securities without delay and in any event not later than six months after the end of the financial period to which they relate.

### **5.3 Publication of documents sent to shareholders (AIM Rule 20)**

Any document provided by the Company to the holders of its quoted securities (including the accounts) must be made available, free of charge, on the Company's website pursuant to Rule 26 (see below) and an electronic copy sent to the Exchange.

## **6. Substantial Transactions (AIM Rule 12)**

### **6.1 Classification**

The AIM Rules classify acquisitions and disposals according to the size of the transaction relative to that of the company proposing to make it by reference to "percentage ratios". Broadly, the percentage ratios are the figures resulting from a comparison of each of the respective gross assets, profits, turnover, and consideration to market capitalisation of the company and gross capital. Where any of the percentage ratios equals ten per cent or more, the relevant transaction is deemed a "substantial transaction".

In addition to substantial transactions the concept of "reverse takeover" exists; this is an acquisition or a series of acquisitions in a 12 month period by an AIM quoted company where any percentage ratios of the above is 100 per cent or more or which would result in a fundamental change in the business or in a change in board or voting control of the quoted company.

Transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets of the AIM company are excluded from classification as a substantial transaction. The term "transaction" is not defined and should be interpreted as widely as possible; there may be circumstances where a transaction is classifiable notwithstanding that no "assets" are being acquired or disposed of. Care should be taken, for example, where the Company proposes to give certain indemnities (i.e. ones which are exceptional and under which the Company agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of another party whether or not on a contingent basis and under which the maximum liability is either unlimited in amount or where the liability would equal or exceed ten per cent or more of the Company's profits).

### **6.2 Aggregation (AIM Rule 16)**

Transactions completed during the 12 months prior to the date of the latest transaction and which:



- (a) are entered into by the Company with the same person or their families;
- (b) involve the acquisition or disposal of securities or an interest in one particular business; or
- (c) together lead to a principal involvement in a business activity which did not previously form part of the Company's principal activities

must be aggregated for the purpose of determining whether the latest transaction falls within AIM Rules 12 to 15 and/or 19.

### 6.3 Obligation to notify

Substantial transactions and reverse takeovers must be notified to an RIS provider without delay after the terms of the transaction are agreed. The requirements as to the contents of such announcement include (Schedule 4 of the AIM Rules):

- (a) particulars of the transaction;
- (b) the consideration;
- (c) the value of the assets which are the subject of the transaction;
- (d) the profits attributable to the assets which are the subject of the transaction; and
- (e) the effect of the transaction on the AIM Company.

### 6.4 Admission documents and shareholder approval

Any agreement which would effect a reverse takeover must be conditional upon shareholder approval being obtained in general meeting and accompanied by the publication of an Admission Document in respect of the proposed enlarged entity and convening the general meeting.

Special requirements apply in the event of a reverse takeover, including, if successful, the need to seek re-admission as a new applicant (rule 14) and a suspension of trading in the Company's securities if it is unable to publish its Admission Document at the same time as it announces the reverse takeover.

## 7. Transactions with Related Parties (AIM Rule 13)

Broadly, "**related party**" means any current or recent director or substantial shareholder (or any associate of either). For these purposes "**recent**" means the 12 month period preceding the transaction and "**substantial shareholder**" means anyone who holds an interest in 10% or more of the voting rights or 10% or more of any class of security quoted on AIM.

Where any transaction is proposed between the Company and a related party and the relevant percentage ratios equal 5% or more, the Company must make an announcement without delay as soon as the terms are agreed disclosing:

- (a) the information specified in Schedule 4 of the AIM Rules;
- (b) the name of the related party and the extent of their interest in the transaction; and
- (c) a statement to the effect that (with the exception of any director who is involved in the transaction as a related party) the Directors consider, having consulted with the

Company's nominated adviser that the terms of the transaction to be fair and reasonable insofar as the holders of AIM quoted securities in the Company are concerned.

The threshold eliminates certain small transactions but again aggregation may be required.

If the Company proposes to enter into a transaction which could be a transaction with a related party and there is any doubt as to whether or to what extent the relevant provisions of the AIM Rules apply, the Company must consult its Nomad at an early stage.

#### **8. Maintenance of Web Site (AIM Rule 26)**

Pursuant to Rule 26 of the AIM Rules, the Company must from admission maintain a website on which the following information should be available, free of charge:

- (a) a description of its business and, where it is an investing company, its investing strategy;
- (b) the names of its directors and brief biographical details of each, as would normally be included in an admission document;
- (c) a description of the responsibilities of the members of the board of directors and details of any committees of the board of directors and their responsibilities;
- (d) its country of incorporation and main country of operation;
- (e) if the Company is not incorporated in the UK, a statement that the rights of shareholders may be different from the rights of shareholders in a UK incorporated company;
- (f) its current constitutional documents (e.g. its Articles );
- (g) details of any other exchanges or trading platforms on which the Company has applied or agreed to have any of its securities (including its AIM securities) admitted or traded;
- (h) the number of AIM securities in issue (noting any held as treasury shares) and, insofar as it is aware, the percentage of AIM securities that is not in public hands together with the identity and percentage holdings of its significant shareholders. This information should be updated at least every 6 months;
- (i) details of any restrictions on the transfer of its AIM securities;
- (j) its most recent annual report published pursuant to Rule 19 and all half-yearly, quarterly or similar reports published since the last annual report pursuant to Rule 18;
- (k) all notifications the Company has made in the past 12 months;
- (l) its most recent admission document together with any circulars or similar publications sent to shareholders within the past 12 months; and
- (m) details of its nominated adviser and other key advisers (as might normally be found in an admission document).

## **9. Responsibilities**

### **9.1 Board Meetings**

The Chief Executive Officer and Chief Financial Officer are responsible for preparing reports to each monthly meeting of the Board of the Company. Each is required to include in their reports information material to the operations of the Company.

The Company Secretary shall attend all Board meetings and is responsible for advising on whether information disclosed in reports to the Board is required to be disclosed under the AIM Rules.

All other directors are also required to exercise judgment as to whether material presented at Board meetings should be disclosed under the AIM Rules.

There will be a standing item on each agenda headed "Disclosure Requirements".

The Board shall appoint a Designated Director to liaise with the Nomad at all times and in the event that the Designated Director is unavailable make suitable arrangements for another Director to be available providing the Nomad with the appropriate contact details.

The Board must approve all disclosures under this Policy.

### **9.2 Between Board Meetings**

The Chief Executive Officer and Chief Financial Officer are required to advise the Chairman, Company Secretary and the Nomad immediately they become aware of information which they believe should be disclosed under the AIM Rules.

Board members must advise the Chairman, Company Secretary and Nomad should they become aware of information which they believe should be disclosed under the AIM Rules. A similar procedure set out in clause 9.1 above will be followed. For the purposes of this clauses 9.2 2 this shall include but not be limited to:

- (a) Proposals to pay or make any dividend or other distribution;
- (b) Proposals to alter the Company's capital structure or borrowing requirements;
- (c) Proposals to acquire or dispose of assets otherwise than in the ordinary course of the Company's business;
- (d) Proposals that will or might result in a change in the Company's officers;
- (e) Making any preliminary announcement of final results or announcement of interim results; and
- (f) Proposals by the Directors to deal in any of the securities of the Company including the exercise of options and/or warrants;
- (g) Proposals in relation to any resolution to be put to the members, other than ordinary business at Company's Annual General Meetings of the Company.

All persons under an obligation under this clause 9.2 are also obliged to ensure that they are conversant with what constitutes information material to the Company's share price, and they should contact the Nomad if they require guidance on this concept.

If it is not possible to convene a Board meeting to approve the announcement, a Designated Director and the Chairman of the Board or the Chairman of the Audit Committee must approve the announcement to an RIS provider in conjunction with the Nomad and any press release containing important material information before release to the market. In any event, the announcement shall be sent to all Board members prior to its release.

### **9.3 Standing Requirements**

The Board will closely monitor the Company's existing financial reporting procedures. As soon as the Board is aware of any information which may require an announcement to be made under AIM Rule 11, the Nomad will be consulted immediately and an announcement shall be made without delay.

The Board or the Designated Director must as soon as reasonably practicable consult with the Nomad if the Company is considering to enter in to any substantial transaction falling within AIM Rule 12.

The Board or the Designated Director must discuss with and take advice from the Nomad and the Company's lawyers before entering into or agreeing to enter in to any transaction with a related party which exceeds 5% in any of the Class Tests and after consultation with the Nomad must issue a notification without delay as soon as the terms of the transaction with a related party are agreed disclosing the matters referred to in AIM Rule 13.

The Board or the Designated Director must discuss with and take advice from the Nomad as soon as reasonably practicable on any potential acquisition which may be a reverse takeover as defined by AIM Rule 14.

The Board or the Designated Director must discuss and seek guidance from the Nomad in respect of any disposal by the Company, which when aggregated with any other disposals or disposals over the previous 12 months exceeds 75% in any of the class tests as set out in AIM Rule 15.

The Board or the Designated Director must discuss with the Nomad and seek guidance in relation to the aggregation of any transactions for the purposes of determining whether AIM Rules 12, 13, 14 and/or 15 apply.

The Board or the Designated Director must act without delay and give notice to the Nomad in respect of any matter warranting disclosure under AIM Rule 17 and be responsible for the appropriate announcement to be made.

The Chairman will ensure that under the Company's Share Dealing Policy no Director or Applicable Employee (as defined in the AIM Rules) will deal in the Company's securities in breach of the Share Dealing Policy and in particular ensure that all Applicable Employees who are not Directors have been given a copy of the Code and will acknowledge that they have read and understood it.

The Board will provide to the Nomad each month a financial statement and management accounts for the Company and its subsidiaries made up to and as at the end of that month.

The Board or the Designated Director will notify the Nomad immediately if it becomes aware of any breach by the Company and/or any director of the AIM Rules and request the advice and guidance of the Nomad concerning all matters relevant to the Company's compliance with the AIM Rules, where appropriate taking that advice into account.

The Board or the Designated Director will provide to the Nomad such information as the Nomad may request to enable compliance with the Nomad Rules.

The Board or the Designated Director must ensure that the website is kept up to date, and that it contains at all times the information required by AIM Rule 26 (see paragraph 8 above).

#### **9.4 Process of Disclosure**

Once it has been determined that information must be disclosed, the Company Secretary or a Director is responsible for liaising with the Nomad to agree and approve required disclosure in order for the Nomad to disclose the information to an RIS provider as soon as is practicable

Once an RIS provider has confirmed the release of the information to the market, the Company will post the information on its website and may disseminate the information to the media and/or public. It shall not do so until the confirmation from an RIS provider has been received.

## **Chapter 5: LuSE Listing Rules Compliance Policy**

### **1. Introduction**

- 1.1 This document sets out the policy of the Company on compliance with the LuSE Listing Rules issued by the Lusaka Securities Exchange (“**LuSE**”). The policy applies whilst the Company is listed on the LuSE.
- 1.2 Compliance with the LuSE Listing Rules is essential to the maintenance of an orderly market in securities.
- 1.3 Failure by the Company to comply with the LuSE Listing Rules may result in the Exchange taking one or more courses of action. These include imposing a fine on the Company, censuring the Company, suspending trading in or cancelling the admission of the Company’s securities.
- 1.4 The LuSE may from time to time amend the Listing Rules and the Company will be expected to comply with any such amendments. In addition to the Listing Rules the Company and its Directors should be aware of the LuSE Corporate Governance Code.
- 1.5 The Company will comply at all times with the LuSE Listing Rules and will maintain in place sufficient procedures, resources and controls to ensure compliance, and will seek advice from its local counsel in this regard, and where appropriate act upon such advice.
- 1.6 The Board will seek advice and guidance without delay from its local counsel at all times and without delay in relation to any announcement that the Company may be required to make under the LuSE Listing Rules.

### **2. General Obligation to Disclose Information to LuSE (Paragraphs 1.24 & 1.25 of the LuSE Listing Rules)**

The Company is under a general duty to disclose to LuSE within a period specified by LuSE, information, including information not specified in the Listing Requirements, save to the extent that the Company has obtained a court order excusing it from such disclosure.

### **3. General Obligation to Disclose Price Sensitive Information (Paragraph 3.4 of the LuSE Listing Rules)**

- 3.1 Unless the information is kept confidential for a limited period of time, the Company without delay is under a duty to release an announcement providing details of any development(s) that is/ are not public knowledge and which may by virtue of its/their effects, lead to material movements of the reference price of the Company’s listed securities.
- 3.2 The Company is required to publish a cautionary announcement as soon as the Company acquires knowledge of any material price sensitive information and the necessary degree of confidentiality of such information cannot be maintained or if the Company suspects that confidentiality has or may have been breached.
- 3.3 When the Company intends to release price sensitive information at any meeting of shareholders, arrangements must be made for the publication of such information to ensure that the announcement of such information at the meeting is made simultaneously with the publication through the Securities Exchange News Service (“**SENS**”). If any price sensitive information is disclosed in an unplanned manner during the course of a meeting of shareholders, immediate steps must be taken for an appropriate announcement to be made containing such price sensitive information.

#### **4. Containing Obligations (Section 3 of the LuSE Listing Rules)**

Section 3 of the LuSE Listing Rules sets out a number of continuing obligations that the Company should to observe.

##### **4.1 Dividends and Interest (Paragraph 3.11 of the LuSE Listing Rules)**

The declaration of dividends, interest and other similar payments by the Company should immediately be announced.

##### **4.2 Interim, Quarterly and Provisional Reports (Paragraph 3.15 of the LuSE Listing Rules)**

4.2.1 Interim reports of the Company shall be published and distributed to shareholders after the expiration of the first six month period of a financial year, by no later than three months after that date. Where the financial period covers more than 12 months, interim reports shall be distributed in respect of the first six month period.

4.2.2 If the Company has not distributed annual financial statements to all shareholders within three months of its financial year end, it must publish and distribute to all holders of securities provisional annual financial statements within the three months as specified, even if the financial information is unaudited at that time. Where the provisional report has been audited the announcement must state that the signed audit report is available for inspection at the issuer's registered office. Although the audit report of the auditors need not be included in the provisional report, if such report is modified, details of the nature of such modification shall also be stated therein.

##### **4.3 Change in Auditors (Paragraph 3.75 of the LuSE Listing Rules)**

The Company must notify LuSE of any termination of the appointment of auditors or the resignation of the auditors, no later than by the end of the business day following the decision by the Company to terminate the appointment of the auditors or after receipt of the auditors' resignation.

The notification to LuSE must be accompanied by a letter from the auditors stating the date of termination, what the auditors believe to be the reason for such termination or, in the case of resignation the reason(s) for such resignation.

##### **4.4 Board changes (Paragraph 3.59 of the LuSE Listing Rules)**

4.4.1 The Company through its sponsoring broker must notify LuSE no later than the end of the business day following the decision or receipt of any notice detailing change to the Board or the company secretary including:

- (a) the appointment of a new Director or Company Secretary;
- (b) the resignation, removal, retirement or death of a Director or of the Company secretary; and/or;
- (c) changes to any important functions or executive responsibilities of a Director.

4.4.2 Such changes must also be included in the Company's next publication of listing particulars, interim report or annual financial statements.

4.4.3 The Company must submit to the LuSE and its sponsoring broker, the relevant director's declaration in respect of each of its appointed directors within 14 days of their appointment.

#### **4.5 Director Dealings in Securities (Paragraph 3.63 of the LuSE Listing Rules)**

The Company via its sponsoring broker, must announce details of all transactions (including off market transactions) in securities relating to the Company by or on behalf of:

- (a) a Director and Company Secretary (held directly, indirectly or beneficially) of the Company;
- (b) a Director and Company Secretary (held directly, indirectly or beneficially) of a major subsidiary company of the Company;
- (c) any associate of a Director or Company Secretary; or
- (d) any independent entity, in terms of which any Director and/or Company Secretary may derive any beneficial interest now or in the future.

#### **4.6 Shareholder Spread (Paragraph 3.37 of the LuSE Listing Rules)**

The Company is required to ensure that it complies with the minimum spread requirements of the LuSE.

#### **4.7 Communication with Holders of Securities (Paragraph 3.44 of the LuSE Listing Rules)**

The Company must ensure that all necessary facilities and information is available to enable shareholders to exercise their rights. In particular the Company shall, within three months after the end of each financial year and at least twenty-one clear days before the date of the annual general meeting, distribute to all holders of securities and submit to the LuSE a notice of the annual general meeting.

#### **4.8 Approval of Documents (Paragraph 16.5 (a) of the LuSE Listing Rules)**

All announcements that are required to be made in terms of the LuSE Listing Rules must be approved by the Company's sponsoring broker before they are released over SENS and published in the press.

### **5. Reporting and Financial Information**

#### **5.1 Publishing of trading statement (Paragraph 3.4 of the LuSE Listing Rules)**

5.1.1 The Company must publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from the most recent of the following:

- (a) the financial results for the previous corresponding period; or
- (b) a profit forecast (in terms of paragraphs 8.35 to 8.44 of the LuSE Listing Rules) previously provided to the market in relation to such period.

5.1.2 The Company may publish a trading statement if the differences are less than 20% but which are viewed by the Company as being important enough to be made the subject of a trading statement.

#### **5.2 Annual Financial Statements (Paragraph 3.19 of the LuSE Listing Rules)**

5.2.1 The Company shall within three months after the end of each financial year and at least twenty-one clear days before the date of the annual general meeting, distribute to all holders of securities



and submit to LuSE annual financial statements for the relevant financial year, which financial statements will have been reported on by the issuer's auditors.

5.2.2 Where annual financial statements have not been distributed to shareholders within three months of its financial year end, the Company must distribute and publish a provisional report as detailed in paragraph 3.16 of the LuSE Listing Rules.

### **5.3 Change of Financial Year (Paragraph 8.59 of the LuSE Listing Rules)**

The Company must notify LuSE of any proposed change to its financial year and LuSE must be consulted as to the period or periods to be covered by the interim report.

## Chapter 6: Anti-Corruption & Bribery Policy

### Overview

This document sets out the policy and procedures of the Company on combatting corruption, in accordance with its Group Code of Ethics. It has been reviewed and approved by the Audit Committee of the Board of Directors, as required under their Terms of Reference, and then endorsed by the Board of Directors of Company, and applies to all subsidiaries and global operations. The objective of the policy is to clearly set out the Company's "Zero Tolerance" approach to corruption. The Company subscribes to international best practices to meet this commitment.

#### 1. Legal framework

- 1.1 All employees are required to comply with all applicable anti-bribery and corruption laws and regulations when doing business on behalf of the Company.
- 1.2 Offences of bribery and corruption are covered for private bodies under the Zambia Anti Corruption Act of 2012.
- 1.3 These laws include the United Kingdom Bribery Act 2010. Under the Bribery Act, businesses can potentially face unlimited fines if the company or its representatives are found to have engaged in bribery and corruption. Section seven of the Bribery Act created a new offence of failure of commercial organisations to prevent bribery. The sole defence here is that the business had in place adequate procedures designed to prevent persons associated with company from engaging in corruption. Individuals can also be held personally liable, entailing potential imprisonment and financial penalties.

#### 2. Definitions

- 2.1 In this policy "bribery" is defined as an intentional offer or monetary or other benefit to another person, official, organisation or company in order to secure or attempt to secure a benefit in the performance of a duty, to obtain or retain business, or to obtain any other improper advantage in conducting the corporation's business.
- 2.2 Bribery can take different forms, such as cash payments, employment offers, bartering transactions, directing business to a particular individual or business, undue hospitality, providing services or other benefits to a person, organisation or company, or to those related to a particular person, organisation or company.
- 2.3 Facilitation or 'speed payments' can also be considered forms of bribery. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

#### 3. Who is covered by the policy?

This policy applies to all individuals working as employees of the Company (whether permanent, fixed-term or temporary), consultants, contractors, agents, sponsors, or any other person associated with our company. We require those providing services on our behalf to undertake their business without bribery or corruption.

#### 4. The key principles

We are committed to conducting all of business in an honest and ethical manner. Key principles in our business are:

- (a) The Company will not pay nor accept bribes, kickbacks, or facilitation/speed payments (“corrupt payments”), either directly or via third parties, in any circumstances. Breaches or attempted breaches of this principle by an employee will be regarded as an act of gross misconduct and liable to disciplinary action under the Group’s Disciplinary and Grievance Policy and Procedure.
- (b) The Company will adopt clear policies and procedures proportionate to the size and risk profile of our business in order to counter corruption risk.

## 5. Ethical guidance

Policies and guidance cannot cover every circumstance. We therefore provide some guidance below to help you make decisions about appropriate business conduct. If you can answer yes to following quick questions, you might feel comfortable in proceeding.

- (a) Is the action legal?
- (b) Is it right? Is it honest?
- (c) Is the action consistent with the terms and spirit of this policy and our values as a business?
- (d) Does it avoid creating a sense of obligation?
- (e) Can I justify this to my manager, the CIA, and to my family?
- (f) Would I feel comfortable if the action became public knowledge?

In any case of doubt, you should discuss the situation with the CIA.

## Practical procedures

### 1. Responsible person

- 1.1 The Company will at all times have a nominated director or senior manager responsible for overseeing and reporting on the implementation of this Policy. The director/senior manager will be sufficiently senior to be fairly regarded as independently minded. He/ she will have direct access to the Board.
- 1.2 The current senior manager selected in this role is the Chief Internal Auditor (**CIA**).
  - (a) The CIA will directly supervise and review the work of a Whistleblowing/Anti -Corruption Compliance Officer within the IA function.
  - (b) The CIA will report on the implementation, workings and effectiveness of the policy on an annual basis, and any significant findings/investigations from reports will be reported to the Audit Committee of the Board of Directors in quarterly reports.
  - (c) The CIA will also have direct access to the Chairman of the Audit Committee (non Executive Board director) for disclosure or discussion of any matters regarding this policy, or any reports made.
- 1.3 The responsibilities of the CIA in this role, shall include:

- (a) Ensuring wide dissemination, communication and training of the Anti Corruption Policy and Procedure amongst all stakeholders. Extra training will be provided where necessary.
- (b) Ensuring any reports of bribery or corruption are appropriately recorded in the Incident Reporting/Whistleblowing register by the Whistleblowing/Anti-Corruption Officer within the IA function.
- (c) Ensuring appropriate investigation of matters where necessary, or appropriate closure for any such reports.

1.4 The current CIA responsible for this role is Pravin Abraham, and can be contacted on phone number 0977 999190 or by email, [Pravina@zambeef.co.zm](mailto:Pravina@zambeef.co.zm). The Whistleblowing/Anti Corruption Officer may also be contacted using dedicated contact details as follows:

- Email address: [tipoff@zambeef.co.zm](mailto:tipoff@zambeef.co.zm)
- Text line:9262
- Phone line:9262

## 2. **Review and report**

2.1 The responsible person will monitor, review and at least annually report on the effectiveness of and adherence to this policy, and the steps taken to implement it. The report will be submitted for approval to the Audit Committee of the Board of Directors, and the Chairman will include this review within his report to the Board of Directors.

2.2 The annual report and accounts of the Company will include an assessment of the workings and effectiveness of this Policy.

## 3. **Senior management information**

The Company's senior management-MANCO will be kept informed by the CIA of the steps taken to implement the policy, the conclusions of any reviews and any material findings arising out of the reports made under this policy on a regular basis.

## 4. **Employee conduct**

4.1 Employees are required to report any knowledge or suspicions of the request for, offering, giving or receiving of a corrupt payment. A failure to do so may be considered gross misconduct, and may be liable to disciplinary action under the Group's Disciplinary and Grievance Procedure.

4.2 No employee will suffer demotion, penalty or other adverse consequence for refusing to pay or accept a corrupt payment even if such a refusal may result in the Company losing business or failing to win a deal. If you believe that you have suffered any such treatment, you should inform the CIA immediately.

4.3 It is not acceptable for any Employee to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;

- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

Further "red flags" that may indicate bribery or corruption are set out in Schedule 1.

## **5. Gifts and hospitality**

### *Gifts*

- 5.1 Employees are prohibited from accepting lavish gifts, incentives or gratuities or any gift where it could appear that their judgment would be compromised.
- 5.2 Employees may accept gifts which are up to USD50 value for gifts, or USD500 for hospitality. There is an allowance of gift items above USD50 in value, as long as they are approved by the Head of Business Unit, justifiable, and appropriately logged in the Group gifts register maintained by the Company Secretary. All smaller value gifts must be reported to management through divisional gift registers, which are required to be open to review and inspection. Where a gift is offered but refused, this must also be reported to management. These records will be reviewed regularly by the CIA.
- 5.3 Employees may offer small business gifts (e.g. pens, diaries) to customers, suppliers and other persons. However all gifts must be reasonable, proportionate and authorised by management, and be under USD50 in value, and reported in divisional gift registers. Management may issue corporate gifts but must add all such gifts to the Group gift register maintained by the Company Secretary, regardless of value. An estimate of the value of such corporate gifts should also be given.
- 5.4 The practice of gift giving varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered. In the case of cash, only MANCO approved cash honorariums may be given where local custom includes such payments. These must be further added to the Group gift register.
- 5.5 Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the CIA.

### *Hospitality*

- 5.6 Employees may accept hospitality that is reasonable in the context of the business, for example accompanying a business associate to a local cultural or sporting event, business meal or conference would in most cases be acceptable.
- 5.7 Hospitality that is lavish or frequent may appear to influence independent judgment on behalf of the company. Where an invitation appears inappropriate, the offer must be declined or the true value of the hospitality paid.
- 5.8 All invitations for hospitality should be discussed with and authorised by management.

5.9 Employees may provide hospitality that is appropriate and reasonable in the context of the business. Employees must not provide hospitality without seeking approval and authority from management.

5.10 Applicable laws may prohibit the provision of hospitality, therefore all local laws and regulations should be checked in advance.

## **6. Facilitation payments and kickbacks**

6.1 Employees will not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions in which we operate including Zambia.

6.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the compliance manager.

6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## **7. Donations to organisations**

No employee should make donations or contributions to any charity, political party or organisation without the express approval of senior management-MANCO. No donations should be made with the intention of gaining a business advantage.

## **8. Internal communication and training**

8.1 The Company will communicate these principles and practical procedures to all employees, and will reflect this policy on its website and in the HR Staff Policies and Procedures.

8.2 Training will be provided to staff so that they are aware of this Policy, relevant anti-corruption legislation and their obligations under the policy and their contract of employment. Enhanced training will be provided to employees in particularly high risk roles.

## **9. Associates**

9.1 The Company will conduct screening procedures on agents, advisers, contractors, intermediaries, and other representatives who supply material goods and services to it ("Associates") to protect the Company from the risk of it being associated with or benefiting from corrupt payments, and to ensure that the highest ethical standards are maintained.

9.2 The Company requires that associates are made aware of this policy and confirm that they will not participate in any transaction that will put it in breach of the policy, and that such associates have adequate procedures for preventing their own staff engaging in the giving or receiving of bribes, kickbacks, or facilitation/speed payments.

## **10. Internal record keeping**

The Company shall make and keep books, records, and accounts that conform to the highest professional standards of accuracy and consistency and that, in reasonable detail, accurately and fairly reflect the company's transactions.

## **11. Auditing**

The annual reports of the Company's internal and external auditors will include an assessment of the implementation of this policy.

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## **Raising concerns**

### **1. Key principles**

1.1 Please also refer to the Incident Reporting Management and Whistleblowing Policy and Procedure in Schedule 2 for more information.

1.2 All employees of the Company are required to report any knowledge or suspicion of potential bribery to the CIA or Whistleblowing/Anti- Corruption Compliance Officer, at the earliest possible stage. We encourage such reports and abide by three principles in whistleblowing:

- (a) The Company welcomes whistle-blower reports and encourages staff and third parties to draw to its attention instances of corporate wrongdoing within the Zambeef group of companies (as defined below a "disclosure");
- (b) The Company will appropriately investigate and act upon such disclosures.;
- (c) The Company regards attempts to victimise or discriminate against a whistle-blower as potentially gross misconduct and liable to disciplinary action under the Group's Disciplinary and Grievance Procedure.

### **2. Making a disclosure**

#### *Employees*

2.1 Disclosures concerning the conduct of the employee should be addressed to the CIA or the Whistleblowing/Anti- Corruption Compliance Officer. Disclosures should ideally be made in writing with the issues clearly and unambiguously set out. The whistle blower should identify themselves in the disclosure, where possible. It should be noted that anonymous disclosures may prove difficult to substantiate and will be harder to follow up.

2.2 A disclosure is not intended to replace an employee's duty to keep their supervisors and managers properly informed on a day-to-day basis of matters which should be of concern to them or are relevant to the performance of their job. It is intended to be used where an employee has serious and justified doubts about the willingness or ability of that supervisor or manager to act appropriately upon such information.

2.3 A "Disclosure" is a concern raised in writing and made in good faith that discloses or demonstrates information that may evidence serious unethical or improper activity within the Company (or a company in its group) and its and their business or clinical practices.

- 2.4 A disclosure should be factual and not speculative and should contain as much specific information as possible to allow for a proper assessment of the nature and extent of the concerns.
- 2.5 A disclosure could concern malpractices and events which are taking place or are suspected or known to have taken place. Examples include:
- (a) abuse of authority;
  - (b) manipulation or falsification of company data or records;
  - (c) financial or compliance irregularities, including fraud, suspected fraud, bribery or corruption;
  - (d) criminal offence having an impact on the company or its reputation;
  - (e) deliberate violation of law or regulation;
  - (f) any other unethical behaviour.
- 2.6 This policy relies upon the good faith of staff and it should not be used as a mechanism for raising malicious or unfounded allegations against colleagues. Such practices may themselves be grounds for disciplinary proceedings.

#### *Third parties*

Disclosures (as defined above) may come from third parties, such as agents, advisers, contractors, or individuals who are unconnected with the Company. They must be passed to the CIA, or the Whistleblowing/Anti- Corruption Compliance Officer immediately.

### **3. Investigation**

- 3.1 The CIA, with the assistance of the Whistleblowing/Anti- Corruption Compliance Officer, is responsible for reviewing all disclosures and will seek appropriate internal and external advice and assistance in investigating the facts set out in the disclosure. The Company would expect that any review would be normally completed within 30 business days of the receipt of the disclosure.
- 3.2 For any significant reports, that have been proven correct after investigation, the CIA will provide a short report to the Company's Audit Committee of the Board of Directors recommending appropriate further action – if any needed, or any actions already taken by the senior management-MANCO based on recommendations made to them, based on the discretion of the CIA. This may include disciplinary proceedings up to summary dismissal.
- 3.3 Where the disclosure concerns the conduct of the CIA, or the Whistleblowing/Anti- Corruption Compliance Officer, then the Chairman of the Audit Committee will conduct the review and will report to the Board of Directors.
- 3.4 The Company will not attempt to conceal the disclosure and will take appropriate disciplinary action in the event that such a disclosure is found to be proven and against any person who destroys or conceals evidence relevant to the disclosure.

### **4. Protection**

- 4.1 The Company condemns any kind of discrimination, harassment or victimization of a whistle blower. The Company will ensure that:



- (a) the identity of the whistle-blower is kept confidential and only disclosed on a need to know basis;
- (b) papers relating to a disclosure are filed carefully away and access to e mails and electronic files restricted by the use of an appropriate password so as to avoid the accidental disclosures of a whistle-blowers identity;
- (c) instances of victimisation of a whistle-blower are treated as a serious matter which may give rise to disciplinary action by the respective Head of Department/Supervisor against any person(s) causing or allowing such victimization, or appropriate senior management-MANCO as recommended by the CIA.

4.2 These protections may be lost if a disclosure is not made in good faith.

## **5. Retention of documents**

All disclosures and the documents supporting the disclosure and/or gathered during a review will be retained by the Whistleblowing/Anti-Corruption Officer, under the supervision of the CIA, for a minimum period of five years.

## **6. Communication and training**

6.1 The Company will communicate its principles and practical procedures and its approach to their implementation to its employees and will publish this policy. The policy will also be communicated to relevant third parties.

6.2 Training will be provided to staff so that they are aware of the whistleblowing channels and their obligations under the policy and their contract of employment. Regular training will be provided to employees in particularly high risk roles.

## **7. Senior management review**

7.1 The CIA shall provide a brief summary of the disclosures, their investigations and the resultant action on a regular basis to the Senior Management-MANCO and the Audit Committee of the company board.

7.2 The CIA will monitor, review and at least annually report on the effectiveness of and adherence to its principles, the practical procedures and the steps to implement them. The report will be submitted for approval by the Audit Committee of the Board of Directors, who will in turn request for appropriate approval by the full Board of Directors.

## **Schedule 1 – Potential risk scenarios: "red flags"**

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to the CIA:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.

## **Schedule 2 – Incident Management and Whistleblowing Policy**

### **1. Policy Statement**

All incidents occurring within or affecting the Group will be properly managed, including timely escalation, as appropriate, to Senior Management-MANCO.

### **2. Incident Definition**

An **incident** is defined as the occurrence of an event that has an adverse financial or non-financial impact on the business.

### **3. Policy Objectives**

- 3.1 To ensure that incidents are effectively managed by involving the appropriate people in a timely manner across the group
- 3.2 To ensure that appropriate and timely action is taken after an incident, both to minimize immediate loss and to ensure that improvements are made to areas of identified weakness
- 3.3 To enhance/maintain the Company's reputation and brand image
- 3.4 To demonstrate effective incident management and governance to the media, market and regulators
- 3.5 To encourage and enable staff to raise concerns on suspected malpractices or suspected incidents within the company rather than overlook a potential problem or blow the whistle to inappropriate channels.

### **4. Policy Principles**

- 4.1 The ownership and accountability for the management and reporting of incidents resides with the business line concerned.
- 4.2 In the case of any incident involving more than one business area, it is incumbent upon all business areas to report incidents whether they are the cause or suffer the effect

### **5. Reportable Incidents**

- (a) Direct or indirect financial loss of any amount
- (b) Dishonesty and criminal behaviour (e.g. theft, fraud, etc)
- (c) Maladministration or financial misconduct in handling or reporting of money or financial transactions;
- (d) Making a profit from insider knowledge;
- (e) Disclosing confidential or proprietary information to outside parties;
- (f) Failing to disclose an interest in a contract or tender awarded by the Group;
- (g) Irregularly accepting or requesting anything of a material value from contractors, suppliers, or other persons providing services/goods to the Group, and any other contravention of the anti-bribery and corruption (ABC) policy and programme.;

- (h) Irregularly offering or giving anything of a material value to contractors, suppliers, or other persons providing services/goods to the Group, and any other contravention of the anti-bribery and corruption (ABC) policy and programme.;
- (i) Destruction, removal, or abuse of records, furniture, and equipment;
- (j) Deliberately omitting to report or act upon reports of any such irregular or dishonest conduct;
- (k) Incidents involving death, serious injury or threat to staff, customers, facilities or assets
- (l) Significant regulatory/legal criticism, breaches or notice of legal/regulatory body investigation, or a special external inspection or audit (including breaches of health and safety requirements)
- (m) Significant and noticeable limitation or disruption of service to customers
- (n) Adverse media or Government comment
- (o) Strikes/serious personnel disputes
- (p) Litigation or threat of litigation
- (q) Any significant external complaint that is likely to be escalated externally
- (r) Significant breakdown of business practices (e.g. reconciliation's backlogs)

## 6. Responsibilities

### *All Employees*

- (a) All members of staff are required to be vigilant in identifying and reporting incidents.
- (b) Members of staff who identify incidents should report incidents to their Business Unit Head, who is then responsible for reporting the incident to the Chief Internal Auditor.
- (c) In exceptional instances, where it may not be appropriate for a member of staff to report an incident to their Business Unit Head (e.g. because the incident or concern involves the Business Unit Head), the report must be made directly to an executive Director.
- (d) Business Unit Heads, and their subordinates who may handle incidents as delegated by them, are as follows:

**Zambeef Outlets and Shoprites** – National Outlets Manager-South Rodgers Chinkuli (0977 999175),

**Beef Abattoirs, Beef Feedlots, Processing Centres & Dairy Plant & Kalundu Dairy** – GM Murray Moore (0977 999003)

**Wheat Mill Manager, Bakery-GM Wheat Mill**

**Chickens/Poultry/Eggs/Hatchery,-Zamchick MD**

**Farms** – GM Operations-Huntley, GM Mpongwe Farm/Head of Farms, GM-Sinazongwe, GM-Chiawa

**Zamleather/ZamShu** – General Manager-Zamleather Limited

**Head Office/Huntley Office – Joint Chief Executive Officers-Zambeef Products PLC, Executive Director, Chief Financial Officer , HO Administration Manager**

**Head of Environment**

**HR-Head of Human Resources**

**Security-Chief Security Manager**

**Novatek- GM Stockfeed**

**Zampalm - General Manager-Zampalm**

**Master Pork-Factory Manager, GM Pork Production**

**Master Meats Nigeria- Managing Director-**

**Master Meats Ghana- Executive Director- General Manager**

**Chief Internal Auditor**

Under no circumstances are employees permitted to report incidents to external parties, such as the media or regulatory bodies.

*Business Unit Head*

- (a) Identification and reporting of incidents to the Internal Audit Department
- (b) Ownership of actions to minimize impact of incident
- (c) Matters of pilferage, break ins, overcharges, and other small value thefts/frauds can be investigated within the Business Unit Head's department with the assistance of the Security Department.
- (d) Responsible for resolution of incident including addressing control weaknesses, training requirements or recommending process improvements

*Chief Internal Auditor*

- (a) Review and assist in collating incident report with Business Unit Head
- (b) Where necessary, CIA may determine to institute internal affairs investigations to further establish facts, or delegate investigations to Security department for security related aspects
- (c) Make recommendations for resolution and corrective action to prevent recurrence of incident
- (d) Agree with Business Unit Head future reporting and follow-up dates as appropriate
- (e) Review and monitor incident corrective actions recorded
- (f) Review and monitor incident trends across the Group
- (g) Report incidents to Senior Management-MANCO as appropriate
- (h) Report material incidents to the Board's Audit Committee

## 7. Whistle Blowing Procedure-for suspected malpractices/adverse activities

- 7.1 This section relates specifically to serious suspected malpractices or suspected incidents per section 4 above, involving members of staff or management.
- 7.2 Whistle blowing is the process by which staff or other individuals can raise a concern about suspected serious malpractice within an organization.
- 7.3 A whistleblower is a person who raises a genuine concern in good faith relating to any of the above. If you have any genuine concerns related to suspected wrongdoing or danger affecting any of our activities (a whistleblowing concern) you should report it under this policy.
- 7.4 Full evidence is not necessary but there should be sufficient grounds for concern for any allegation made-eg eye witnessing of a suspected malpractice being conducted. It is similar to an early warning system and a means of enabling stakeholders to investigate further if something is going wrong in time to take corrective action.
- 7.5 Any disclosure made in good faith and substantially in accordance with any procedure prescribed herein for reporting is considered by management to be a protected disclosure. A staff member making such a disclosure is protected from being subjected to occupational damage on account of having made a protected disclosure.
- 7.6 Management will refrain from retaliating against, or tolerating victimization of persons who report any suspected incidents as stated under section 4 above.
- 7.7 A staff member who suspects or reports suspected dishonest activity or such activity which he has witnessed should be given the opportunity to remain anonymous should he so require.
- 7.8 Allegations made by staff that are false and made with malicious intentions, should be discouraged by Managers. Where such malicious or false allegations are discovered, the person who made the allegations may be subject to disciplinary or management action.

## 8. Reporting under the Whistle-blowing Procedure

The Group recognizes that staff members will be concerned about potential victimization, recrimination and even threats to personal safety as a result of disclosing dishonest activities. In view of this, the reporting line for whistle blowing is as follows, for a particular staff member:

- (i) First line of reporting to Immediate Supervisor (if this is a reasonable course given the nature of the findings and if the Supervisor is not involved in the malpractice or closely connected to any persons involved). Immediate Supervisor should ensure that the matter is then reported to Line Manager and H.O.D./Business Unit Line Manager, after this, the H.O.D./Business Unit Line Manager should inform the respective Director and CIA. Immediate Supervisor may choose to skip a line of reporting if this is a reasonable course of action.
- (j) If first line of reporting to Immediate Supervisor is not a reasonable course, the whistle blower may choose an appropriate level of authority in the line stated in the first bullet point above to make a report. **Reports can be made in writing, verbally and/or anonymously, if necessary. Reporting may be made direct to the Whistleblower Hotline/Email Manager. This Manager will have direct access to the highest levels of Management/Directors, and all reports/complaints will be logged. Appropriate actions will be undertaken, where possible and necessary.**

**Details of the Whistleblower Hotline/Email contact details are as follows:**

- **Email address: tipoff@zambeef.co.zm**
- **Text line:9262**
- **Phone line:9262**

## **9. External disclosures**

- 9.1 The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.
- 9.2 The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external.
- 9.3 Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a customer, supplier or service provider, business partners, etc. The law allows you to raise a concern in good faith with a third party, where you reasonably believe it relates mainly to their actions or something that is legally their responsibility. However, we encourage you to report such concerns internally first. You should contact your or one of the other individuals set out in paragraph 6 for guidance.

## **10. Investigation and outcome**

- 10.1 Once you have raised a concern, we will carry out an initial assessment to determine the scope of any investigation. We will inform you of the outcome of our assessment. You may be required to attend additional meetings in order to provide further information.
- 10.2 In some cases we may appoint an investigator or team of investigators including staff with relevant experience of investigations or specialist knowledge of the subject matter. The investigator(s) may make recommendations for change to enable us to minimise the risk of future wrongdoing.
- 10.3 We will aim to keep you informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality may prevent us giving you specific details of the investigation or any disciplinary action taken as a result. You should treat any information about the investigation as confidential.
- 10.4 If we conclude that a whistleblower has made false allegations maliciously, in bad faith or with a view to personal gain, the whistleblower will be subject to disciplinary action.

## **11. If you are not satisfied**

- 11.1 While we cannot always guarantee the outcome you are seeking, we will try to deal with your concern fairly and in an appropriate way. By using this policy you can help us to achieve this.
- 11.2 If you are not happy with the way in which your concern has been handled, you can raise it with one of the other key contacts in paragraph 6. Alternatively you may contact the Board.

## **Chapter 7: Social Media Policy**

### **1. The Policy**

The Zambeef Products PLC Social Media Policy is in place to minimise the risks to its business and assist employees in making appropriate decisions about the use of social media. It sets out the Company's rules and guidance in relation to employees' personal and business use of social media and social networking websites and is in addition to the Company's IT, Communication and Monitoring Policy. It outlines the circumstances in which the Company will monitor use of social media and the action which may be taken in respect of breaches of this policy.

This policy covers all employees, officers, consultants, contractors, interns, casual workers and agency workers.

### **2. Definitions**

The term "social media" refers to all forms of social media and social networking websites that allow people to exchange information, ideas and opinions and to build online communities or networks. It includes but is not limited to:

- Social networking sites, such as Facebook, LinkedIn and MySpace
- Investor forums, such as ADVFN
- Blogs
- Audio and video podcasts
- 'Wikis', such as Wikipedia
- Message boards
- Comments on web-articles
- Social bookmarking
- Photo, document and video sharing websites, such as Instagram, Flickr and YouTube
- Miniblogs, such as Twitter.

Social media websites are fast growing and ever changing. The list above refers to some well known examples of social media but is not exhaustive.

### **3. General Responsibilities**

The Company understands and accepts that many employees engage in social networking activities. However, it is the Company's responsibility to ensure that its employees' use of social media does not damage its reputation or result in the disclosure of confidential information. The Company also has a responsibility to protect its employees from cyber-bullying (harassment caused by another employee's use of social media) and discrimination.

Employees are responsible for knowing and understanding this policy. When accessing social media websites, they must be aware that anything posted online is in the public domain and can remain so indefinitely. If the Company is identified or identifiable, any negative comments about the Company, individuals or other organisations may be attributed to the Company. As a result, the Company risks damage to its reputation and claims for liability. The Company may also be held



liable for breaches of confidentiality and privacy, which are damaging to individuals and organisations.

It is the responsibility of everyone to treat others with dignity and respect. This requirement applies equally to social networking. Abusive postings about colleagues and others are likely to amount to bullying and, where they relate to a protected characteristic (age, disability, gender reassignment, marriage and civil relationship, pregnancy and maternity, race, religion or belief, sex, and sexual orientation) may also amount to discrimination, for which the Company, as well as the employee, may be held liable.

#### **4. Compliance and Breach of the Policy**

Compliance with this policy is mandatory and forms part of the Terms and Conditions of Employment. Any use of social media, which is in breach of this policy, will be treated as misconduct and dealt with under the Company's Discipline Procedure. Serious cases will be treated as gross misconduct and may lead to dismissal. Social media should never be used in a way which breaches any of the Company's other policies.

#### **5. Use of Social Media as an Employee and in an Official Capacity**

Social media is a vital sales and marketing tool for the Company and the Company recognises the importance of the internet in shaping public thinking about the Company and its products. The Company also recognises the importance of its employees joining in and helping shape industry conversation and direction through interaction in social media.

Before using work-related social media employees must have read and understood this policy.

Only employees who have been given express permission are permitted to access and post material on a social media website in the Company's name and on its behalf. There must be a genuine business case for such access and posting and the employee must have obtained prior authorisation from their manager.

#### **6. Rules Governing All Use of Social Media**

When using social media and social networking sites, employees are required to comply with the following rules.

Employees must not:

- Express opinions on behalf of the Company, subject to paragraph 5 above
- Comment on the Company's position on any issue (including but not limited to its strategies, policies, plans, processes, history, appointments, finances, acquisitions, recruitment, pay and benefits)
- Disclose commercially sensitive, private or confidential information including but not limited to personal information about client details, financial and commercially sensitive information about the Company or its clients, future business plans, trade secrets and intellectual property. Confidential information can include photos and videos. Employees are required to comply with any data protection policy that may be in place in relation to all confidential information, which may include but is not limited to those items described above.
- Generally damage the Company's business interests or reputation, even indirectly, including making any comments that could reasonably be expected to embarrass or compromise the Company or any of its stakeholders

Employees must:

- If disclosing their affiliation with the Company on their profile or in any social media postings, state that their views do not represent those of the Company, unless authorised to speak on the Company's behalf as set out in paragraph 5 above
- Alert their manager if they become aware of any breach of this policy.

## 7. Listed Company - Social Media and Price Sensitive Information

All employees must be conscious that they work within a company which is quoted on the AIM market of the London Stock Exchange plc and on the Lusaka Securities Exchange and, as a result, they may become aware of information which may be "price sensitive", that is, information which, if made public, would be likely to have a significant effect on the price of shares in the Company.

The AIM Rules for Companies ("**AIM Rules**") provide that a company must make an announcement to the public via an approved Regulatory Information Service ("**RIS**") without delay of any developments which are not public knowledge and which may be "price sensitive". This may include matters concerning a change in the company's financial condition, sphere of activity, performance of business or its expectation of its performance.

Further, the LuSE Listing Rules require that with the exception of trading statements the Company must, without delay, unless the information is kept confidential for a limited period of time, release an announcement providing details of any development(s) in the Company's sphere of activity that may lead to material movements of the reference price of the Company's listed securities.

Where the Company is required to make a RIS notification, the notification must be made no later than the information is published elsewhere. The fact that information released through other outlets is or may become publically available is not a substitute for making a notification under the AIM Rules. Consequently the requirement to make a notification under the AIM Rules will not be satisfied by disclosure via social media and the Company must, in each case, make an RIS announcement.

All regulatory information must be disclosed to the market in a fair and timely manner and the formal channels of disclosure must be adhered to. A company's securities can be suspended from trading where there has been an unusual share price movement because of an inequality of information provided to the market. The London Stock Exchange plc can investigate and take such disciplinary action as it considers appropriate in such an instance.

It is also an offence under the Market Abuse Regulation (596/2014) ("**MAR**") to unlawfully disclose such information, and premature or selective disclosures or disclosures designed to cause volatility in the Company's share price (e.g. a leak of confidential information), which may constitute market abuse under MAR, falling under the regulation of the Financial Conduct Authority, who may impose penalties (including unlimited fines) on both the Company and its directors for market abuse.

This policy prohibits the disclosure of price sensitive information on social media. Disclosure of price sensitive information may also constitute a criminal offence. If anyone has any queries whether information they are aware of may, or may not be, "price sensitive" they should discuss this with a Director.

## 8. Monitoring the use of Company Facilities

The Company reserves the right to monitor employees' use of its facilities to access social media and social networking websites.

## **Chapter 8: Related Party Transactions Policy**

### **1. Policy**

- 1.1 The Board of Directors, Management and Employees are committed to establishing a transparent environment in addressing the matter of related party transactions for the Group. It is the Company's aim to demonstrate to relevant stakeholders that any related party transactions that may be conducted are done without favour to particular related parties, and in the corporate interests of the Group.
- 1.2 This policy is governed by the Zambian Companies Act sections 107-110, International Financial Reporting Standards (IFRS) and the LuSE Listing. This policy is designed to supplement, but in no way overrule, the provisions of the Company's AIM Rules Compliance Policy, LuSE Compliance Policy, the Zambian Companies Act or the Articles.

### **2. Procedures**

#### **2.1 Disclosures of related party relationships:**

- 2.1.1 The directors and Persons Discharging Managerial Responsibilities (PDMR's), of the Company, known collectively as the "directors" for the purposes of this Chapter, acknowledge that they have a duty and obligation to disclose to the Board, via the Company Secretary's office, related party relationships with any Group companies.
- 2.1.2 At least once a year before the Financial Year end, the directors are required to make a disclosure of related party interests, using the prescribed form distributed by the Company Secretary, to comply with requirements of s.107-112 of the Companies Act and IFRS disclosure requirements.
- 2.1.3 These disclosures must be tabled with the Board for formal approval of conflicts of interest per section 107 (3) (b) of the Companies Act.

#### **2.2 Non participation in business discussions and meetings by related party directors:**

- 2.2.1 As provided in the Code of Ethics, where there is a conflict of interest, related party directors are required to refrain from participating and/or voting in meetings and discussions where there is a related party negotiating terms and conditions with the Group.

In addition, please see section below regarding consultation with Nominated advisor as soon as any potential related party transaction is in contemplation.

- 2.2.2 Appropriate independent directors or senior managers may attend such meetings and discussions on behalf of the company.

#### **2.3 Pre-review and Approval of related party transactions**

Advice should be sought from the Company's nominated adviser as soon as any potential related party transaction is in contemplation – please refer to the Company's AIM Rules Compliance Policy and the LuSE Compliance Policy for further information.

#### **2.4 Post Review procedures**

Please refer to the Terms of Reference for the AIM and MAR Compliance Committee.

### **3. LuSE Listing Rules Related Party Transactions Procedures**

3.1 For purposes of the LuSE Listing Rules, a “related party transaction” means a transaction, as contemplated by section 9 of the LuSE Listing Rules, or any variation or novation of an existing agreement, between an issuer, or any of its subsidiaries, and a related party. For purposes of section 9 of the LuSE Listing Rules and for the avoidance of doubt, a transaction principally refers to acquisitions and disposals, by issuers and their subsidiaries.

3.2 “related party” means:

- (a) a material shareholder (i.e. any person who is, or within the 12 months preceding the date of the transaction was, entitled to exercise or control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at the general meetings of the Company, or any other company that is its subsidiary or holding company or is a fellow subsidiary of its holding company);
- (b) any person that is, or within the 12 months before the date of the transaction, was a director of the Group. For the purpose of this definition, a director includes a person that is, or within the 12 months preceding the date of the transaction, was not a director, but in accordance with whose directions or instructions the directors are or were accustomed to act;
- (c) any advisor to the Company that has, or within the 12 months preceding the date of the transaction had, a beneficial interest, whether direct or indirect, in the Group;
- (d) any person that is, or within the 12 months before the date of the transaction was part of senior management-MANCO of the Company;
- (e) the controlling shareholder of the persons in (d) above;
- (f) an associate of the persons in paragraph (a) to (e) above;
- (g) e) above.

#### **Procedures for Related Party Transactions**

3.3 The Company must consider the categorisation at an early stage of any transaction that the Company is considering. If the Company proposes to enter into a transaction which could be a transaction with a related party and there is any doubt as to whether or to what extent the relevant provisions of the LuSE Listing Rules apply, the Company must consult its local counsel and LuSE at an early stage.

3.4 The categorisation of a proposed transaction is determined by assessing its relative size to that of the market capitalisation of the Company. The different categories of transactions include:

- (a) Category 1: Transactions where any percentage ratio is 5% or more but each is less than 25%;
- (b) Category 2: Transactions where any percentage ratio is 25% or more or if the total consideration is not subject to any maximum; and
- (c) Reverse take-over: An acquisition by a listed company of a business, an unlisted company or assets where any percentage ratio is 100% or more, or which would result in a fundamental change in the business, or in a change in board or voting control of the listed company, in which case this will be considered a new listing.

- 3.5 In circumstances where:
- (a) either of the above calculations produces an anomalous result; and/or
  - (b) the LuSE believes that any of the transaction components are not included at fair value (taking account of the particular circumstances of the transaction); and/or
  - (c) the categorisation calculations are inappropriate to the sphere of activity of the issuer;
- the LuSE reserves the right to request a fairness opinion on transaction values, take into account other ratios or use any other relevant indicators of size to determine the categorisation.
- 3.6 Where the Company or any of its subsidiaries, proposes to enter into a related party transaction, or if LuSE determines that a transaction is a related party transaction, the Company may be required to:
- 3.6.1 make an announcement containing:
- (a) the information specified in paragraph 9.15 of the LuSE Listing Rules;
  - (b) the name of the related party concerned; and
  - (c) details of the nature and extent of the interest of the related party in the transaction.
- 3.6.2 submit the agreement relating to the transaction to LuSE;
- 3.6.3 send a circular to its shareholders containing the information required by paragraph 10.9 of the LuSE Listing Rules;
- 3.6.4 obtain the approval, by resolution, of its shareholders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction;
- 3.6.5 include in the special or ordinary resolution to approve or give effect to the transaction, a condition that the validity, for the purposes of the LuSE Listing Rules, of the resolution will be subject to a simple majority of the votes of shareholders, other than the related party and its associates, being cast in favour of the resolution; and
- 3.7 include a statement by the board of directors confirming whether the transaction is fair insofar as the shareholders of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 of the LuSE Listing Rules.

### **Small Related Party Transactions**

- 3.8 In the case of In the case of a transaction with a related party where one or both of the percentage ratios are less than or equal to 5%, but exceed 0.25%, the usual requirements for a transaction with a related do not apply and, instead, the issuer must, prior to completing the transaction:
- (a) inform the LuSE in writing of the details of the proposed transaction;
  - (b) provide the LuSE with written confirmation from an independent professional expert acceptable to the LuSE that the terms of the proposed transaction with the related party are fair as far as the shareholders of the issuer are concerned;

- (c) publish details of the proposed transaction in accordance with paragraph 9.15 including a statement that paragraph 10.7 (b) has been complied with, that the transaction has been declared to be fair, and that the fairness opinion will lie for inspection at the issuer's registered office for a period of 28 days from the date of announcement; and
- (d) comply with the usual requirements regarding transactions with related parties as per paragraph 10.4, if the independent professional expert states that the transaction is not fair.

### **Transactions not regarded as Related Party Transactions**

3.9 A transaction will not be regarded as a related party transaction if any of the following situations apply:

- (a) the issuer does not have any equity securities listed;
- (b) the issuer is an external company with a secondary listing on the Lusaka Securities Exchange;
- (c) the transaction is one where both of the percentage ratio is equal to or less than 0.25%.

### **Aggregation**

The Luse requires that all transactions to be aggregated that are entered into by the Company, or the Group with the same related party, and/or any of its associates, in any twelve month period which have not been approved by shareholders or announced in terms of paragraph 10.7.

## **Chapter 9: Delegation of Authority**

Please refer to the separate document titled "Delegation of Limits and Authorities Policy and Procedure", which can be obtained from the Company Secretary.

## Appendices



## Appendix 1: Board Charter

(Adopted by Board on [ • ] 2019)

### 1. Purpose

- 1.1 This Board Charter is a written policy document that clearly defines the respective roles, responsibilities and authorities of the Board and management in setting the direction, the management and control of the Company.
- 1.2 These provisions are complementary to the requirements regarding the Board and its members contained in the Companies Act, No. 10 of 2017 (the “**Companies Act**”), the Articles, the Lusaka Stock Exchange listing Requirements (“**Listing Rules**”), Zambef Corporate Governance Code, Zambef Group Code of Ethics, and the provisions governing the committees of the Board as contained in each committees Terms of Reference (“**TORs**”) which TORs have been adopted by the Board.
- 1.3 Subject to the Articles, the Companies Act and the Listing Rules, the Board is responsible for managing the business of the Company and may exercise all the powers of the Company, whether relating to the management of the business of the Company or not.

### 2. Matters Reserved to the Board

- 2.1 The basic responsibility of the Board is to exercise its business judgment to act in what they reasonably believe to be in the best interest of the Company, its shareholders and other stakeholders. In discharging that obligation, the Board should be entitled to rely on the honesty and integrity of the Company’s senior executives, its outside advisors and auditors.
- 2.2 Notwithstanding the generality of clause 2.1 above and subject to the Companies Act, the Listing Rules and the Articles, the matters reserved to the Board are to:
- (a) manage the business of the Company;
  - (b) borrow money and mortgage or charge all or any part of the undertaking of the Company;
  - (c) reviewing the Company’s strategic and business plan;
  - (d) establish such committees, policies and procedures as will facilitate the more effective discharge of the Board’s roles and responsibilities;
  - (e) selecting, appointing and determining terms of appointment of the CEO;
  - (f) within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle;
  - (g) obtain information from officers and external advisers of the Company at the expense of the Company when necessary to carry out their duties. The Company shall aid the Board in obtaining such information. The Board may require certain officers and external advisers to attend, but never to vote at its Board meetings;
  - (h) consider the significant risks facing the Company and related business strategies as presented by the audit committee and from quarterly risk assessment updates;

- (i) ensure management, in a timely manner, provides the Board and its committees with information they need to properly function, whilst maintaining its right of access to the books and records as may be required;
- (j) supervise the Company's financial reporting through its Audit Committee;
- (k) draw up a report describing its activities in the financial year, and containing the statements and information required by the Companies Act and the Articles;
- (l) in consultation with the Audit Committee, supervise compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly and semi-annual financial reports (if any) and any other financial information;
- (m) supervise the committees established and the compliance of the committees to the TORs.
- (n) supervise through its Audit Committee the internal control and audit mechanisms for external financial reporting;
- (o) consider specific risk management policies including insurance, hedging, borrowing limits and corporate security;
- (p) ensure the avoidance of wrongful or fraudulent trading;
- (q) deal with transactions that are notifiable under the AIM Rules and the LuSE Listing Rules;
- (r) deal with substantial commitments including:
  - (i) Pension funding
  - (ii) Contracts in excess of one year's duration
  - (iii) Giving security over significant group assets (including mortgages and charges over the group's property)
  - (iv) Contracts not in the ordinary course of business
  - (v) Actions or transactions where there may be doubt over propriety
  - (vi) Approval of certain announcements, prospectuses, circulars and similar documents
  - (vii) Disclosure of directors' interests
  - (viii) Transactions with directors or other related parties; and
- (s) perform such other duties imposed by law, the Company's Articles, this charter and the TORs.

2.3 The Board shall also approve the delegation of certain responsibilities and authorities but shall maintain a schedule of matters to be reserved specifically for its decision.

### **3. Structure and Composition**

3.1 Per the provision 78.1 of the Articles, the Board shall have (other than alternate directors) a minimum of five (5) directors and a maximum of twelve (12) directors (provided that the majority of

directors are non-executive directors). The Board shall ensure that more than half of the directors are resident in Zambia, including:

- (a) the managing director (provided the Company has a managing director at any time); and
- (b) at least one executive director (provided the Company has any executive directors at any time).

3.1.2 The Board should have a minimum number of independent non-executive directors as required per LuSE listing rules or other mandatory requirements. Independent non-executive directors, per paragraph . 3.84f (iii) of the LuSE Listing Rules:

- (a) are not representatives of any shareholder who has the ability to control or materially influence management and/or the Board;
- (b) have not been employed by the Company or the group of which it currently forms part in any executive capacity for the preceding three financial years;
- (c) 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 Company or the group in an executive capacity;
- (d) are not professional advisors to the Company or the Group, other than in the capacity as a director;
- (e) are not material suppliers to, or customers of the Company or Group; and
- (f) have no material contractual relationship with the Company or Group; and are free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner.

#### **4. Responsibilities of Individual Board Members**

4.1 Unless required by law, no Board member shall during their membership on the Board, disclose any information of a confidential nature regarding the business of the Company.

4.2 Each Board member shall ensure that:

- (a) at the end of their term in office, all confidential documents are returned to the Company in a manner that ensures confidentiality is preserved.
- (b) they actively participate in Board and committee work and devote adequate time to fulfil their duties and responsibilities; and
- (c) they stay informed in a timely fashion of the Company's legal status, fundamental business, business environment and strategy.

4.3 Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company or gives the appearance of a conflict.

4.4 A director that has a material personal interest in a matter that relates to the affairs of the Company must disclose such interest.

#### **5. Rights of Individual Board Members**

- 5.1 Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.
- 5.2 Each Board member shall have the right to vote on questions arising at any meeting of the Board.
- 5.3 Each Board member shall have the right in consultation with the Chairman to forward agenda items for the meetings of the Board.
- 5.4 The Board shall use its best efforts to ensure that each Board member can assess the broad outline of the Company's overall policy and all necessary information about the Company in a timely manner so as to prepare for board and committee meetings as well as for the efficient execution of their duties.

## **6. Appointment and Retirement from the Board**

- 6.1 The Company through its shareholders may by ordinary resolution appoint a person to be a director.
- 6.2 The Board shall have power at any time to appoint any person to be a director either to fill a vacancy or as an addition to the existing Board but the total number shall not exceed any maximum number provided for by the Articles.
- 6.3 No person shall be appointed or re-appointed as a director at any general meeting unless:
  - (a) the person is retiring as a director (whether by rotation or otherwise);
  - (b) the person has been nominated by the Board for appointment or re-appointment at the general meeting; or
  - (c) in any other case;
    - (i) a member or members who, under the Companies Act are entitled to require the Company to give to members notice of a resolution to be moved at a meeting, have given the Company notice in writing signed by such a member or members stating their intention to nominate the person for appointment or re-appointment; and
    - (ii) the person nominated has given the Company notice in writing signed by that person stating his or her consent to the nomination.
- 6.4 Board members shall retire periodically according to a rotation plan provided for in the Articles of the Company.

## **7. Vacation of Office by Director**

- 7.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the Articles of the Company and subject to section 99 of the Companies Act, the office of a Director shall be vacated if:
  - (a) he resigns by notice in writing delivered to, or, if in electronic form, received by, the Company Secretary at the office or tendered at a Board meeting;
  - (b) he ceases to be a Director by virtue of any provision of the Companies Act, is removed from office pursuant to the Articles of the Company or the Companies Act, or becomes prohibited by law from being a Director;

- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order in connection with a voluntary arrangement or enters into any analogous or similar procedure in any jurisdiction;
- (d) by reason of his mental health a court makes an order which wholly or partly prevents him from personally exercising any powers or rights he would otherwise have;
- (e) he is being treated by a registered medical practitioner who gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (f) both he and his alternate Director appointed pursuant to the provisions of the Articles of the Company (if any) are absent without the permission of the Board, from Board meetings for six consecutive months or, if during a shorter period, for six consecutive Board meetings and the Board resolves that his office be vacated; or
- (g) he is removed from office by an ordinary resolution of the Company in accordance with section 98 of the Companies Act.

## **8. Induction and Appointment Letter**

- 8.1 Upon appointment to the Board, each Board member shall participate in an induction program that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company and any specific aspects unique to the Company and its business activities as well as the responsibilities of each Board member.
- 8.2 New Board members are to receive in addition to their letters of appointment, the Company's Articles, charters, governing laws and all information necessary for them to perform their duties.

## **9. Alternate Directors**

A director may by notice in writing delivered to the Company Secretary appoint any other director or any person approved for that purpose by the Board and willing to act as their alternate director provided that an alternate director shall not be counted in reckoning any maximum or minimum number of directors of the Board.

## **10. Committees**

- 10.1 The Board may appoint committees (consisting of one or more directors and (if thought fit) one or more other persons) from among its independent non-executive members to perform specific tasks and may delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers, authorities and discretions the exercise of which involves or may involve the payment of remuneration to or conferring of any other benefit on all or any of the directors) to any committee.
- 10.2 Any such committee shall unless the Board otherwise resolves have power to sub-delegate to sub-committees any of the powers, authorities and discretions delegated to it.
- 10.3 A majority of the members of any committee or sub-committee of the Board shall be directors and no resolution of a committee or sub-committee shall be effective unless the majority present and voting on the resolution when it is passed are directors or alternate directors.
- 10.4 The standing committees of the Board are:

- (a) remuneration and nomination committee;
- (b) AIM and MAR compliance committee
- (c) audit committee; and
- (d) environmental and social committee.

10.5 The Board may establish ad hoc Board committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

10.6 The Board shall establish (and may amend) TORs for each committee. The TORs shall indicate the roles and responsibilities of the committee, its composition and how it should perform its duties.

10.7 The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole.

10.8 Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records.

## **11. Individual Committee Membership Qualifications**

11.1 The Board will determine the membership and composition of each committee having regard to workload, skills, experience and any regulatory requirements.

11.2 The committees shall be appointed by the Board and will comprise not less than three (3) non-executive directors of the Company.

## **12. Law and Ethics**

12.1 Board members are expected to observe the highest standards of ethical behavior.

12.2 The Board may establish standards of ethical practice expected of each Board member and these standards should be communicated to each Board member in writing. The Board shall assume responsibility of ensuring that each Board member is in compliance with the standards of ethical practice.

12.3 The Board is responsible for overseeing that the Company is compliant with applicable laws and regulations.

## **13. Board Leadership**

13.1 The Board may appoint as the leader of the Board one or more of its body as a Chairman or Joint Chairmen and one or more of its body as Deputy Chairman and may determine the period for which he is or they are to hold office and may at any time remove him or them from office. The Deputy Chairman assumes the powers and duties of the Chairperson when the Chairperson is absent.

13.2 The Chairman will not be the chief executive office ("CEO") or any other executive board member. The role of the CEO and Chairman is separate and the Chairman accordingly will be a non-executive director.

## **14. Responsibilities of Chairman**

- 14.1 The Chairman of the Board is primarily responsible for the activities of the Board and its committees. The Chairman shall act as the spokesperson for the Board and is principal contact for the CEO.
- 14.2 Notwithstanding the generality of clause 14.1 the responsibilities of the Chairman shall be to ensure that:
- (a) the Board members receive all information necessary for them to perform their duties;
  - (b) the Board has sufficient time for consultation and decision making;
  - (c) the committees function properly;
  - (d) the Board satisfies its duties;
  - (e) the agenda of the Board's meetings is prepared;
  - (f) he or she chairs Board meetings and that minutes are kept of such meetings;
  - (g) consultation is conducted with external advisors appointed by the Board; and
  - (h) problems related to performance of individual Board members are addressed.
- 14.3 The Board Chairman shall also be responsible for addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof.

## **15. Board Governance, Procedures and Meetings**

- 15.1 The Board may meet for the dispatch of business and may otherwise regulate its proceedings as it thinks fit provided that one director may, and the Company Secretary at the request of a director, may summon a meeting of the Board at any time.
- 15.2 Notwithstanding paragraph 15.1 the Board shall meet at least once a quarter.
- 15.3 Notice of the meeting of the Board enclosing all papers that shall be relevant for such meeting will be forwarded to each director or any other person required to attend not less than 14 business days prior to the date of the meeting. Provided that a Board meeting may be convened on shorter notice in the case of an emergency or if the business of the Company would otherwise be prejudiced.
- 15.4 The quorum necessary for the transaction of the business of the Board shall be two-thirds of the total number of directors in the Company.
- 15.5 The Chairperson shall ensure that all members of the Board attend all meetings of the Board. Members are required to inform the Chairman or Company Secretary as soon as possible if such a member will not be able to attend a meeting of the Board.
- 15.6 The Board shall cause minutes to be made in books kept for the purpose of recording:
- (a) all appointments of officers and committees made by the Board; and
  - (b) the names of director's present at every meeting of the Board or committee of the Board and all orders, resolutions and proceedings of such meetings.

15.7 Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote.

15.8 A written resolution signed by all directors entitled to receive notice of a meeting of the Board shall be valid and effective for all purposes as a resolution passed at a meeting of the Board.

## **16. Company Secretary**

16.1 The Board shall appoint a Company Secretary or joint secretaries and shall have power to appoint one or more persons to be an assistant or deputy Company Secretary.

16.2 All Board members may go to the Company Secretary for advice or to use his or her services. The Company Secretary should provide the Board and directors with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company.

16.3 The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the law and the Articles. The Company Secretary shall assist the Chairman of the Board in organizing the Board activities (including providing information, preparing an agenda, reporting of meetings, evaluation and training programs).

## **17. Remuneration**

The directors (other than alternate directors and other than any director who for the time being is appointed to hold any employment or executive office in accordance with the Articles) shall be entitled to receive by way of fees for their services as directors such sum as the Board, or any committee authorized by the Board, may from time to time determine. Provided that such sum shall not exceed any sum as the Company in a general meeting by ordinary resolution shall determine.

## **18. Ongoing Training**

The Board shall conduct an annual review to identify areas where the Board members require further training or education. The costs of the training or education shall be borne by the Company.

## **19. Board Performance**

At least once a year, the Board shall discuss its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board following the self-assessment or appraisal process.

## **20. Review of Charters**

The Board Charter may be reviewed by the Board as and when required.

## **21. Conflict or Inconsistencies**

If there is a conflict or inconsistency between the provisions of this Board Charter and the Articles, the provisions of the Articles shall prevail.



## **Appendix 2: Terms of Reference of the Remuneration and Nomination Committee**

**(Adopted by Board on [ • ] 2019)**

### **1. Membership**

- 1.1 The Remuneration and Nomination Committee must comprise a minimum of two members from amongst the non-executive Directors of the Company identified by the Board as independent.
- 1.2 Appointments to the committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the committee.
- 1.3 Membership of the Remuneration and Nomination Committee shall be noted in the annual directors' report of the Company.

### **2. Chairman**

- 2.1 The Board shall appoint the chairman of the Remuneration and Nomination Committee. The chairman has the responsibility of liaising with the Board.
- 2.2 The chairman of the Remuneration and Nomination Committee shall chair the meetings of the Remuneration and Nomination Committee.
- 2.3 In the absence of the chairman of the Remuneration and Nomination Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration and Nomination Committee.

### **3. Secretary**

- 3.1 The Company Secretary or his/her delegate shall be the secretary of the Remuneration and Nomination Committee.
- 3.2 The secretary of the Remuneration and Nomination Committee or his/her delegate shall attend meetings of the Remuneration and Nomination Committee to take minutes.
- 3.3 In the absence of the secretary of the Remuneration and Nomination Committee, the members present at the meeting of the Remuneration and Nomination Committee shall elect another person as the secretary.

### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business of the Remuneration and Nomination Committee shall be two members including, where a CDC Director is appointed to the committee, at least one CDC Director.
- 4.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration and Nomination Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Remuneration and Nomination Committee in which he/she and/or his/her associates have a material interest.
- 4.3 A duly convened meeting of the Remuneration and Nomination Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration and Nomination Committee.

## **5. Frequency of meetings**

- 5.1 The Remuneration and Nomination Committee shall meet at such times as the chairman of the Remuneration and Nomination Committee shall require.
- 5.2 Any member of the Remuneration and Nomination Committee may request a meeting if he/she considers that one is necessary.

## **6. Attendance at meetings**

- 6.1 Members of the Remuneration and Nomination Committee may attend meetings of the Remuneration and Nomination Committee either in person or through other electronic means of communication.
- 6.2 Should any member of the Remuneration and Nomination Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the Remuneration and Nomination Committee.
- 6.3 Apart from the members of the Remuneration and Nomination Committee, the Chairman, the Chief Executive Officer, the Head of Human Resources (if any) and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

## **7. Notices of meetings**

- 7.1 Meetings of the Remuneration and Nomination Committee shall be summoned by the secretary of the Remuneration and Nomination Committee at the request of any of its members.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration and Nomination Committee, and to any other person required to attend within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting. Supporting papers shall be sent to Remuneration and Nomination Committee members and to other attendees as appropriate within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting.
- 7.3 Any member of the Remuneration and Nomination Committee shall be entitled, by notice to the secretary of the Remuneration and Nomination Committee, to include other matters relevant to the functions of the Remuneration and Nomination Committee in the agenda of a Remuneration and Nomination Committee meeting.

## **8. Minutes of meetings**

- 8.1 The secretary of the Remuneration and Nomination Committee (or his/her delegate) in attendance at the meetings of the Remuneration and Nomination Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Remuneration and Nomination Committee and/or dissenting views expressed.
- 8.2 Minutes of the Remuneration and Nomination Committee meetings shall be kept by the secretary of the Remuneration and Nomination Committee and shall be available for inspection by any member of the Remuneration and Nomination Committee or Director at any reasonable time on reasonable notice.

## 9. Annual general meeting

The chairman of the Remuneration and Nomination Committee shall attend the AGM of the Company and be prepared to respond to any Shareholder questions on the Remuneration and Nomination Committee's activities.

## 10. Duties

10.1 The Remuneration and Nomination Committee shall be responsible for:

- (a) determining and agreeing with the Board the framework or broad policy for the remuneration of the Chief Executive Officer, the Chairman (where executive) and such other members of the Executive Management as it is designated to consider. In determining such policy, take into account all factors which it deems necessary including the level of the company's remuneration relative to other companies. The objective of such policy shall be to ensure that members of the Executive Management of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the board. No director or manager shall be involved in any decisions as to their own remuneration.
- (b) Recommending the remuneration for all Executive Directors, the Chairman and the Company Secretary. The remuneration recommended by the committee shall be subject to the approval of the shareholders of the Company by way of an ordinary resolution.
- (c) recommending and monitoring the level and structure of remuneration for senior management-MANCO;
- (d) reviewing the ongoing appropriateness and relevance of the remuneration policy;
- (e) determining targets for any performance-related pay schemes operated by the Company;
- (f) determining the policy for and scope of pension arrangements for each Executive Director;
- (g) approving the design of, and determining targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- (h) ensuring that contractual terms on termination and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (i) within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each Executive Director and the senior executives including, where appropriate, bonuses, incentive payments and share options or other share awards, and in determining such packages and arrangements, give due regard to any relevant legal requirements;
- (j) overseeing any major changes in employee benefit structures throughout the Group;
- (k) reviewing and noting annually the remuneration trends across the Company and its Group;
- (l) agreeing the policy for authorising claims for expenses from the Chief Executive Officer and the Chairman;

- (m) ensuring that provisions regarding disclosure of remuneration, including pensions, as set out in the Directors' Remuneration Report, are fulfilled;
- (n) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
- (o) reviewing the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;
- (p) to be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise save that the appointments as Chairman of the Board or Chief Executive Officer should be matters for the whole Board;
- (q) before making an appointment, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (r) to obtain details of and review any interests a candidate for a vacancy may have which conflict or may conflict with the interests of the Company. The Remuneration and Nomination Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict;
- (s) review annually the time required from a non-executive director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfil their duties;
- (t) use open advertising or the services of external advisers to facilitate the search for appropriate candidates;
- (u) consider candidates from a wide range of backgrounds and look beyond the "usual suspects";
- (v) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (w) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (x) give full consideration to succession planning for both executive and non-executive directors and other senior management-MANCO in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- (y) regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- (z) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- (aa) make a statement in the Company's annual report and accounts about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the Remuneration and Nomination Committee; number of Remuneration and Nomination Committee meetings and attendance over the course of the year;
- (bb) make available its terms of reference for inspection at the registered office of the Company which explain clearly the Remuneration and Nomination Committee's role and the authority delegated to it by the Board;
- (cc) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- (dd) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- (ee) consider such other matters as may be requested by the Board; and
- (ff) the Remuneration and Nomination Committee shall make recommendations to the Board:
  - (i) as regards plans for succession for both executive and non-executive directors;
  - (ii) as regards the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (iii) membership of the Audit and Remuneration Nomination Committees, in consultation with the chairmen of those committees;
  - (iv) concerning the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's Articles having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (v) concerning suitable candidates for the role of senior independent director (if applicable);
  - (vi) concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
  - (vii) concerning the terms and conditions on which authorisation of any conflicts of interest should be given by the Board upon appointment of any director.

## **11. Reporting responsibilities**

- 11.1 The chairman of the Remuneration and Nomination Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Remuneration and Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.3 The Remuneration and Nomination Committee shall annually compile a report to shareholders on its role and activities to be included in the Company's Corporate Governance Report.

## **12. Others**

12.1 The Remuneration and Nomination Committee shall have access to sufficient resources in order to discharge its duties. In the event that the Remuneration and Nomination Committee determines that it has insufficient resources, it may make a request for additional resources to the Chief Executive Officer. If the request for additional resources is denied, the Remuneration and Nomination Committee may, if it chooses, make a request to the Board through the office of the Chief Executive Officer. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.

12.2 All members of the Remuneration and Nomination Committee shall have access to the advice and services of the secretary of the Remuneration and Nomination Committee with a view to ensuring that procedures of the Remuneration and Nomination Committee and all applicable rules and regulations are followed.

12.3 Every member of the Remuneration and Nomination Committee shall give sufficient time and attention to his/her duties as a member of the Remuneration and Nomination Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.

12.4 The Remuneration and Nomination Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **13. Authority**

13.1 Notwithstanding anything contained in these terms of reference, the remuneration of directors and senior management-MANCO proposed by the Remuneration and Nomination Committee shall be subject to the approval of the members by ordinary resolution.

13.2 The Remuneration and Nomination Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee and all employees are directed to co-operate with any reasonable request made by the Remuneration and Nomination Committee.

13.3 In connection with its duties, the Remuneration and Nomination Committee is authorised by the Board, at the Company's expense:

- (a) to obtain any outside legal or other professional advice; and
- (b) within any budgetary constraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

## Appendix 3: Terms of Reference of the Audit Committee

(Adopted by Board on [ • ] 2019)

In these Terms of Reference, the term "**Committee**" shall mean the Audit Committee.

### 14. Introduction

14.1 These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and to assist the Committee in achieving best practice in corporate governance for the Group.

### 15. Membership and Attendance

15.1 The Committee shall be appointed by the Board on the recommendation of the Company's Remuneration and Nomination Committee in consultation with the chairman of the Committee (other than in respect of the initial members of the Committee as set out in paragraph 2.2 below) from amongst the directors of the Company and shall be made up of at least three members, each of whom shall be independent non-executive directors of the Company, At least one member of the Committee shall have recent and relevant financial experience.

15.2 The initial members of the Committee shall be Lawrence Sikutwa, Stanley Phiri and Irene Muyenga.

15.3 The Board shall appoint the Committee chairman who shall be an independent non-executive director. The first chairman of the Committee shall be Lawrence Sikutwa. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair any meeting of the Committee. The chairman of the Board can be a member of, but not chair the Committee, provided he or she was considered independent on appointment.

15.4 Only members of the Committee shall have the right to attend and vote at Committee meetings. However, other individuals such as the chairman of the Board, the Chief Executive Officer of the Company, the Company's Finance Director, other directors, the heads of risk management, compliance and internal audit, and representatives from the finance function and external advisers of the Company may be invited to attend for all or part of any meeting as and when appropriate and necessary, but such persons have no right of attendance.

15.5 At least once a year the members of the Committee shall meet the external auditors without the presence of any executive director or other employee of the Company and the Committee shall decide if the executive directors (or any of them) should be present or not at any other meeting attended by the external auditors.

15.6 Members of the Committee shall be appointed by the Board for a period of up to three years. Such appointment may then be extended by two further periods of up to three years, provided the member continues to meet the criteria for membership of the Committee.

15.7 Each member of the Committee shall disclose to the Committee:

(a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or

(b) any potential conflict of interest arising from a cross-directorship or otherwise;  
and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent himself from all or part of the meeting of the Committee in question.

2.8 Membership of the Committee shall be noted in the annual directors' report of the Company.

## **16. Secretary**

16.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee ("**Secretary**")

16.2 The Secretary shall also act as a co-ordinating intermediary between the Board and the Committee.

## **17. Quorum**

17.1 The quorum necessary for the transaction of business shall be two and where a CDC Director is appointed to the committee, at least one CDC Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

17.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Audit Committee in which he/she and/or his/her associates have a material interest.

17.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

## **18. Frequency of Meetings**

The Committee shall meet at least four times a year at appropriate times in the reporting and auditing cycle and at such other times as the chairman of the Committee shall require. Meetings should be organised so that attendance is maximised.

## **19. Notice of Meetings and Proceedings at Meetings**

19.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members or at the request of the Company's external or internal auditor if they consider it necessary.

19.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded by the Secretary to each member of the Committee, the external and internal auditors, any other person required to attend and all other non-executive directors of the Company, no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

19.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.



## **20. Minutes of Meetings**

- 20.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.
- 20.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 20.3 Draft minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so.
- 20.4 Minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be available for inspection by any member of the Committee or Director at any reasonable time on reasonable notice.

## **21. Annual General Meeting**

The chairman of the Committee (or another member of the Committee nominated by the chairman of the Committee) shall attend the Company's Annual General Meeting to, answer any shareholder questions on the Committee's activities.

## **22. Duties**

- 22.1 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the Committee must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 22.2 Directors and Officers Liability Insurance- ensure that subject to the reasonable cost thereof. The Company had arranged for such insurance to be taken out and to be paid by the Company
- 22.3 Advise the Board on any other matter relating to directors affairs, directors ethical conduct or standards, and the Board's governance, including any corporate governance matters. In performing this monitoring role, the Committee will also consider any reports of ethical misconduct relating to any directors or senior officers of the company.

## **23. Internal Control and Risk Management Systems**

- 23.1 The Committee shall keep under review and challenge where necessary the effectiveness of the Group's financial reporting, internal control policies and risk management systems.

23.2 The Committee shall review and approve the statements to be included in the Company's annual report concerning internal controls and risk management and the accounting standards used.

## **24. Internal Audit**

24.1 The Committee shall:

- (a) monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system;
- (b) approve the appointment and removal of the head of the internal audit function;
- (c) consider and approve the remit of the internal audit function;
- (d) ensure that the internal audit function has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards and ensure that the internal audit function has adequate standing and is free from management or other restrictions;
- (e) review and assess the annual internal audit plan;
- (f) review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
- (g) meet the head of the internal audit function at least once a year, without management being present, to discuss the remit of the internal audit function and any issues arising. The Internal audit function is given the right of direct access to the Chairman of the Board and to the Committee; and
- (h) review promptly all reports on the Company from the internal auditors.

## **25. External Audit**

25.1 The Committee shall consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting of the Company, as regards the appointment and re-appointment of the Company's external auditor, as well as any questions relating to their resignation or removal and shall ensure that key partners within the appointed firm are rotated from time to time. The Committee shall oversee the selection process for new auditors and if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.

25.2 The Committee shall keep under review and oversee the relationship with the external auditor including (but not limited to):

- (a) recommendations on their remuneration, whether fees for audit or non-audit services, and ensure that the level of fees is appropriate to enable an adequate audit to be conducted;
- (b) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- (c) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;

- (d) monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- (e) agreeing with the Board a policy on the employment of former employees of the
- (f) Company's external auditor and monitoring the implementation of that policy;
- (g) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);
- (h) ensuring that procedures are in place for receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (i) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
- (j) seeking to ensure co-ordination with the activities of the internal audit function; and
- (k) considering the risk of the withdrawal of the Company's present auditor from the market.

25.3 The Committee shall meet the external auditor regularly, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit.

25.4 The Committee shall review and approve the annual audit plan and ensure it is consistent with the scope of the audit engagement.

25.5 The Committee shall review the findings of the audit with the external auditor. This shall include but not be limited to discussing any major issues resulting from the audit, accounting and audit judgments and levels of errors identified during the audit. The Committee shall also review the effectiveness of the audit.

25.6 The Committee shall also review any representation letter(s) request by the external auditor before they are signed by management, and review the management letter and management's response to the external auditor's findings and recommendations.

25.7 The Committee shall develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

## **26. Financial Reporting**

26.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

- 26.2 The Committee shall keep under review and challenge where necessary the consistency of, and changes to, accounting policies both on a year-to-year basis and across the Group.
- 26.3 The Committee shall review and challenge where necessary:
- (a) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;
  - (b) the methods used to account for significant or unusual transactions where different approaches are possible;
  - (c) whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the use of the external auditors;
  - (d) the clarity of disclosure in the Group's financial reports and the context in which statements are made;
  - (e) all material information presented with the financial statements, such as the business/operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);
  - (f) decisions requiring a major element of judgment and risk areas;
  - (g) significant adjustments resulting from the audit;
  - (h) the going concern assumption;
  - (i) compliance with accounting standards; and
  - (j) reviewing the Company's statement on internal control systems prior to endorsement by the Board and to review the policies and processes for identifying and assessing business risks and the management of those risks by the Company.
- 26.4 The Committee shall review the annual financial statements of any pension funds (if applicable) where not reviewed by the Board as a whole.

## **27. Whistleblowing and fraud**

The Committee shall review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and the procedures for handling such allegations. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Committee shall also review the Group's procedures for detecting fraud, review the Group's systems and controls for gifts and hospitality and the prevention of bribery and corruption, and receive reports on non-compliance.

## **28. Reporting Responsibilities**

- 28.1 The Committee shall meet formally, or ensure that the chairman of the Committee meets formally, with the members of the Board at least three times a year to discuss such matters as the Company's Annual Report and the relationship with the external auditors.
- 28.2 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 28.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 28.4 The Committee shall compile a formal report to shareholders on its activities to be included in the company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting of the Company. Such a report shall include an explanation of how, if the external auditor provides non-audit services to the Group, auditor objectivity and independence is safeguarded.
- 28.5 The Committee shall make available to shareholders these Terms of Reference by placing them on the Company's website.

## **29. Other Matters**

- 29.1 The Committee shall have access to sufficient resources, including adequate information (provided by the Board on a proactive as well as a reactive basis) in order to carry out its duties, including access to employees of the Company and the Company Secretary for assistance as required.
- 29.2 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 29.3 The Committee shall give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and requirements of the London Stock Exchange's AIM Rules for Companies and any other applicable rules as appropriate.
- 29.4 The Committee shall be responsible for co-ordination of the internal and external auditors.
- 29.5 The Committee shall oversee any investigation of activities which are within its Terms of Reference.
- 29.6 The Committee shall give consideration to dividend policy and payment.
- 29.7 The Committee should, at least once a year, review its own performance, constitution and these Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 29.8 The Committee should consider such other matters as the Board may from time to time refer to it.
- 29.9 The Committee is authorised to have unrestricted access to the Company's auditors.
- 29.10 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.

## **30. Authority**

- 30.1 The Committee is authorised to:
- (a) investigate and undertake any activity within these Terms of Reference;
  - (b) seek any information it requires from any member of the Board or employee of the Group in order to perform its duties;
  - (c) call any member of the Board or member of staff to be questioned at a meeting of the Committee as and when required; and

- (d) obtain, at the Company's expense, external legal, accounting or other professional advice on any matters within its Terms of Reference and have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

### **31. Procedure**

Subject to the constitutional documents of the Company, the Committee shall determine its own procedures.

## **Appendix 4: Terms of Reference of the AIM and MAR Compliance Committee**

**(Adopted by Board on [ • ] 2019)**

### **1. Membership**

- 1.1 Members of the AIM and MAR Compliance Committee shall be appointed by the Board.
- 1.2 The AIM and MAR Compliance Committee must comprise of a minimum of two members from amongst the non-executive Directors of the Company identified by the Board as independent.
- 1.3 Appointments to the committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the committee.
- 1.4 Membership of the AIM and MAR Compliance Committee shall be noted in the annual directors' report of the Company.

### **2. Chairman**

- 2.1 The Board shall appoint the chairman of the AIM Compliance Committee. The chairman has the responsibility of liaising with the Board.
- 2.2 The chairman of the AIM and MAR Compliance Committee shall chair the meetings of the AIM Compliance Committee.
- 2.3 In the absence of the chairman of the AIM Compliance Committee, the remaining members present shall elect one of themselves to chair the meetings of the AIM Compliance Committee.
- 2.4 The Chairman of the Board shall not be appointed as the chairman of the AIM Compliance Committee.

### **3. Secretary**

- 3.1 The Company Secretary or his/her delegate shall be the secretary of the AIM Compliance Committee.
- 3.2 The secretary of the AIM and MAR Compliance Committee or his/her delegate shall attend meetings of the AIM and MAR Compliance Committee to take minutes.
- 3.3 In the absence of the secretary of the AIM Compliance Committee, the members present at the meeting of the AIM and MAR Compliance Committee shall elect another person as the secretary.

### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business of the AIM and MAR Compliance Committee shall be two members including, where a CDC Director is appointed to the committee, at least one CDC Director.
- 4.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the AIM and MAR Compliance Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the AIM and MAR Compliance Committee in which he/she and/or his/her associates have a material interest.

4.3 A duly convened meeting of the AIM and MAR Compliance Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the AIM Compliance Committee.

## **5. Frequency of meetings**

5.1 The AIM and MAR Compliance Committee shall meet at least twice a year and at such other times as the chairman of the AIM and MAR Compliance Committee shall require.

5.2 Any member of the AIM and MAR Compliance Committee may request a meeting if he/she considers that one is necessary.

## **6. Attendance at meetings**

6.1 Members of the AIM and MAR Compliance Committee may attend meetings of the AIM and MAR Compliance Committee either in person or through other electronic means of communication.

6.2 Should any member of the AIM and MAR Compliance Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the AIM Compliance Committee.

6.3 Apart from the members of the Nomination Committee, the Chairman, the Chief Executive Officer, the Head of Human Resources (if any) and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

## **7. Notices of meetings**

7.1 Meetings of the AIM and MAR Compliance Committee shall be summoned by the secretary of the AIM and MAR Compliance Committee at the request of any of its members.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the AIM Compliance Committee, and to any other person required to attend within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting. Supporting papers shall be sent to AIM and MAR Compliance Committee members and to other attendees as appropriate within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting.

7.3 Any member of the AIM and MAR Compliance Committee shall be entitled, by notice to the secretary of the AIM Compliance Committee, to include other matters relevant to the functions of the AIM and MAR Compliance Committee in the agenda of a AIM and MAR Compliance Committee meeting.

## **8. Minutes of meetings**

8.1 The secretary of the AIM and MAR Compliance Committee (or his/her delegate) in attendance at the meetings of the AIM and MAR Compliance Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the AIM and MAR Compliance Committee and/or dissenting views expressed.

8.2 Draft and final versions of minutes of the AIM and MAR Compliance Committee meetings shall be sent to all AIM and MAR Compliance Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the AIM and MAR Compliance Committee shall circulate the minutes, and reports of



the AIM Compliance Committee, to all members of the AIM and MAR Compliance Committee and to all members of the Board, unless a conflict exists.

- 8.3 Minutes of the AIM and MAR Compliance Committee meetings shall be kept by the secretary of the AIM and MAR Compliance Committee and shall be available for inspection by any member of the AIM and MAR Compliance Committee or Director at any reasonable time on reasonable notice.

## **9. Annual general meeting**

The chairman of the AIM and MAR Compliance Committee shall attend the AGM of the Company and be prepared to respond to any Shareholder questions on the AIM Compliance Committee's activities.

## **10. Duties**

The AIM and MAR Compliance Committee shall be responsible for:

- 10.1 ensuring that procedures, resources and controls are in place to ensure the Company complies with the AIM Compliance Policy and the Disclosure Policy contained in this Handbook;
- 10.2 ensuring that each meeting of the full Board includes a discussion of AIM matters, in particular a briefing of the Committee by the executive directors as to issues raised with the Company's nominated advisor ("Nomad") and advice given. These discussions should be minuted and made available to the Nomad on reasonable request;
- 10.3 ensuring that the executive directors are communicating as necessary with the Nomad regarding ongoing compliance with the AIM Rules and in relation to proposed or potential transactions;
- 10.4 ensuring that advice received from the Nomad is recorded and taken into account;
- 10.5 ensuring that all announcements made have been verified and approved by the Nomad whose name must be on all material announcements to RNS;
- 10.6 monitoring press coverage to ensure that the executive directors are not including price sensitive information in any press briefings;
- 10.7 questioning the executive directors to ascertain the reasons for any unusual, substantial movement in the company's share price;
- 10.8 ensuring that the Nomad is supplied with information on the company's financial condition on a regular and timely basis and of any other key developments in the company from time to time;
- 10.9 assessing (with the assistance of the Nomad and the company's other advisers) whether the executive directors are aware of their AIM responsibilities from time to time and, where any deficiencies are noted, arranging for the Nomad to brief the director(s) concerned (provided that this shall not imply that the members of the Committee have professional expertise in the interpretation and application of the AIM Rules);
- 10.10 ensuring that the Nomad is maintaining contact with the company on a regular basis. Where this is not the case, the Committee should contact the Nomad and remind them of their responsibilities under the AIM Rules for Nomads to the company;
- 10.11 circulating to the other members of the board details of any rule changes which are notified to the Chairman of the Committee by the Nomad and provided that the Nomad notifies any such changes

to the Chairman of the Committee it will be his responsibility to circulate these changes to the rest of the board;

- 10.12 meeting with the executive directors at least every 6 months to discuss and confirm that the AIM Rules have been complied with in the period. Keeping minutes of these meetings and sending a copy of these minutes to the Nomad;
- 10.13 in the event that the meeting with the executive directors has identified any actual or possible non-compliance issues, discussing these issues immediately with the Nomad to determine the course of action to be taken;
- 10.14 ensuring that the executive directors take into account advice given by the Nomad from time to time;
- 10.15 being responsible for the company's responses to any investigation launched by the AIM Team into the company's affairs;
- 10.16 approving a statement on AIM Rule compliance for inclusion in the company's interim statement and annual accounts in the attached form; and
- 10.17 to assume responsibility for overseeing that disclosure of information by the company to meet its obligations under the Market Abuse Regime ("MAR") and the AIM Rules.

## **11. MAR Compliance**

The duties of the Committee, with regards to MAR Compliance, include (without limitation):

- 11.1 to consider and decide whether information provided to the Committee is inside information and, if so, the date and time at which that inside information first existed within the Company;
- 11.2 to consider and decide whether inside information gives rise to an obligation to make an immediate announcement and, if so, the nature and timing of that announcement or whether it is permissible to delay the announcement. Guidance on which can be found at:  
<https://www.fca.org.uk/publication/forms/delayed-disclosure-form-guide.pdf>
- 11.3 when disclosure of inside information is delayed, to:
  - (a) maintain all required Company records;
  - (b) monitor the conditions permitting delay;
  - (c) prepare any required notification to the FCA regarding the delay in disclosure which can be submitted at:  
[https://marketoversight.fca.org.uk/electronicssubmissionssystem/MaPo\\_DDII\\_Introduction](https://marketoversight.fca.org.uk/electronicssubmissionssystem/MaPo_DDII_Introduction); and
  - (d) prepare any required explanation to the FCA of how the conditions for delay were met,
- 11.4 to take external advice on the need for an announcement and the form of any announcement where it considers this is appropriate;
- 11.5 to consider the requirement for an announcement in the case of rumours about the Company or in the case of a leak of inside information and in particular whether a holding statement should be made.

- 11.6 to review any announcement the Company proposes to make, other than an announcement of a routine nature or that has been considered by the board;
- 11.7 to review and advise generally on the scope and content of disclosure by the Company;
- 11.8 to review the steps taken to ensure that any announcement is not incorrect or incomplete;
- 11.9 to alert the Company Secretary to the existence of any inside information that may require an amendment to the Company's insider list;
- 11.10 to ensure that effective arrangements are in place to deny access to inside information to persons other than those who require it for the exercise of their functions in the Company or its group;
- 11.11 to ensure that procedures are in place for employees with access to inside information to acknowledge the legal and regulatory duties that apply to them and to be aware of the sanctions attaching to the misuse or improper circulation of such information;
- 11.12 to approve and keep under review the design, implementation and evaluation of the Company's disclosure controls and procedures;
- 11.13 to monitor compliance with the Company's disclosure controls and procedures;
- 11.14 to review other public disclosures by the Company, including those that are part of the regular reporting cycle;
- 11.15 to approve and keep under review the Company's procedures for the issue of announcements;
- 11.16 to ensure that procedures are in place for notification of transactions by persons discharging managerial responsibilities and persons closely associated with them with such notifications to made here:  
  
[https://marketoversight.fca.org.uk/electronicsubmissionssystem/MaPo\\_PDMMR\\_Introduction](https://marketoversight.fca.org.uk/electronicsubmissionssystem/MaPo_PDMMR_Introduction)
- 11.17 to review the Company's relationship with, and procedures for dealing with, investors and analysts;
- 11.18 to approve the Company's policy for communications with the market;
- 11.19 to refer to the board, if practicable, any decision to make an unplanned announcement about trading or about an event or development, or, if a meeting of the board cannot be convened sufficiently quickly, to take such a decision; and
- 11.20 to monitor the markets' views about the Company (including those based on signals set by the Company) and its share price, including rumours.

## **12. Reporting responsibilities**

- 12.1 The chairman of the AIM and MAR Compliance Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The AIM and MAR Compliance Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The AIM and MAR Compliance Committee shall annually compile a report to Shareholders on its role and activities to be included in the Company's Corporate Governance Report.

## **13. Others**

- 13.1 The AIM and MAR Compliance Committee shall have access to sufficient resources in order to discharge its duties. In the event that the AIM and MAR Compliance Committee determines that it has insufficient resources, it may make a request for additional resources to the Chief Executive Officer. If the request for additional resources is denied, the AIM and MAR Compliance Committee may, if it chooses, make a request to the Board through the office of the Chief Executive Officer. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 13.2 All members of the AIM and MAR Compliance Committee shall have access to the advice and services of the secretary of the AIM and MAR Compliance Committee with a view to ensuring that procedures of the AIM and MAR Compliance Committee and all applicable rules and regulations are followed.
- 13.3 In the event that the AIM and MAR Compliance Committee or any member of the AIM and MAR Compliance Committee requires access to independent professional advice in connection with its/his/her duties, a request may be made to the Chief Executive Officer. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense (as set out in Chapter 5 of this Handbook).
- 13.4 Every member of the AIM and MAR Compliance Committee shall give sufficient time and attention to his/her duties as a member of the AIM Compliance Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 13.5 The AIM and MAR Compliance Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 13.6 The AIM and MAR Compliance Committee shall give due consideration to applicable laws and regulations, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Guidelines for Small and Mid-Sized Quoted Companies and the requirements of the AIM Rules and MAR as appropriate.

#### **14. Authority**

- 14.1 The AIM and MAR Compliance Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee and all employees are directed to co-operate with any reasonable request made by the AIM and MAR Compliance Committee to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

## Appendix 5: Terms of Reference for the Environmental and Social Committee

(Adopted by Board on [ • ] 2019)

### 1. Constitution of the Committee

- 1.1 These Terms of Reference record the functions and responsibilities of the Environmental and Social Committee (“the **Committee**”), its composition and meeting procedures. They must be read with the AIM Rules of the London Stock Exchange, the Listings Requirements of the Lusaka Stock Exchange (LuSE), the Company’s Articles of Association, the relevant provisions of the UK Corporate Governance Code and the LuSE Corporate Governance Code, as well as any other applicable law or regulatory provisions in force from time to time.
- 1.2 Neither the appointment of, nor the duties of the Committee, reduce the functions and duties of the board of the directors of the Company (the "**Board**").

### 2. Functions and Responsibility

- 2.1 The Committee must fulfil the following functions which are assigned to it in respect of the Company and each of its subsidiaries, and such other related functions as may be assigned to it by the board of directors of the Company:-
- 2.2 Monitor the Company’s activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:-

environmental and social standards, including:-

providing strategic advice and guidance to the Board in relation to systemic and strategic Environmental and Social (ES) issues which affect the Company’s business model and strategy;

ensuring that the Company has in place adequate and robust systems for monitoring the Environmental, Health and Safety (EHS) and Social management and performance of the Company, in accordance with applicable legislation and Good International Industry Practice (GIIP). As defined by International Finance Corporation Performance Standards: The exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally;

monitor the implementation of Environmental and Social Action Plans (ESAP) and any corrective action plans that may be developed in due course;

monitoring the sufficiency / adequacy of the resources devoted / allocated to the implementation of any ESAPs (including budget) and propose corrective measures to ensure the implementation of any ESAPs;

making recommendations to, and assisting the management in the updating of the EHS and Social policies, standards and management plans of the Company in order to ensure continuous improvement in ES performance;

assisting the Management team with general and, if requested, specific guidance on interpretation of ES principles particularly in respect to Health and Safety, Environmental and community issues;

approving the appointment, removal and/or replacement of senior personnel responsible for the implementation, operation and maintenance of the ES management systems and plans, and Compliance program of the Company;

overseeing any Company investigations relating to breaches of ES laws, regulations and standards and/or the Company's ES policies, management systems and plans; and

monitoring and supervision of the updating and evolution of the Compliance program of the Company and reviewing the Company's compliance with any legal, regulatory and contractual provisions;

good corporate citizenship, including the Company's:-

promotion of equality, prevention of unfair discrimination and reduction of corruption;

contribution to development of the communities in which its activities are predominantly conducted, or within which its products or services are predominantly marketed; and

record of corporate social investment related sponsorship, donations and charitable giving;

consumer relationships, including the Company's advertising, public relations and compliance with the consumer protection laws;

labour and employment, including:-

the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and

the Company's employment relationships, and its contribution toward the educational development of its employees.

### **3. Authority**

3.1 The Committee, represented by its Chairman, is entitled and empowered to require any information or explanation necessary for the performance of its functions from any employee, director or prescribed officer of the Company.

3.2 The Committee may delegate authority to any member, or a sub-committee of members, of the Committee to assist it in carrying out any of its functions.

3.3 The Committee is authorised, subject to the Company's approval procedures, to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if deemed necessary.

3.4 The Company shall meet all expenses reasonably incurred by the Committee in fulfilling its functions, including the costs and fees of any consultant or specialist engaged by the Committee in the performance of its functions.

### **4. Composition of the Committee**

4.1 The Committee shall comprise not less than three (3) non-executive directors of the Company, of which at least one shall be a director appointed by CDC Group plc (CDC).

4.2 To ensure that the Committee has available to it sufficient expertise and familiarity with ES-related issues, key standards and GIIP to enable them to competently conduct the business of the

Committee, the Committee shall have a number of observers (Observers), who may attend, receive papers and make recommendations (but not vote) on matters before the Committee. The Observers shall be persons responsible for, or with relevant expertise in, environmental or social matters and must include, if CDC so requests, at least two persons nominated by CDC (who may be CDC employees or external advisers). Other Observers shall be approved by the Committee.

4.3 The Committee and the Observers may include persons who are not directors of the Company, provided that:-

any such person is not ineligible to hold office as, or disqualified from being appointed as, a director; and

no such non-director shall have a vote on a matter to be decided by the Committee.

4.4 The members of the Committee shall be appointed annually by the Board, who shall also fill any vacancy on the Committee as and when required.

4.5 All Committee members must keep themselves apprised of any developments affecting the areas of responsibility of the Committee.

## **5. Chairman and Secretary**

5.1 The chairman of the Committee shall be one of its members who is appointed as such by the Board subject to the approval of CDC.

5.2 The Chairman shall be suitably experienced in all matters related to the scope of the committee.

5.3 The company secretary shall be the secretary of the Committee and shall be responsible for the preparation of the agenda for the Committee meetings, in consultation with the chairman of the Committee, and the minutes of such meetings.

## **6. Meetings**

6.1 The Committee shall meet at least four times every year, prior to the annual general meeting of the Company, on dates determined by the chairman of the Committee.

6.2 Meetings in addition to those scheduled may, with approval of the Chairman, be held at the request of senior executive management, or at the instance of the Board.

6.3 Board members shall be entitled to attend meetings of the Committee.

6.4 Members of the Company's management and assurance providers may attend meetings of the Committee with the prior consent, or by invitation, of the chairman of the Committee.

6.5 Committee members and Observers are expected to attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, is submitted to the Chairman and secretary of the Committee.

6.6 A quorum for a meeting of the Committee shall be at least two Non-Executive Directors (one of which must be the CDC Director) present in person at such meeting. Attendance by telecommunication or video conference facility is permissible, and will be deemed to constitute physical attendance at a meeting of the Committee.

6.7 The company secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not

be counted towards the quorum and he/she must abstain from voting on any resolution of the Audit Committee in which he/she and/or his/her associates have a material interest.

- 6.8 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.9 If the chairman of the Committee is not present at any meeting, the members present thereat shall elect one of the members present to act as Chairman of that meeting.
- 6.10 The chairman of the Committee may meet with senior executive management and/or the secretary of the Committee prior to any meeting to discuss important issues and agree on the agenda.

## **7. Written Resolutions**

A written resolution signed by a majority of the members of the Committee at the time when such resolution is released for signature by the secretary of the Committee, shall be as valid and effectual as if it had been passed at a duly constituted meeting of the Committee, provided that each member of the Committee and the Observers shall have been afforded a period of not less than 48 (forty eight) hours to express an opinion on the matter to which such resolution relates.

## **8. Agenda and Minutes**

- 8.1 The Committee must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 8.2 The annual plan must ensure proper coverage of the functions of the Committee.
- 8.3 The minutes shall be prepared by the secretary of the Committee and circulated to the Chairman for review.
- 8.4 The minutes must be formally approved by the Committee at the following scheduled meeting.

## **9. Reporting**

- 9.1 In respect of all duties as may be assigned to it by the Board from time to time, the Committee will be accountable to the Board.
- 9.2 The chairman of the Committee shall report at the meetings of the Board on the Committee's activities.

## **10. Review and Assessment**

The Committee shall perform an annual self-evaluation of the effectiveness of the committee and report the results to the Board.



## Appendix 6: Memorandum on Inside Information

You have received this memorandum because you have access to inside information about the Company

You must read this memorandum carefully and sign and return the acknowledgement slip on the last page of this memorandum to Pravin Abraham and Danny Museteka as soon as possible.

Please remember that this memorandum is a summary and is not exhaustive. It should therefore not be used as a substitute for specific legal advice. If you need any more detailed information, you should contact Pravin Abraham and Danny Museteka.

### 1. Insider dealing provisions - CJA

- 1.1 Under the CJA, it is a criminal offence for an individual who has inside information to (i) deal in securities whose price would be likely to be significantly affected by that information if made public; (ii) disclose inside information other than in the proper performance of the functions of your employment or office; and (iii) encourage others to deal in price effected securities.
- 1.2 “**Inside information**” is information of a precise nature, which has not been made public, which relates, directly or indirectly, to the Company (including its subsidiaries) or its securities or related financial instruments and which, if it were made public, would be likely to have a significant effect on the price or value of those securities or related financial instruments.
- 1.3 Information is likely to have a significant effect on price it is information that a reasonable investor would be likely to use as part of the basis of his or her investment decisions.
- 1.4 An individual guilty of insider dealing may be liable to a fine and/or to imprisonment.

### 2. Duty of confidentiality

- 2.1 You are under a duty of confidentiality in respect of any confidential information you receive (whether about the Company or a third party) and you must not use or disclose such information without due authorisation.
- 2.2 The Company (or others) may take action against you if you breach this duty of confidence, including seeking an injunction to prevent the disclosure of any confidential information or damages for any losses suffered.

### 3. Market abuse provisions – MAR

- 3.1 The market abuse regime prohibits the following types of behaviour:
  - (a) Engaging or attempting to engage in insider dealing (Article 14(a). MAR).
  - (b) Recommending that another person engage in insider dealing or inducing another person to engage in insider dealing (Article 14(b). MAR).
  - (c) Unlawfully disclosing inside information (Article 14(c). MAR).
  - (d) Market manipulation and attempted market manipulation – which comprises the following activities (Article 15. MAR):
    - (i) entering into a transaction, placing an order to trade or any other behaviour which gives or is likely to give, false or misleading signals as to the supply or demand for, or price of, a financial instrument or secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level;

- (ii) entering into a transaction, placing an order to trade or any other behaviour or activity which employ fictitious devices or any form of deception; and
- (iii) disseminating information by any means which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, or is likely to secure the price of one or several financial instruments at an abnormal or artificial level, including the dissemination of rumours where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

3.2 Market abuse is not a criminal offence and therefore it is not punishable with imprisonment. However, the Financial Conduct Authority may impose unlimited financial penalties, publicly censure a person and/or make an order to compensate or disgorge profits to affected persons. Injunctions to prevent market abuse (and to freeze assets) may also be available.

3.3 However, if the abusive behaviour also falls within the scope of the insider dealing provisions of the CJA (see section 1.1 above), it will be a criminal offence and can be punishable with Imprisonment.

#### **4. Insider list obligations**

4.1 The Company must draw up, and promptly update, a list of all persons who have access to inside information and who are working for them under a contract of employment or otherwise performing tasks through which they have access to inside information (an “**insider list**”). Insider lists must be provided to the FCA as soon as possible on request.

4.2 You have been included on the Company’s insider list as you have access to inside information about the Company. Now that you are included on an insider list, you must:

- (a) Inform Danny Museteka in advance if you propose to communicate inside information on this matter to any person for the first time. It is important that you comply with the communication requirements in paragraph 5 below. If you are not sure whether you should make a particular communication, you should discuss the question with Danny Museteka . If you are proposing to make a communication outside the Company, you must not do so without the prior agreement of Danny Museteka. Communication outside the Company is likely to require a particular acknowledgement from the person receiving the information and this must be co-ordinated with Danny Museteka.
- (b) Inform Danny Museteka of the date when you do communicate inside information to another person.
- (c) Inform Danny Museteka if you think there has been a leak of inside information (whether from the Company or elsewhere).
- (d) Inform Danny Museteka of any changes in your personal details (for example, personal address, personal telephone numbers, the office in which you are based).

4.3 If the person to whom inside information is to be communicated in either of the first two bullet points above is a director or employee of the Company, you need only give Danny Museteka their name. In other cases, you must give Danny Museteka their name, the name and address of their firm or company and their telephone number.

#### **5. Communication requirements**

- 5.1 You should take steps to ensure that inside information relating to a specific project you have is kept confidential by restricting access to it and only communicating it on a 'need to know' basis. The number of people aware of inside information should be kept to the minimum reasonably practicable and individuals within the Company should only be made insiders in relation to certain categories of information or particular deals or other significant matters with the approval of Danny Museteka. Incidental access to inside information needs to be eliminated so far as possible.
- 5.2 External advisers or other third parties should only be made aware of inside information with the prior authority of Danny Museteka. Individuals should only be made insiders if they are clearly made aware of and acknowledge the need for confidentiality; and the information disclosed even to an insider should be limited to what he/she needs to know at any particular time (rather than allowing access to all information that is available).
- 5.3 In addition, the Company requires that you follow these requirements:
- (a) documents containing inside information should not be read or worked on where they can be read by others and should only be taken off-site when absolutely necessary;
  - (b) sealed non-transparent envelopes should be used for internal circulation of hard copy documents;
  - (c) there should be no discussions of relevant information in public areas (even within the office);
  - (d) wherever practical, relevant documents should be kept in locked cabinets and IT access to emails/documents should be restricted only to those to whom access should be granted;
  - (e) passwords and/or restricted access should be used for key documents;
  - (f) code names should be used where possible in all documents, correspondence (including emails) and discussions that relate to individual projects that constitute inside information;
  - (g) access to computers and other electronic devices used by those with access to inside information should be restricted through the use of passwords; and
  - (h) think carefully about which persons need to see particular emails – access to inside information should be limited to only those who need to see it.

## **6. The Company's share dealing policy in respect of dealings**

- 6.1 You are subject to the Company's share dealing policy in relation to dealings in the Company's securities (the "**Share Dealing Policy**").
- 6.2 You must comply with the Share Dealing Policy and any breaches will be regarded as serious and may lead to disciplinary action, including, where appropriate, dismissal. The Share Dealing Policy is intended to protect those to whom it applies, as well as the Company and its management.
- 6.3 A copy of the Share Dealing Policy is found at Chapter 4 of this Handbook. Before dealing in the Company's shares at any time, you must obtain clearance by completing and returning a 'Request for clearance to deal' form. A copy of the form is attached at Annex B to the Share Dealing Policy. You must not deal in the shares until approval has been given and returned to you.
- 6.4 If you are in any doubt as to whether you can deal in the Company's shares, you should either not deal or you should contact Danny Museteka for further clarification

## Appendix 7: Code of Ethics

(Adopted by Board on [ • ] 2019)

### 1. Introduction

- 1.1 The Company believes strongly in the ethical core values of corporate governance; responsibility, accountability, transparency and fairness.
- 1.2 The Group Code of Ethics is founded on these core values and is prepared in accordance with the Corporate Governance framework.
- 1.3 The Board believes that it is possible to harmonise concepts of social responsibility, public accountability and profitability.
- 1.4 The Company strives to be a responsible corporate citizen, and the directors are committed to effective leadership in all matters of corporate ethics and governance, in order to promote and maintain confidence in the integrity of the corporation.
- 1.5 This Group Code of Ethics sets out the minimum ethical standards and uniform principles of good practice, for all directors, managers, employees, and other stakeholders of the Company, and its subsidiaries (referred to collectively herein as "Zambeef"). Zambeef is committed to enforcing these standards through effective internal control systems, reporting structures and independent review.

### 2. Responsibility and Accountability

**Principal Statement: we believe in taking responsibility for any actions on behalf of the Company and in being totally accountable for such actions.**

Zambeef's directors, managers and employees in conducting the business of the company, will:

- 2.1 Obey the law, including the following applicable rules and regulations:
  - (a) Adhere to the letter and spirit of the laws of Zambia, including the Companies Act, all tax laws per Zambian tax legislation, and the Securities Act No. 16 of 2016.
  - (b) Adhere to the LuSE Listing Rules and the AIM Rules.
  - (c) Adhere to current international financial reporting standards.
- 2.2 Keep honest, accurate records and reports of Company information and make full, fair and understandable disclosures in all external reports:
  - (a) Ensure the honesty and accuracy of all records, reports, invoices and other documents submitted to or on behalf of Zambeef.
  - (b) Ensure the honesty of statements prepared or submitted, such as financial statements.
  - (c) Provide investors with relevant, honest, accurate and timely information.
- 2.3 Work according to the highest standards of service and productivity using team work:
  - (a) Conduct business according to the highest standards of accuracy and completeness.

- (b) Perform work so as to produce only the highest quality and also in a manner that will reduce risk.
- (c) Ensure that promises are only made that can reasonably be expected to fulfil internal or external stakeholders' expectations.
- (d) Promote inter-departmental, inter-divisional and interpersonal cooperation for the good of Zambeef and all its stakeholders, internal and external.
- (e) Avoid debilitating workplace politics and hidden agendas.
- (f) Continuously seek better and more efficient ways of performing work.
- (g) Proactively share successful means of enhancing all aspects of efficiency or service quality with management and other employees in order to multiply the benefits derived from their use.

2.4 Protect Zambeef's assets and ensure their proper and efficient use; including property, equipment, products and other tangible assets, and proprietary information such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, technical ideas, designs, databases, records, salary information and any unpublished financial data and reports:

- (a) Safeguard the company's resources and ensure their prudent and effective use.
- (b) Contribute to creating work conditions conducive to high productivity.
- (c) Ensure the effective and efficient use of "company time" to deliver on agreed objectives.
- (d) Apply knowledge and skills in the best interests of the company.
- (e) Conduct business or perform tasks using good judgment and due care, refraining from negligent or reckless conduct.
- (f) Avoid using Zambeef property, assets or equipment in an improper manner-for example, for purposes other than the conduct of company business.
- (g) Treat with care and respect assets, such as vehicles, tools and/or equipment and those of Zambeef's fellow stakeholders.

2.5 Preserve the confidentiality of non-public company information and any other information entrusted in confidence by Zambeef or its customers, suppliers or employees except when disclosure is authorized or is legally mandated, including any insider information liable to affect Zambeef's share price:

- (a) Ensure that Zambeef's intellectual property is disclosed to parties, internal and external to the organization, on a professional and work related need-to-know basis only.
- (b) Refrain from exploiting intellectual property over which one cannot rightfully claim ownership, during or after employment, or during or after the fulfilment of contractual relationships.
- (c) Observe all requirements of the Company's Share dealing Code and Disclosure Policy.

2.6 Provide a safe and healthy work place, protect the environment, be a responsible corporate citizen within the communities where we operate:

- (a) Provide a safe and healthy workplace and ensure that personnel are properly trained and have appropriate safety and emergency equipment.
- (b) Be an environmentally responsible neighbour in the communities where we operate, and act promptly and responsibly to correct incidents or conditions that endanger health, safety, or the environment.
- (c) Conduct our business in compliance with applicable environmental and health & safety laws and regulations.
- (d) Be a responsible and committed corporate citizen and be a useful and effective member of the communities within which we operate.
- (e) Aim to reduce poverty by establishing strong partnerships with local communities & supporting community initiatives, especially in the health and education areas, that deliver sustainable long-term results & real benefits to the communities within which we operate.
- (f) Management will review our strategies, objectives and targets and monitor environmental programs to ensure continuous improvement of our environmental performance.
- (g) Management will institute ongoing audits to ensure compliance of environmental and health & safety legislation and report periodically to the Board of Directors.

### 3. Transparency

**Principle Statement: we believe in being honest, having integrity, and being open and clear in our working relationships. We do this by encouraging constant, effective and relevant communication.**

Zambeef's directors, managers and employees, in conducting the business of the company, will:

#### 3.1 Be honest and communicate clearly in all their dealings:

- (a) Commit to a standard of honesty going beyond the avoidance of falsehood.
- (b) Proactively tell the truth-and tell it in such a manner that it does not create false impressions, mislead or deceive. A breach of trust anywhere in the Group harms the entity's reputation for trustworthiness, and thus harms us all.
- (c) Avoid any form of intentional misrepresentation, fraud, corruption or illegal practices or actions.
- (d) Avoid untruths, untruthful omissions, deception, concealment and overstatement in their communications.
- (e) Avoid deceptive and misleading statements and omissions in customer-related activities, such as marketing, sales and research.
- (f) Take every reasonable step to deliver on promises and when necessary, assist peers and colleagues in ensuring that they are able to deliver on promises.
- (g) Communicate in an open and transparent manner, subject to legal and competitive constraints.

- (h) Effectively communicate both the letter and intent (spirit) of business policies, procedures and directives.
  - (i) Always use their position and company resources for company purposes and not for personal gain.
- 3.2 Avoid engaging in any conduct where their personal interests interfere or appear to interfere with those of Zambeef:
- (a) Duly complete and submit an Annual Company Conflicts of Interest and Declaration of Business Interest form, if requested by Senior Management-MANCO and the Chief Internal Auditor.
  - (b) Refrain from using their position for personal gain or to advance the interests of family members, friends or others.
  - (c) Refrain from any attempt to influence persons in public office in order to obtain an improper gain or advantage.
  - (d) Refrain from offering any Zambeef staff member any item of value, including money, in return for a certain action or inaction by that staff member.
  - (e) Refrain from soliciting or accepting any item of value, including money, in return for a certain action or inaction, or for anything that could reasonably be perceived to create such an obligation.
  - (f) Disclose any personal interest they, or a member of their immediate family, has in relation to Zambeef's business (such conflict of interest could include directorships, significant shareholdings, interests in contracts or employment of family members)
  - (g) Where an actual or potential conflict does arise, a director or manager should at least refrain from participating in the debate and/or voting on the matter in meetings, and in the extreme case of continuing material conflict of interest, should resign from a position in senior management-MANCO or the Board.
  - (h) Act in Zambeef's best interest without any improper motives when entering into contracts or accepting business on behalf of the organization.
  - (i) Refrain from engaging in other income producing activities, including employment, without due disclosure in a Declaration of Business Interests form and the prior written approval of the relevant manager or Director. Such consent may be withheld if, in the opinion of management, such activities or services could in any way whatsoever adversely affect services the employee is expected to perform for Zambeef.
  - (j) Refrain from acquiring a business interest or participating in any activity outside Zambeef that would interfere, or appear to interfere, with the independent exercise of judgment in Zambeef's best interest.
  - (k) Obtain approval from Senior Management-MANCO when invited to become an outside Director; with final approval resting with the CEO; and
  - (l) Refrain from obstructing legal rights of shareowners.
- 3.3 Deal appropriately with all customers and suppliers and follow the relevant section of the Company's Anti-Corruption policy on accepting, offering or providing gifts or entertainment.

- 3.4 Avoid all forms of criminal activities,
- (a) Refrain from offering or accepting bribes or kickbacks either directly or indirectly and comply with the Company's Anti-Corruption Policy.
  - (b) Comply with the Company's Share Dealing, Disclosure and AIM Rules Compliance policies and LuSE Compliance Policy.
  - (c) Refrain from and report observed fraud.

#### 4. Fairness

**Principle Statement: We believe in being fair in all our dealings.**

Zambeef's directors, managers and employees, in conducting the business of the company, will:

- 4.1 Treat people fairly:
- (a) Respect the rights of and deal fairly with Zambeef's customers, suppliers, competitors and employees.
  - (b) Respect the diversity of Zambeef's employees and not engage in wrongful discrimination or harassment.
  - (c) Acknowledge rights to free association, collective bargaining and arbitration.
  - (d) Refrain from any form of conduct that may be perceived to intimidate or harass, based on race, religion, gender, political conviction or disabilities.
  - (e) Refrain from retaliating against, or tolerating victimisation of persons who report unethical or dangerous conduct.
  - (f) Respond to stakeholders' suggestions, requests and complaints.
  - (g) Remain courteous and respectful in all dealings with internal and external stakeholders.
- 4.2 Provide opportunities for personal growth and professional development:
- (a) Provide opportunity for training and development.
  - (b) Continuously provide opportunities for enhancement of knowledge, thus improving personal skills.
  - (c) Explore and be receptive to innovation in order continuously to improve the quality and efficiency of work.
  - (d) Provide opportunity for performance review processes to encourage more effective, efficient and valuable employee performance.
- 4.3 Value the different cultures and beliefs of all Zambeef stakeholders:
- (a) Respect the traditions and cultures of all people.
  - (b) Promote equal opportunities.



- (c) Respect the right to freedom of social, religious and political association.
- (d) Respect the rights of differently-abled persons.
- (e) Support and protect democratic institutions.

4.4 Respect the communities in which we are located:

- (a) Co-operate with public authorities to address threats to public health and safety from the company's products and services.
- (b) Engage in community focused corporate social investments.
- (c) Recognise the government's obligations and jurisdiction concerning society at large.
- (d) Communicate and consult with communities affected by environmental, health and safety impacts of Zambeef's operations.
- (e) Be sensitive to the needs of local communities and consider their well-being in all policies and actions; and
- (f) Aim to contribute to the economic well-being and social development of the communities in which Zambeef conducts business.

**5. Compliance with this Code**

**Principle Statement: - Non-compliance is not an option.**

Zambeef's directors, managers and employees will:

5.1 Report violations:

- (a) Promptly report work-related activities by Company personnel that violate the law, this Code and/or any other company policy. Reports of violations may be made to a Business Unit Head, the Chief Internal Auditor, or an Executive Director of Zambeef, in accordance with Zambeef's Incident Reporting procedure. Reports of violations by executive officers or senior financial personnel must be made to the Chief Internal Auditor or Chairman of the Audit Committee of Zambeef's Board of Directors.
- (b) Zambeef does not permit retaliation of any kind for reports of misconduct made in good faith.
- (c) Should any Zambeef employee or manager have questions about this Code, or whether conduct may violate this Code, the law or a compliance program, consultation should be made with Business Unit Heads, the Chief Internal Auditor, or the Company Secretary.
- (d) Waivers of this Code may only be granted upon written request submitted to Zambeef's Audit Committee and approved by Zambeef's Board of Directors.
- (e) Changes in or waivers of the Code will be promptly disclosed or as required by applicable law or regulation.

## 5.2 Review of Code

The Audit Committee or its designated party will conduct reviews of this Code and its contents at least every 5 years. A review may be conducted sooner pursuant to material developments in corporate ethical legislation, rules, or guidance.