

CHARTER

OF THE

PEERMONT
GROUP BOARD OF
DIRECTORS



PEERMONT

HOTELS CASINOS RESORTS

1. INTRODUCTION

- 1.1 The boards of directors of Peermont Holdings (Pty) Ltd ("**Peermont Holdings**") and its wholly owned subsidiaries (collectively referred to as the "**Board**") acknowledge the need for a Board charter in terms of the requirements of good corporate governance.
- 1.2 This Charter is subject to the provisions of the Companies Act 2008, as amended (the "**Act**") and the memoranda of incorporation and shareholders agreements, if any (collectively "**MOI**"), of each of Peermont Holdings and its subsidiaries (the "**Group**" and each company in the Group a "**Company**") and any other applicable law or regulatory provision. It is recorded that the board of directors of each Company consists of the same persons and that Board meetings are held simultaneously.

2. PURPOSE OF THE CHARTER

The purpose of this Charter is to inter alia set out the role and responsibilities of the Board and the Chair, subject to the Act and the MOI of each Company.

3. COMPOSITION

The nomination, election and removal of members of the Board are regulated by the MOI of Peermont Holdings.

4. MEETING PROCEDURES

4.1 Frequency

- 4.1.1 The Board must hold sufficient scheduled meetings to enable it to discharge all of its duties, but subject to a minimum of four meetings per year.
- 4.1.2 In addition to the scheduled meetings, additional meetings may be called and held subject to the MOI of the relevant Company and the Act.
- 4.1.3 The Chair of the Board may meet with the Group Chief Executive Officer and/or the Group Financial Director and/or the Company Secretary prior to a Board meeting to discuss important issues and to agree on an agenda.

4.2 Attendance

- 4.2.1 Members of senior management, assurance providers and other third parties may be invited to attend meetings and participate in discussions but may not vote on any matter considered by the Board.
- 4.2.2 Board members must attend all scheduled meetings, including all meetings called on an ad hoc-basis for special or extraordinary matters, unless prior apology, accompanied with reasons, has been submitted to the Chair of the Board or to the Company Secretary of Peermont Holdings (the "**Company Secretary**").
- 4.2.3 If the Chair of the Board is absent from a meeting, the members present may elect one of the other members present to act as Chair for the meeting.

4.3 **Agenda and minutes**

- 4.3.1 The Board must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 4.3.2 A detailed agenda, together with supporting documentation, must be circulated to the members and other invitees a reasonable time prior to each Board meeting.
- 4.3.3 Board members must be fully prepared for Board meetings in order to provide appropriate and constructive input on the agenda items.
- 4.3.4 The minutes must be formally approved by the Board at its next scheduled meeting.

4.4 **Meetings and quorum**

- 4.4.1 A quorum for Board meetings is as provided for in each Company's MOI.
- 4.4.2 Meetings will be conducted pursuant to the provisions of the Companies Act and the MOI.

4.5 **Evaluation**

- 4.5.1 The evaluation of the Board, its Committees and the Chair, must be performed at least every two years.
- 4.5.2 In years during which no evaluation is performed the Board must schedule an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole.

5. ROLE AND RESPONSIBILITIES

Without derogating from the duties, responsibilities and limitations set out in the Act and the MOI of each Company, the role and responsibilities of the Board are to -

- 5.1 lead ethically and effectively;
- 5.2 govern the ethics of the Group in a way that supports the establishment of an ethical culture;
- 5.3 ensure that the Group is and is seen to be a responsible corporate citizen;
- 5.4 ensure that the Group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;
- 5.5 ensure that reports issued by the Group enable stakeholders to make informed assessments of the Group's performance, and its short, medium and long-term prospects;
- 5.6 serve as the focal point and custodian of corporate governance in the Group;

- 5.7 comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
- 5.8 ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;
- 5.9 ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- 5.10 ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities;
- 5.11 govern risk in a way that supports the Group in setting and achieving its strategic objectives;
- 5.12 govern technology and information in a way that supports the Group setting and achieving its strategic objectives;
- 5.13 govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Group being ethical and a good corporate citizen;
- 5.14 ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term;
- 5.15 ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Group's external reports;
- 5.16 adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Group over time.

6. STANDARDS OF DIRECTORS' CONDUCT

Without derogating from the duties and standards of conduct required by the Act and the MOI of each Company:

- 6.1 each director must -
 - 6.1.1 as a matter of law act with independence of mind in the best interests of the Group and its subsidiaries;
 - 6.1.2 not use that position, or any information obtained while acting in that position -
 - 6.1.1.1 to gain an advantage for him or herself or for another person other than the Group; or
 - 6.1.1.2 to cause harm to the Group; and

- 6.1.3 communicate to the Board at the earliest practicable opportunity any information that comes to the director's attention, unless the director –
 - 6.2.2.1 reasonably believed that the information is immaterial to the Group or is generally available to the public, or known to the other directors;
 - 6.2.2.2 is bound by a legal or ethical obligation of confidentiality;
- 6.2 a member of the Board, when acting in that capacity, must exercise his powers and perform his functions –
 - 6.2.1 in good faith and for a proper purpose;
 - 6.2.2 in the best interests of the Group; and
 - 6.2.3 with the degree of care, skill and diligence that may reasonably be expected of a person:
 - 6.2.3.1 carrying out the same functions in relation to the Group as those carried out by that member; and
 - 6.2.3.2 having the general knowledge, skill and experience of that director.

7. DELEGATION

- 7.1 The Board may delegate certain functions to well-structured committees but without abdicating its own responsibilities. Delegation is formal and requires inter alia the following -
 - 7.1.1 formal terms of reference are established and approved for each committee of the Board;
 - 7.1.2 each committee is appropriately constituted with due regard to the skills required by each committee;
 - 7.1.3 7.1.3 the Board must provide a framework for the delegation of authority to the management of the Group.

8. THE CHAIR

- 8.1 The Chair is appointed by one of the shareholders of the Group for an indefinite period.
- 8.2 The role of the Chair is as follows:
 - 8.2.1 representing the Group at shareholder meetings; engagements with key stakeholders, where required and other events where necessary and appropriate;
 - 8.2.2 providing overall leadership to the Board;
 - 8.2.3 overseeing that the Board leads ethically and effectively and that the Board conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency;

- 8.2.4 participating in the selection process for new Board members from time to time;
- 8.2.5 encouraging congeniality, team work and collaboration among Board members without inhibiting candid debate and creative tension;
- 8.2.6 overseeing that conflicts of interest, including conflict declarations and recusal are addressed appropriately;
- 8.2.7 encouraging Board members to contribute fully to the effective and objective discharge of the Board's role and duties;
- 8.2.8 taking the lead in performance of the evaluations in terms of this Charter, and addressing non-performance issues;
- 8.2.9 where appropriate, mentoring new or less experienced Board members to develop skills and enhance confidence;
- 8.2.10 ensuring that new Board members are appropriately made aware of their responsibilities through an induction programme;
- 8.2.11 keeping Board members suitably informed of significant issues between meetings;
- 8.2.12 ensuring that the Board fulfils its duty of steering and setting strategic direction;
- 8.2.13 ensuring that good relations are maintained with the organisation's major shareholders and other material stakeholders;
- 8.2.14 acting as the link between the Board and the CEO;
- 8.2.15 being collegial with management while at the same time maintaining an arm's length relationship;
- 8.2.16 acting as confidante/sounding board and provide counsel to CEO;
- 8.2.17 overseeing the performance and acting as the contact/reporting point for the company secretary;
- 8.2.18 presiding over Board meetings and ensuring that time in meetings is used productively;
- 8.2.19 formulating (with the CEO and company secretary) the yearly work plan for the Board;
- 8.2.20 determining when independent professional advice may be necessary and ensuring that this is procured within the approved protocol.