



Group Finance

External Auditor Appointment and Related Party Transaction Policies

7. External Auditor Appointment and Related Party Transaction Policies

7.1 External Auditor Appointment and Independence Policy

7.1.1 Rational and Scope

- 7.1.1.1 This policy is established to ensure the independence of Letshego's external auditors; both in fact and appearance.
- 7.1.1.2 The Auditor Independence Policy holds the policy statements with regard to appointment of external auditors, services provided and the pre-approval procedure.
- 7.1.1.3 This policy applies to Letshego Holdings Limited and its subsidiaries (collectively referred to as Letshego, or the Group). Where entities within the Group have joint Auditors, the policy applies in respect of both auditors.
- 7.1.1.4 This policy must be read in conjunction with the Group Audit Committee Charter.

7.1.2 Policy Minimum Requirements

- 7.1.2.1 Oversight of external audit arrangements, including the appointment of the Group's external auditor, is the responsibility of the Group Audit Committee. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility.
- 7.1.2.2 This policy has been adopted by the Committee to meet this requirement.
- 7.1.2.3 This policy covers the following areas:
 - 7.1.2.3.1 Appointment of external auditors
 - 7.1.2.3.2 External auditor rotation
 - 7.1.2.3.3 Provision of other assurance services by the external auditor
 - 7.1.2.3.4 Fees charged by the external auditor for audit and non-audit services
 - 7.1.2.3.5 Hiring of staff from the external audit firm
 - 7.1.2.3.6 Conflict of interest
 - 7.1.2.3.7 Services provided by firms other than the external auditor

7.1.2.4 Appointment of external auditors

- 7.1.2.4.1 The Group Audit Committee shall only approve a firm to be the external auditor of the Group if that firm:
 - 7.1.2.4.1.1 Would be regarded by a reasonable investor, with full knowledge of all relevant facts and circumstances, as capable of exercising objective and impartial judgement on all issues encompassed within the external auditor's engagement;
 - 7.1.2.4.1.2 Has not, within two years prior to the commencement of the external audit, had as a member of its audit engagement team anyone who held the role of Letshego Holdings Limited Group Chief Executive, Group Chief Financial Officer, or any member of Letshego EXCO or Group Heads who act in a financial oversight role;
 - 7.1.2.4.1.3 Does not allow the direct compensation of its audit partners for selling other services to Letshego Holdings Limited; and

- 7.1.2.4.1.4 Has completed an independence assessment and disclosed the results of such assessment to the Group Audit Committee, with a clear outcome against each threat to independence.
- 7.1.2.4.1.5 Has not, within two years prior to the commencement of the external audit, provided to the Group, to any material extent, Excluded Services of the nature described in para 2.10 below. The Group Audit Committee, at its sole discretion, shall evaluate whether a candidate firm is eligible to serve in accordance with this clause.

7.1.2.5 External auditor rotation

- 7.1.2.5.1 The Group Audit Committee shall approve the appointment of the external auditor for each financial year. The appointment of the external auditor for the ensuing year shall be ratified and confirmed by the shareholders at each Annual General Meeting.
- 7.1.2.5.2 The position of Group external auditor shall be subject to a tendering process every five (5) years (or less if deemed necessary by the Group Audit Committee).
- 7.1.2.5.3 An audit firm may serve as Group external auditor for a maximum of two (2) consecutive five-year terms or as required by the country regulators for the subsidiaries.
- 7.1.2.5.4 An audit firm that has served for two consecutive terms (no matter the length of each term) will be subject to a three-year cooling-off period before they are eligible to serve again.
- 7.1.2.5.5 Rotation of Engagement Partner must be done in line with local regulatory requirements. Where rotation of engagement partner is not regulated, the rotation must take place every five years and will be subject to a two-year cooling-off period.
- 7.1.2.5.6 All other Audit Partners (including Quality Review and Subsidiary Audit Partners) and team members shall be required to rotate every five years and will be subject to a two-year cooling-off period.
- 7.1.2.5.7 Accordingly, it is expected that such a policy will be adopted by the firm appointed as the external auditor of the Group; in addition to their internal policies.
- 7.1.2.5.8 Compliance with these requirements shall be reported to the Group Audit Committee annually.

7.1.2.6 `Provision of other assurance services by the external auditor

- 7.1.2.6.1 The policy seeks to ensure that other assurance services provided are not perceived as conflicting with the independent role of the external auditor.
- 7.1.2.6.2 The general principles to be applied in assessing other assurance services are as follows:
 - 7.1.2.6.2.1 The external auditor shall not have any involvement in the production of financial information or preparation of financial statements;
 - 7.1.2.6.2.2 The external auditor shall not perform any function of management, or be responsible for making management decisions;
 - 7.1.2.6.2.3 The external auditor shall not be responsible for the design or implementation of financial information systems; and
 - 7.1.2.6.2.4 The separation between internal and external audit shall be maintained.

- 7.1.2.6.3 The Group Audit Committee must pre-approve all statutory and regulatory audits and related assurance services provided by the external auditor.
- 7.1.2.6.4 In addition, to the core audit services relating to the statutory and regulatory audits of the Group's Consolidated Financial Statements, audits of the Subsidiary companies' financial statements and review of the Group's financial report and interim financial statements (collectively "Audit Services"); it is appropriate for the external auditor to provide the following services (collectively "Non-Audit Services"), with prior approval from the Group Audit Committee:
 - 7.1.2.6.4.1 Reporting on internal controls where required by law or regulation;
 - 7.1.2.6.4.2 Reporting on regulatory returns;
 - 7.1.2.6.4.3 Employee benefits audit;
 - 7.1.2.6.4.4 Accounting consultations and audits in connection with acquisitions and disposals;
 - 7.1.2.6.4.5 Investment circular reporting accountant engagements, including comfort letters and consent letters in relation to documents issued in connection with securities offerings – both for debt and equity capital markets;
 - 7.1.2.6.4.6 Financial covenant compliance reports;
 - 7.1.2.6.4.7 IT security audits (where this does not extend to designing and implementing internal control or risk management procedures);
 - 7.1.2.6.4.8 Other reporting required by regulators or assurance services relating to regulatory developments; and
 - 7.1.2.6.4.9 Acting as the transfer secretaries.
- 7.1.2.6.5 It is not appropriate for external auditors to provide (collectively "Excluded Services"):
 - 7.1.2.6.5.1 Tax planning, preparation of tax forms, support regarding tax inspections (unless required by law) and calculation of taxes and provisions.
 - 7.1.2.6.5.2 Tax services to management of Letshego Holdings Limited.
 - 7.1.2.6.5.3 Services that involve management decision-making.
 - 7.1.2.6.5.4 Bookkeeping and preparing accounting records and financial statements.
 - 7.1.2.6.5.5 Payroll services and payroll tax.
 - 7.1.2.6.5.6 Designing and implementing internal controls, risk management procedures or financial technology systems for management of financial information.
 - 7.1.2.6.5.7 Valuation services.
 - 7.1.2.6.5.8 Actuarial services.
 - 7.1.2.6.5.9 Legal services, with respect to the provision of general counsel or litigation support services.
 - 7.1.2.6.5.10 Negotiating on behalf of the Group and acting in an advocacy role in the resolution of litigation.
 - 7.1.2.6.5.11 Internal audit services.
 - 7.1.2.6.5.12 Structured finance advice and fund-raising activities.
 - 7.1.2.6.5.13 Due diligence services in relation to any potential merger or acquisition.
 - 7.1.2.6.5.14 Promoting, dealing in, or underwriting Group shares.
 - 7.1.2.6.5.15 Recruitment for management positions.
 - 7.1.2.6.5.16 Structuring the organisation design and cost control.

7.1.2.6.5.17 Provision of temporary staff.

7.1.2.6.6 These prohibitions apply to all subsidiaries of Letshego Holdings Limited.

7.1.2.7 Fees charged by the external auditor for Audit and Non-Audit services

7.1.2.7.1 Fees paid each year to the external auditor for Audit and Non-Audit services described in paragraph 2.9 above shall be monitored by the Group Audit Committee.

7.1.2.7.2 Accordingly, the nature of services provided by the external auditor and the level of fees incurred shall be reported in detail on a semi-annual basis.

7.1.2.7.3 Should total Group fees for Non-Audit Services exceed 50% on average of the fees for Audit Services paid in the last three consecutive financial years, the Group Audit Committee dispensation shall be required before further Non-Audit Services are provided.

7.1.2.7.4 The billing arrangements for any services provided by the external auditor shall not include any contingent fees (e.g. where a success fee is paid depending upon whether a transaction proceeds or not).

7.1.2.8 Hiring of staff from the external audit firm

7.1.2.8.1 The hiring by Letshego of any former External Audit Partner or Audit Manager must first be approved by the Chair of the Group Audit Committee.

7.1.2.8.2 There are no other restrictions on the hiring of other staff from the audit firm.

7.1.2.9 Conflict of interest

7.1.2.9.1 A conflict of interest register shall be maintained by the Group Chief Financial Officer and shall be updated and reported to the Group Audit Committee on an annual basis.

7.1.2.9.2 The register shall include key related parties, competitors and strategic partners.

7.1.2.9.3 The external auditor shall report annually to the Group Audit Committee any services provided to entities or persons in the conflict of interest register.

7.1.2.9.4 Should the external auditor wish to provide services to the entities or persons in the conflict of interest register, the external auditor will be required to explain to the Group Audit Committee how they propose to protect the interests of the Group. If the Group Audit Committee is not satisfied with the steps to be taken by the external auditor to protect the Group's interests then it may request the external auditor not to provide those services. If the external auditor cannot or will not comply then the Group Audit Committee may appoint an alternative audit firm.

7.1.2.10 Audit and Non-Audit Services provided by firms other than the external auditor

7.1.2.10.1 The Group Audit Committee must pre-approve all Audit and Non-Audit Services to be provided by firms other than the currently appointed external auditor.

7.1.2.10.2 Any firm providing such services must meet the requirements of section 7.1.2.4 of this policy. Any waivers from the requirements of section 7.1.2.4 of this policy must be approved by the Group Audit Committee.

7.1.2.11 Definitions

7.1.2.11.1 The following employees are deemed to perform a financial oversight role:

7.1.2.11.1.1 Group Chief Executive

7.1.2.11.1.2 Group Chief Financial Officer

7.1.2.11.1.3 Chief Executive Officers

7.1.2.11.1.4 Heads of Finance

7.1.2.11.2 Letshego or the Group shall be read to refer to Letshego Holdings Limited and its subsidiaries.

7.1.2.12 Responsibilities

7.1.2.12.1 The Chair of the Group Audit Committee and the Group Chief Financial Officer have overall responsibility for meeting the requirements of this policy.

7.1.2.13 Dispensations

7.1.2.13.1 Dispensations cannot be granted for this policy unless there is a conflict with regulatory/statutory requirements in which case approval to a dispensation must be obtained from the Group Audit Committee.

7.1.2.14 Assurance Check

7.1.2.14.1 The prevention, detection and reporting of non-compliance is the responsibility of Group Internal Audit to the Group Audit Committee.

7.1.2.14.2 Employees who become aware or are suspicious of an activity or conduct which appears to be non-compliant must report the occurrence to the line manager or to higher authority if the line manager is involved.

7.1.2.15 Policy Owner and Approver

7.1.2.15.1 This policy is owned by the Group Chief Financial Officer and shall be reviewed by the Group Risk Committee and approved by the Group Audit Committee.

7.1.2.15.2 Any clarification or request for further information shall be channelled to the Group Finance Function.

7.1.2.16 Related Documents

7.1.2.16.1 This policy must be read in conjunction with the Group Audit Committee Charter, Procurement policy and Conflict of interest policy.

7.2 Related Party Transaction Policy

7.2.1 Introduction

7.2.1.1 The policy lays out the Related Party Transaction policy and procedures of the Board of Directors (the Board) of Letshego Holdings Limited. The policy is aligned to Chapter 7 of the Botswana Stock Exchange (BSE) Equity Listings Requirements (Transactions with Related Parties) and it must be read in conjunction therewith.

7.2.2 Policy Statement

7.2.2.1 It is the policy of the Board of Directors (the “Board”) of Letshego Holdings Limited (the “Company”) that all Related Party Transactions, as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Board has determined that the Group Audit Committee (the “Committee”) is best suited to review all Related Party Transactions.

7.2.3 Rational and Scope

7.2.3.1 The purpose of the framework is to set safeguards that apply to:

7.2.3.1.1 Transactions and arrangements between Letshego and a related party; and

7.2.3.1.2 Transactions and arrangements between Letshego and any other person that may benefit a related party.

7.2.3.1.3 This framework applies to Letshego Holdings Limited and shall be implemented through the Group Audit Charter to guard against the risk that interested persons could influence Letshego and to enter into transactions with interested persons that may adversely affect the interests of the Company or its shareholders.

7.2.4 Policy Minimum Requirements

7.2.4.1 Procedures

7.2.4.1.1 The Committee shall review the material facts of all Related Party Transactions and may also recommend for approval of the entry into the Related Party Transaction, subject to the requirements described below in Section 7.2.4.1.2. In connection with its review of a Related Party Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party’s interest in the Related Party Transaction.

7.2.4.1.2 Management shall present to the Committee the following information, to the extent relevant, with respect to actual or potential Related Party Transactions:

7.2.4.1.2.1 A general description of the transaction(s), including the material terms and conditions.

7.2.4.1.2.2 The name of the Related Party and the basis on which such person or entity is a Related Party.

- 7.2.4.1.2.3 The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
- 7.2.4.1.2.4 The approximate value of the transaction(s), and the approximate value of the Related Party's interest in the transaction(s) without regard to amount of profit or loss. For this purpose the value of all transactions with the same related party (and any of its associates) must be taken into consideration.
- 7.2.4.1.2.5 In the case of a lease or other transaction providing for periodic payments or instalments, the aggregate amount of all periodic payments or instalments expected to be made.
- 7.2.4.1.2.6 In the case of a lease or other transaction providing for periodic payments or instalments, the aggregate amount of all periodic payments or instalments expected to be made.
- 7.2.4.1.3 Any Related Party Transaction is required to have been reviewed in advance and recommended for approval to the Board by the Committee either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. Where advance Committee review of a Related Party Transaction is not feasible or has otherwise not been obtained, then the Committee shall review the Related Party Transaction subsequently (and such transaction may be recommended for ratification subsequently by the Board). The Committee may also disapprove of a previously entered into Related Party Transaction and may require that management of the Company take all reasonable efforts to terminate, unwind, cancel or annul the Related Party Transaction.
- 7.2.4.1.4 Each director who has a personal interest with respect to a particular Related Party Transaction shall disclose all material information to the Committee concerning such Related Party Transaction and his or her interest in such transaction. The Committee or the Board of Directors may recommend the creation of a special committee to review any Related Party Transaction; and
 - 7.2.4.1.4.1 If a director has a personal interest in a matter being considered at a directors meeting, they must recuse themselves from the meeting while the matter is being considered and shall not vote on the matter.
- 7.2.4.1.5 If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee shall periodically, at such intervals as the Committee may determine, review and assess ongoing relationships with the Related Party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to advance review under this Policy.
- 7.2.4.1.6 **Independent Shareholders' Approval**

- 7.2.4.1.6.1 Independent shareholders' approval is required for any Related Party Transaction, subject to specific waiver granted by the BSE. A circular must be sent to shareholders that must include the information required in section 7.5 of the BSE Listings Requirements. Any circular sent to shareholders in connection with a Related Party Transaction must provide sufficient information to enable any recipient of the circular to evaluate the effects of the transaction on the Company;
- 7.2.4.1.6.2 The company must obtain independent shareholders' approval by way of an ordinary resolution passed by shareholders present or represented by proxy at the general meeting;
- 7.2.4.1.6.3 Shareholder approval must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

- 7.2.4.1.7 **Independent Expert's Opinion**
- 7.2.4.1.7.1 In the event that there is reliance on a report on the transaction from an independent expert, the report must state the expert's opinion as to whether the transaction is fair and reasonable to shareholders. Independence for this purpose is defined as a person or corporate which is not considered a "related party" to the listed company.
- 7.2.4.1.7.2 The expert's opinion must be displayed prominently in the notice of the meeting and on the covering page of any accompanying documents.
- 7.2.4.1.7.3 The report from the independent expert required must set out, at minimum:
 - 7.2.4.1.7.3.1 The reasons for the opinion;
 - 7.2.4.1.7.3.2 The key assumptions made;
 - 7.2.4.1.7.3.3 The factors taken into consideration in forming the opinion;
 - 7.2.4.1.7.3.4 A statement as to whether the transaction is on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the listed company and its shareholders as a whole.
- 7.2.4.1.8 Once approval has been obtained from the Committee, the BSE ("Stock Exchange") must be consulted to review the transaction before its implementation, taking the following into consideration;
 - 7.2.4.1.8.1 Any contemplated Related Party Transaction, which will lead to the ratio of the total transaction value (of all transactions with the same related party) to the Company's book value as per the last audited financial statements, exceeding 0.25%, shall be referred by Letshego to the BSE for review before its implementation. The full details of the contemplated transaction must be disclosed to the BSE. The BSE shall give such directions to Letshego, as it may deem necessary, regarding the disclosure of the proposed related party transaction to shareholders. The Company may not exempt itself from the provisions of this section.
 - 7.2.4.1.8.2 Letshego must take into consideration the value of all transactions entered into with the same related party (and any of its associates) at the time of contemplation of the related party transaction for the purpose of complying with section 7.2.4.1.8.1 above.

7.2.4.1.8.3 The BSE may, in its sole discretion, require Letshego to provide it with a declaration that, to the best of the knowledge and belief of the directors, any nominee shareholders do not include any person who may be acting in concert with any other person in relation to the Related Party Transaction.

7.2.4.1.9 **Small related party transactions**

7.2.4.1.9.1 In the case of a transaction with a related party where the percentage ratios referred to (the transaction consideration divided by the market capitalization of Letshego, or in cases where consideration was determined from a closed door (private) negotiation, the transaction consideration divided by the book value must be used instead) are less than or equal to 5%, but exceed 0.25%, the requirements for a transaction with a related party set out in sections above do not apply and shall be determined by the BSE and, instead, Letshego must, prior to completing the transaction:

7.2.4.1.9.1.1 Inform the BSE in writing of the details of the proposed transaction;

7.2.4.1.9.1.2 Provide the BSE with written confirmation from the Board of Directors that the Committee has reviewed the transaction and determined that the terms of the proposed transaction with the related party are fair as far as the shareholders of Letshego are concerned. In the event that the Board of Directors is not constituted in full compliance with the King Code, the written confirmation must be from an independent professional expert acceptable to the BSE;

7.2.4.1.9.1.3 Publish details of the proposed transaction, that the transaction has been declared to be fair and that the fairness opinion will lie for inspection at the Company's registered office for a period of 28 days from the date of announcement; and

7.2.4.1.9.1.4 Comply with the requirements as per section 7.2.4.1.1 – 7.2.4.1.8 above regarding transactions with related parties if the Committee and/or the independent professional expert states that the transaction is not fair.

7.2.4.1.9.2 In the case where the transaction percentage ratio is equal to or less than 0.25%, the company must discuss the transaction with the BSE in order for the BSE to determine whether it will classify such a transaction as being in the ordinary course of business (i.e. issues on materiality of the transaction).

7.2.4.2 **Items not regarded as related party transactions**

7.2.4.2.1 The related party transaction provisions must not apply in the following situations:

7.2.4.2.1.1 The Company does not have any equity securities listed;

7.2.4.2.1.2 In respect of other agreements:

7.2.4.2.1.2.1 The grant of credit (including the lending of money or a guarantee of a loan) by a related party to the Company on normal commercial terms and on an unsecured basis;

7.2.4.2.1.2.2 A benefit arising to a director from an employment agreement with the company;

7.2.4.2.1.3 A benefit arising to a director from an employee share option scheme and/or share incentive scheme of the Company;

7.2.4.2.1.4 Indemnification and directors' insurance;

- 7.2.4.2.1.5 Normal board attendance fees and retainers for Directors
- 7.2.4.2.1.6 Financial assistance to related parties for subscription of securities;
- 7.2.4.2.1.7 Loans and other financial assistance to directors;
- 7.2.4.2.1.8 An underwriting agreement with a related party in respect of an issue of shares by the Company where the fees are not greater than the current market related rates as confirmed by the Group Audit Committee.

7.2.4.3 Aggregation of transactions

- 7.2.4.3.1 Transactions completed during the 12 months prior to the date of the latest transaction shall be aggregated with the latest transaction for the purpose of determining the categorisation to apply to the latest transaction. In cases of doubt the BSE must be consulted at an early stage.
- 7.2.4.3.2 Without prejudice to the generality of Sections 7.2.4.3.1, transactions will normally only be aggregated if they:
 - 7.2.4.3.2.1 Are entered into by the company with the same party or with parties connected with one another;
 - 7.2.4.3.2.2 Involve the acquisition or disposal of securities or an interest in one particular company; or
 - 7.2.4.3.2.3 Together lead to significant involvement in a business activity which did not previously form a part of the company's principal activities.
 - 7.2.4.3.2.4 If under Section 7.2.4.3.1 above, the aggregation results in a transaction with a percentage ratio of 40% or more and therefore also a requirement for shareholder approval in relation to Category 1 transactions under the BSE Listings Requirements, then that approval is required only for the latest transaction.

7.2.5 Definitions

7.2.5.1 "Beneficial" in relation to:

- 7.2.5.1.1 Any interest in a security, means the de facto right or entitlement to receive the income payable in respect of that security and/or to exercise or cause to be exercised any or all of the voting, conversion, redemption or other rights attaching to that security; and
- 7.2.5.1.2 Any other interest, means the obtaining of any benefit or advantage, whether in money, in kind, or otherwise, as a result of the holding of that interest.

7.2.5.2 Board Charter

- 7.2.5.2.1 The purpose of the Board Charter is to clearly outline the structure of the Board (including the relevant Board Committees and their Terms of Reference) and to define the role of the Board as a whole through the identification of powers that have been delegated to it by shareholders through the Articles of Association/Constitution and general purview of the local statutes and regulations.

7.2.5.3 Executive Director

7.2.5.3.1 A full-time employee of the Company, who is also appointed to its Board e.g. the Chief Executive Officer, who is working under a contract of employment and is involved in the day to day running of the Company.

7.2.5.4 Independent Non-Executive Director (INED):

7.2.5.4.1 Is a non-executive director of who is 'independent' based on the King IV Corporate Governance criteria.

7.2.5.5 Independent shareholder

7.2.5.5.1 A shareholder that is not a related party.

7.2.5.6 Group

7.2.5.6.1 Comprises of Letshego Holdings Limited, being the parent company, and its subsidiary companies.

7.2.5.7 Material shareholder

7.2.5.7.1 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 general meetings of the listed company (or any other company which is its subsidiary or holding company or which is a fellow subsidiary of its holding company).

7.2.5.8 Constitution

7.2.5.8.1 A document (also referred to as articles of association) that specifies the regulations of the Company and defines the mandates over how corporate actions are to be accomplished.

7.2.5.9 Non-executive director (NED)

7.2.5.9.1 A Board member who is not an Executive Board member i.e. not involved in the day to day running of the Company's operations.

7.2.5.10 Related party transaction

7.2.5.10.1 A transaction, as contemplated in Section 6 of the BSE Equity Listing Requirements, or any variation or novation of an existing agreement, between Letshego, or any subsidiaries, and a related party.

7.2.5.11 Related party

7.2.5.11.1 A material shareholder;

7.2.5.11.2 Any person that is, or within the 12 months preceding the date of the transaction was, a director of Letshego. For the purpose of this definition, a director includes a person that is, or within 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;

7.2.5.11.3 Any adviser to Letshego that has, or within the 12 months preceding the date of the transaction had, a beneficial interest, whether direct or indirect, in Letshego or any of its associates;

- 7.2.5.11.4 Any person that is, or within the 12 months period preceding the date of the transaction was, a principal executive officer of Letshego by whatever position he may be, or may have been designated and whether or not he is, or was, a director;
- 7.2.5.11.5 An associate, as determined in accordance with the BSE Equity Listings requirements, of the persons in section 7.2.5.11.1 and 7.2.5.11.4 above.

7.2.5.12 Subsidiary company

- 7.2.5.12.1 A company in which Letshego Holdings Limited owns at least 50% of voting shares or has significant control and/or influence as defined in the International Financial Reporting Standards

7.2.6 Roles and Responsibilities

7.2.6.1 Staff members and senior management:

- 7.2.6.1.1 All staff and senior management must be aware of the Group's Policy on Related Party Transactions and follow the prescribed procedures.
- 7.2.6.1.2 All staff and senior management must be alert for any Related Party Transactions.
- 7.2.6.1.3 All staff and senior management shall monitor Related Party Transactions wherein they are involved.

7.2.6.2 Compliance Officer

- 7.2.6.2.1 Must independently monitor all related party transactions.
- 7.2.6.2.2 Is responsible for the direct submission of any Related Party Transaction to applicable exchanges.

7.2.6.3 Internal Audit

- 7.2.6.3.1 Group Internal Audit (GIA) provides independent assurance on the adequacy and effectiveness of the processes that support this policy.

7.2.6.4 Board of Directors

- 7.2.6.4.1 The Board of Directors is ultimately responsible for Related Party Transactions compliance, but the responsibility to ensure that all the Group's activities comply with regulatory requirements is delegated to the Group Chief Executive Officer who may delegate his/her responsibility to senior management.
- 7.2.6.4.2 The Board has the duty to make the necessary enquires to ensure that the requisite systems, practices and culture are in place to manage all related party compliance risks to which the Group is exposed.

7.2.7 Dispensations

- 7.2.7.1 Dispensations cannot be granted for this policy unless there is a conflict with regulatory/statutory requirements in which case approval to a dispensation must be obtained from the Group Audit Committee.

7.2.8 Policy Owner and Approver

7.2.8.1 This policy is owned by the Group Chief Financial Officer and shall be reviewed by the Group Risk Committee and Group Audit Committee and approved by the Board.

7.2.8.2 Any clarification or request for further information shall be channelled to the Group Finance Function.

7.2.9 Related Documents

7.2.9.1 This policy must be read in conjunction with the following:

7.2.9.1.1 Board Charter

7.2.9.1.2 Companies Act

7.2.9.1.3 BSE Equity Listings Requirements

7.2.9.1.4 Group Audit Committee Charter

7.2.9.1.5 Code of Ethical Conduct

7.2.9.1.6 Constitution

7.2.9.1.7 King III & IV

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