

LETSHEGO HOLDINGS LIMITED BOARD CHARTER

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POLICY OWNERSHIP : GROUP BOARD

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1. INTRODUCTION

- 1.1. Letshego Holdings Limited is a company incorporated under the laws of the Republic of Botswana under UIN BW00000877524 and operating in the financial services sector.
- 1.2. In accordance with good corporate governance principles, the Board has formulated this Charter to set out the scope of, powers and responsibilities of the Board and to outline the duties and responsibilities of the appointed Board members to guide them in the discharge of their obligations.
- 1.3. The provisions of this Board Charter are subject to the provisions of the Act, the Company's Constitution, the BSE Listing Requirements and any other applicable law or regulatory provision.

2. DEFINITIONS

- 2.1. For purposes of this Charter, the following words and phrases shall have the meaning hereby assigned to them:
 - 2.1.1. "Act" means the Companies Act [Cap 42:01], as amended from time to time;
 - 2.1.2. "Annual General Meeting" means the meeting of Shareholders that is held annually for the purposes of considering and adopting the annual financial statements, to ratify the dividends declared and paid during the period, to confirm the appointment and resignation of directors, to approve the remuneration of the directors for the past financial period, to approve the remuneration of external auditors for the past financial period, to appoint auditors for the ensuing year and to transact other business which may be transacted at the same meeting in accordance with the Company's Constitution;
 - 2.1.3. "Board" means the Board of Directors of Letshego Holdings Limited;
 - 2.1.4. "Chairman" means any person appointed by the Directors to chair the Board meetings or any person appointed to act in the place of the Chairman, in his absence;
 - 2.1.5. "Charter" means this Board Charter together with any annexures hereto attached and any amendments which may hereafter be made to it;
 - 2.1.6. "Committee" means any committee of the Board;

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- 2.1.7. "Company" means Letshego Holdings Limited, a company incorporated in accordance with the laws of the Republic of Botswana under UIN BW00000877524;
- 2.1.8. "Company Secretary" means the Company Secretary or such other official performing the functions of the Board Secretary as spelt out in the Board Charter;
- 2.1.9. "Constitution" means the Company's constitution at the time of this Charter together with any amendments which may be made from time to time;
- 2.1.10. "Deputy Chairman" means any person appointed by the Directors as the deputy to the Chairman or any person appointed to act in the place of the Deputy Chairman, in his absence;
- 2.1.11. "Directors" means the members of the Board;
- 2.1.12. "Executive Director" means a Director who has a relationship with the Company and is part of Management and involved in the day to day running of the Company;
- 2.1.13. "Group of Companies" means with the Company being the parent company, its Subsidiary Companies and any other business partnerships such as associates, joint venture etc;
- 2.1.14. "Independent Non-Executive Director" means a Director as detailed at clause 5.4.10 below;
- 2.1.15. "Management" means the executive staff of the Company including the Group Chief Executive Officer;
- 2.1.16. "Non-Executive Director" means any Director who does not have a relationship with the Company and is not part of Management nor involved in the day to day running of the Company;
- 2.1.17. "Shareholder(s)" means any entity currently holding shares in the Company now and from time to time; and
- 2.1.18. "Subsidiary Company" means a company which the Company holds at least fifty per centum (50%) of the voting shares or has significant control and/or influence, irrespective of the amount of its shareholding in that company.
- 2.2. Unless inconsistent with the context, an expression in this Charter which denotes:
- 2.2.1. any one gender includes the other genders;
- 2.2.2. a natural person includes an artificial person and vice versa; and

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2.2.3. the singular includes the plural and vice versa.

3. SCOPE OF THE CHARTER

This Charter applies to the Board of the Company and also provides the standards for the establishment of the corporate governance framework for Subsidiary Companies.

4. GENERAL POWERS OF THE BOARD

- 4.1. The role, function and powers, including membership, constitution of Committees and the relationship of the Board vis-à-vis other organs of the Company and the Group of Companies are determined by laws and regulatory framework of Botswana, the Constitution of the Company, agreements such as shareholders' agreements (where relevant), corporate governance best practices and policies.
- 4.2. The Board has wide powers to make any decision in respect of the Company which has not been specifically reserved for decision-making by the Shareholders in accordance with the Act, the Constitution and the BSE Listing Requirements.
- 4.3. The Board has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:
 - 4.3.1. retain independent counsel, accountants, or other duly qualified professionals to advise or assist in the conduct of an investigation;
 - 4.3.2. seek any information it requires from employees - all of whom are directed to cooperate with the Board's requests or request any information from any duly appointed external parties; and
 - 4.3.3. delegate its authority and duties as it deems appropriate, provided it is not precluded by legal or regulatory requirements from doing so.

5. THE BOARD, OTHER ORGANS OF THE COMPANY

5.1. Shareholders

- 5.1.1. All matters reserved for decision-making by the Shareholders are considered by the Board before it recommends to the Shareholders for decision-making. The Board will, where appropriate, provide the Shareholders with its recommendation and the relevant material information in respect of resolutions proposed to Shareholders. It is the policy of the Company to accurately and timely disclose relevant Company information to stakeholders including Shareholders and potential investors whilst having regard to legal, regulatory and strategic considerations regarding the due processes that are to be followed in apprising stakeholders of all relevant material aspects of the business of the Company and the Group companies.

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- 5.1.2. Directors and *Management* are expected to attend Shareholders' meetings. The Chairpersons of the *Committees* are expected to be available at *the* Annual General Meeting to answer questions from Shareholders.
- 5.1.3. In compliance with the requirements of the law, the BSE Listing Requirements, principles of sound corporate governance and Letshego Group policies and procedures.

The Board

5.2. The Role, Functions and Responsibilities of the Board

The Board is responsible for among others:

- 5.2.1. retaining full and effective control over the Company and providing effective leadership in the best interest of the Company;
- 5.2.2. determining the strategies and strategic objectives of the Company and ensuring that the strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced;
- 5.2.3. determining and setting the tone of Company values including framework of the code for ethical conduct, ethical business principles and practices, requirements for responsible corporate citizen;
- 5.2.4. bringing independent, informed and effective judgment and leadership to bear on material decisions of the Company and Group of Companies including material Company and Group of Companies' policies, the Group of Companies' framework of delegated authorities, appointment and removal of the Group Chief Executive Officer, capital expenditure, transactions and consolidated Group of Companies' budgets and the Company's budgets;
- 5.2.5. satisfying itself that the Company and Group of Companies are governed effectively in accordance with corporate governance best practices including risk management, legal compliance management, appropriate and relevant non-binding industry rules codes and standards and internal control systems to:
 - 5.2.5.1. maximize sustainable returns;
 - 5.2.5.2. safeguard the human capital, assets and reputation of the Company and the Group of Companies; and
 - 5.2.5.3. ensure compliance with applicable laws and regulations.
- 5.2.6. monitoring implementation by the Company, the Group of Companies, Committees and Management of the Board's strategies, decisions, values and policies by a structured approach to governance, reporting, risk management, information management (including information technology) and risk-based auditing;

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- 5.2.7. ensuring that the Board has effective and independent Committees as may be required to fully execute its mandate;
- 5.2.8. ensuring that there is an effective risk based internal audit;
- 5.2.9. governing the disclosure control processes of the Company including ensuring the integrity of the Company's integrated reporting and reporting on the effectiveness of the Company's system of internal controls;
- 5.2.10. ensuring that business rescue proceedings or other turnaround mechanisms are considered by the Board as soon as the company is financially distressed as defined in the Act;
- 5.2.11. ensuring that disputes are resolved as effectively, efficiently and expeditiously as possible; and
- 5.2.12. monitoring of the relationship between management and stakeholders of the Company.

5.3 Matters Reserved for Decision-Making by the Board

The Board has the final decision-making power save for any matters, which, in terms of any applicable law are reserved for the shareholders of the Company.

5.4 Composition of the Board

- 5.4.1 The Board of the Company shall consist of a maximum of fifteen (15) directors and a minimum of four (4) directors.
- 5.4.2 The Chairman and Group Chief Executive Officer shall be appointed from amongst the directors.
- 5.4.3 In accordance with The King IV Report, the following should be observed:
 - 5.4.3.1 The Board should ensure a succession plan for the role of the Chairman and for its membership. This should include the identification, mentorship and development of future candidates;
 - 5.4.3.2 The majority of the Non-Executive Directors should be independent;
 - 5.4.3.3 The mandatory Board Member retirement age is 70 years, and each director attaining retirement age, shall retire automatically at the end of the next general meeting after attaining the age of 70;
 - 5.4.3.4 Any Independent Non-Executive Director serving more than 9 years should be subjected to a rigorous review of his independence and performance by the Board;

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- 5.4.3.5 [Every Board meeting should have a minimum of two Executive Directors of which one should be the Group Chief Executive Officer and the Chief Finance Officer or another designated executive;] and
- 5.4.3.6 The Non-Executive Directors should meet from time to time without the Executive Directors to consider the performance and actions of executive management.
- 5.4.4 The Board should be constituted in such a way that it can successfully discharge its duties detailed in clause 5.2 with distinction.
- 5.4.5 It is the policy of the Board and the Group Governance, Nominations, Social and Ethics Committee to have due regard to considerations of skill and experience, diversity and the appropriate balance of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors when making or recommending appointments to the Board. The objective is that the Board composition should reflect:
 - 5.4.5.1 A majority of Non-Executive Directors, and a majority of Non-Executive Directors being independent directors;
 - 5.4.5.2 Racial and gender diversity;
 - 5.4.5.3 Diversity in respect of industry, geographic, academic backgrounds and competencies in the following critical areas:
 - 5.4.5.3.1 Government relations.
 - 5.4.5.3.2 Technology and operations such as in banking, microfinance banking, consumer finance services, etc.
 - 5.4.5.3.3 General administration such as in commercial law, statutory compliance, finance, operational and financial audit, risk management, human resources, etc.
- 5.4.6 Only individuals with sound ethical reputations will be considered for appointment to the Board. Individuals with material enduring conflicts of interest with the Company or any Group of Companies that cannot be responsibly managed by the normal methods of declaration of interests and temporary recusal from meetings will not be considered for appointment.
- 5.4.7 Where possible, at least one of the Independent Non-Executive Directors should be an active and/or former chief executive officer of a bank or microfinance bank.
- 5.4.8 Only candidates who have, in the Board's judgment, sufficient time to effectively fulfill the role of a Board member will be appointed to the Board. Board members are expected to attend at least fifty percent (50%) of all the Board and Committee meetings, if they are also members of Board Committees
- 5.4.9 At every Annual General Meeting, at least one third of the Directors for the time being shall retire from office. The Directors so to retire in each year shall be those who have

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been longest in office. Retiring Directors shall be eligible for re-election. Only Non-Executive Directors are subject to rotation.

5.4.10 An Independent Non-Executive Director is a Director who:

5.4.10.1 Is not a representative of a Shareholder who has the ability to control or significantly influence Management or the Board

5.4.10.2 Does not have a direct or indirect interest in the Company (including any parent or Subsidiary in a consolidated group of the Group of Companies) which exceeds 5% of the parent and Group of Companies' total number of shares in issue

5.4.10.3 Does not have a direct or indirect interest in the Company which is more than five percent (5%) of the total number of shares in issue, but is material to his personal wealth

5.4.10.4 Has not been employed by the Company or any of the Group of Companies in any Management capacity or appointed as the designated auditor or partner in any of the Group of Companies' external audit firm, or legal adviser for the preceding three financial years

5.4.10.5 Is not a member of the immediate family of an individual who is, or has during the preceding three financial years, been employed by the Company or the Group of Companies in a Management capacity. Immediate family is defined as someone's spouse, parents and grandparents, children and grandchildren, brothers and sisters, mother in law and father in law, brothers in law and sisters in law, daughters in law and sons in law. Adopted, half, and step members are also included in immediate family.

5.4.10.6 Is not a professional adviser to the Company or the Group of Companies, other than as a Director

5.4.10.7 Is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the individual's capacity to act in an independent manner, such as being a director of a material customer of or supplier to the Company.

5.4.10.8 Does not receive remuneration contingent upon the performance of the Company.

5.4.11 Unless otherwise agreed to by the Board, termination of employment with the Company of an Executive Director results in the automatic termination of the Executive Director's tenure as Director.

5.5 Board Appointment Process

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- 5.5.1 Directors shall be appointed through a formal and transparent process in accordance with the process laid out in the Act and the Constitution.
- 5.5.2 The Shareholders shall appoint a Director by ordinary resolution. In making Board appointments, the Shareholders shall observe the recommended corporate governance principles, policies and general considerations of its stakeholders.
- 5.5.3 The Board has the power to fill vacancies on the Board. The Group Governance, Nominations, Social and Ethics Committee has been mandated by the Board to consider candidates for vacancies on the Board and to make recommendations to the Board in this respect. These appointments shall be confirmed at the next Annual General Meeting.
- 5.5.4 Alternate Directors

Each Director may from time to time appoint any person who is not already a Director and who is approved by a majority of the other Directors to be the Director's alternate director.

5.6 Board Committees

- 5.6.1 The Board has the power to appoint Board Committees and to delegate some functions to such Board committees. The Board recognizes and accepts the legal principle that whilst certain powers are capable of delegation to individuals and or Committees the ultimate accountability for the matters delegated remains with the Board.
- 5.6.2 Authorities delegated by the Board accordingly, always entail simultaneous requirement of reporting to the Board and an obligation on the Board to monitor and evaluate the activities of Committees and individuals with delegated authority.
- 5.6.3 Each Board committee shall have a minimum of three (3) members.
- 5.6.4 The Board has created the following Committees:
 - 5.6.4.1 The Group Audit Committee
 - 5.6.4.2 The Group Risk, Social and Ethics Committee
 - 5.6.4.3 The Group Remuneration Committee
 - 5.6.4.4 The Group Strategy and Investment Committee
 - 5.6.4.5 The Group Governance and Nominations Committee
- 5.6.5 The Board has the discretion from time to time to appoint and authorize special *ad hoc* Committees to perform specific functions.

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5.7 Board Meetings and Board Documentation

5.7.1 Frequency and Annual Board Work Plan

5.7.1.1 The Board shall meet at least once quarterly and at such additional *ad hoc* times as may be required. The Chairperson or any Director may call a meeting at any other time.

5.7.1.2 The annual work plan of the Board and schedule of Board meetings are to be prepared by Management and considered annually by the Board.

5.7.2 Participation, Declaration of Interest and Quorum

5.7.2.1 Board members will use their best endeavors to attend Board meetings and prepare thoroughly. Board members are expected to participate fully, frankly and constructively in Board discussions and to bring the benefit of their particular knowledge, experience, skills and abilities to bear in discharging their duties as directors.

5.7.2.2 Board members who are unable to attend board meetings shall advise the Chairman and the Company Secretary at an early date. The Chairman of the Board may at his discretion authorise the use of audio or video conferencing facilities to make participation in a board meeting possible should attendance in person not be possible.

5.7.2.3 Any Director or invited participants with an interest in a matter shall abstain from discussion and participating in decisions of the related matter.

5.7.2.4 The Chairman shall exercise the right to request anyone who is in attendance to leave the room if they are conflicted, or matters discussed are confidential or the deliberation may be impaired due to the presence of individuals concerned.

5.7.2.5 Unless otherwise determined by the Shareholders, a quorum for a meeting of the Board is four (4) Directors provided that the majority of those in attendance are Independent Non-Executive Directors. No business may be transacted at a meeting of the Board unless a quorum is present.

5.7.2.6 Individuals and Management in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings nor shall they have a vote on issues under discussion.

5.7.3 Agenda, Meeting Papers and Minutes

5.7.1 The Chairman must ensure with the assistance of the Company Secretary and the Group Chief Executive Officer that reasonable notice and an agenda is prepared prior to the meeting and circulated to all the Directors

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- to make proposals and shall ensure that it raises all relevant issues requiring attention in such a way and sequence that effective proceedings are facilitated.
- 5.7.2 The Company Secretary must ensure that the agenda and meeting papers are circulated to Directors at least seven (7) days before the date set down for the meeting.
- 5.7.3 The Board shall from time to time consider whether the format and content of standard Board reports and submissions are appropriate and recommend such changes to reports or submissions as would improve the Board's efficiency.
- 5.7.4 Directors may arrange with the Company Secretary to obtain access to records of Board documentation and minutes if required by them in the course of discharging their duties as directors of the Company.
- 5.7.5 Board papers and Committee meeting papers are strictly confidential and should not be availed to any unauthorized person without the express approval of the Board.

6. ROLES

6.1. Chairman

- 6.1.1. The Chairman of the Board is elected by the members of the Board at the first meeting of the year. It is the policy of the Board that the Chairman should be an Independent Non-Executive Director.
- 6.1.2. The Chairman provides leadership at Board level, represents the Board to the Shareholders and is responsible for ensuring the integrity and effectiveness of the Board and its committees. To this end the Chairman is required to among others:
- 6.1.2.1. set the ethical tone for the Board and the Company;
- 6.1.2.2. provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions while at the same time being aware of the individual duties of Board members;
- 6.1.2.3. formulate with the Group Chief Executive Officer and the Company Secretary the yearly work plan for the Board against agreed objectives and playing an active part in setting the agenda for board meetings;
- 6.1.2.4. preside over Board meetings and ensuring that time in meetings is used productively;
- 6.1.2.5. manage conflicts of interest in line with Board's policy in this respect;

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- 6.1.2.6. act as the link between the Board and Management and particularly between the Board and the Group Chief Executive Officer;
- 6.1.2.7. be collegial with Board members and Management while at the same time maintaining an arm's length relationship;
- 6.1.2.8. ensure that the directors play a full and constructive role in the affairs of the Company and taking a lead role in the process for removing nonperforming or unsuitable directors from the Board;
- 6.1.2.9. ensure that complete, timely, relevant, accurate and accessible information is placed before the Board to enable directors to reach an informed decision;
- 6.1.2.10. monitor how the Board works together and how individual Directors perform and interact at meetings;
- 6.1.2.11. mentor to develop skill and enhance Directors' confidence (especially those new to the role) and encouraging them to speak and make an active contribution at meetings;
- 6.1.2.12. ensure that all Directors are appropriately made aware of their responsibilities through a tailored induction programme and ensuring that a formal programme of continuing professional education is adopted at board level;
- 6.1.2.13. ensure that good relations are maintained with the Company's Shareholders and its strategic stakeholders, and preside over Shareholders' meetings;
- 6.1.2.14. build and maintain Shareholders 'trust and confidence in the Company;
- 6.1.2.15. maintain a regular dialogue with the Group Chief Executive Officer in respect of all material matters affecting the Company and the Group of Companies and to consult with the other Board members promptly when considered appropriate;5.1.2.16 ensure that material matters in respect of the business or governance of the Company or Group of Companies that he is aware of, are tabled at Board meetings;5.1.2.17 act as facilitator at meetings of the Board to ensure that material issues for consideration are tabled and addressed effectively to ensure optimal Board decision-making and governance;
- 6.1.2.16. be available for the Group Chief Executive Officer between Board meetings to provide counsel and advice; and
- 6.1.2.17. assist the Group Remuneration Committee and the Board in determining the performance objectives of the Group Chief Executive Officer and assess his performance against the objectives.

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6.1.3. The Chairman's ability to add value to the Company, and performance against the criteria developed shall form part of a yearly evaluation by the Board or an Independent Non-Executive Director appointed by the Board. The evaluation should take into account other external chairmanships to determine whether the Chairman has the capacity to discharge his/her duties to the Company.

6.2. Deputy Chairman

6.2.1. The Board may appoint a Deputy Chairman to assist the Chairman in the execution of his duties and any such other functions as the Board may wish to delegate to the Deputy Chairman.

6.2.2. In the absence of the Chairman the Deputy Chairman shall act as chairman at meetings of the Board.

6.3. Group Chief Executive Officer

6.3.1. The Group Chief Executive Officer is appointed by the Board on recommendation of the Group Governance, Nominations, Social and Ethics Committee. The duration of his appointment, terms of appointment and compensation are determined by the Board on recommendation of the Group Remuneration Committee. The Board is accountable to ensure, with the assistance of the Group Governance, Nominations and Social Ethics Committee, that succession plans are in place for the Group Chief Executive Officer.

6.3.2. The Group Chief Executive Officer provides executive leadership and is accountable to the Board for the implementation of the strategies, objectives and decisions of the Board within the framework of the delegated authorities, values and policies of the Company. To this end the Group Chief Executive Officer is accountable to the Board, amongst other things, to:

6.3.2.1. advise and appoint members of the Management team and ensuring proper succession planning and performance appraisals of members of the Management team in consultation with the respective Committee chairperson;

6.3.2.2. develop and recommend to the Board the long-term strategy and vision of the Company and its quantified expression by way of critical short and long-term performance and sustainability targets;

6.3.2.3. develop and recommend to the Board the capital expenditure programme of the Company;

6.3.2.4. develop and recommend to the Board the annual business plans and budgets that support the Company's long-term strategy and approach to sustainability;

6.3.2.5. ensure that the Company and Group of Companies have effective management teams and management structures;

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- 6.3.2.6. ensure that appropriate Company and Group of Companies policies are formulated and implemented;
 - 6.3.2.7. monitoring and reporting to the Group Governance, Nominations, Social and Ethics Committee and the Board the effectiveness of legal compliance controls, processes, systems and resource capacity;
 - 6.3.2.8. monitoring the performance of the Company and the Group of Companies against agreed performance and sustainability targets and reporting appropriately to the Board about such performance;
 - 6.3.2.9. establish an organisational structure and operating model for the Company and the Group of Companies to ensure effective execution of the strategy;
 - 6.3.2.10. ensure that the Company is managed in a way that reflects sustainability, good governance and control imperatives;
 - 6.3.2.11. set the tone in providing ethical leadership to the employees of the Company and creating an ethical environment;
 - 6.3.2.12. ensure that effective internal Company and Group of Companies controls, legal compliance and governance measures are deployed;
 - 6.3.2.13. ensure adherence to the relevant industry best practices standards unless there are cogent reasons for not implementing such standards and best practices; and
 - 6.3.2.14. serve as the chief spokesperson of the Company.
- 6.3.3. The Board shall annually through the Group Remuneration Committee evaluate the performance of the Group Chief Executive Officer in relation to the set targets.

6.4. Individual Directors

- 6.4.1. The Directors of the Company should lead ethically and effectively by ensuring the following:
 - 6.4.1.1. exercise their functions jointly and that no Director has authority to severally perform any act on behalf of the Company or the Board unless specifically authorized or requested by the Board or authorized nominees of the Board. Directors are jointly accountable for the decisions of the Board;
 - 6.4.1.2. to act in the best interest of the Company, to act with due care in discharging their duties as Directors, to declare and avoid conflicts of interest with the Company and the Group of Companies and to account to

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the Company for any advantages gained in discharging their duties on behalf of the Company;

- 6.4.1.3. serve the interests of the Company as a team;.
- 6.4.1.4. obtain advice about the governance of the Company and Group of Companies and Board procedures from Management and may after consultation with the Chairman obtain such external advice as they may consider necessary to properly discharge their duties to the Company;
- 6.4.1.5. attend the induction and any training programmes as may be organised by the Company;
- 6.4.1.6. that the necessary resources are in place for the Company to meet its objectives as well as establish a framework of prudent and effective controls which enables risks to be assessed and managed; and
- 6.4.1.7. adopt a stakeholder inclusive approach in the execution of their governance role and make decisions which are friendly to natural environment, society and future generations.

6.5. **Company Secretary**

- 6.5.1. The decision to appoint or remove the Company Secretary is a Board decision and the Board should empower the Company Secretary to properly fulfill his/her duties. The Board should ensure that a competent, suitably qualified and experienced person is appointed as Company Secretary of the Company.
- 6.5.2. The Company Secretary shall:
 - 6.5.2.1. be accountable to the Board;
 - 6.5.2.2. attend meetings to record proceedings of the Board meetings but shall not counted in the quorum nor take part in decision making;
 - 6.5.2.3. have an arm's length relationship with the Board;
 - 6.5.2.4. ensure that the applicable procedures, rules and regulations for the conduct of the affairs of the Board are complied with and reviewed regularly;
 - 6.5.2.5. maintain statutory records in accordance with legal requirements;
 - 6.5.2.6. provide the Board as a whole and individual Board members with detailed guidance in discharging their responsibilities in the best interest of the Company and on good governance;
 - 6.5.2.7. keep abreast of, and inform, the Board of current corporate governance developments and practice;

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- 6.5.2.8. assist the Board Committees in the discharge of their mandate;
- 6.5.2.9. assist with formulating and implementing Director induction and training programmes;
- 6.5.2.10. ensure that board charter and the terms of reference of board committees are kept up to date;
- 6.5.2.11. prepare and circulate board papers timeously;
- 6.5.2.12. assist the Board in carrying out its corporate strategy by ensuring that the Board decisions and instructions are clearly communicated to the relevant persons;
- 6.5.2.13. assist in drafting annual work plans and ensuring unhindered access to information by all Board members so that they can contribute to Board meetings and other discussions;
- 6.5.2.14. ensure that proceeding of the Board meetings are minuted and endorsed by the Board at the next Board meeting; and
- 6.5.2.15. assist with the evaluation of the Board, Committees and individual Directors.

7. GROUP COMPANIES AND DIVISIONS

- 7.1. The Company has several Subsidiaries. Each Subsidiary has a board and executive management. The Board considers it in the best interest of the Company to respect the nature of the Subsidiary businesses and the fact that these businesses are conducted through Subsidiaries that are separate legal entities.
- 7.2. As direct or indirect shareholder of these Subsidiaries, the Company exercises its shareholder rights to ensure that the Company approves material decisions of its Subsidiaries and that the Group of Companies' minimum requirements in respect of matters such as governance, internal controls, financial management, disclosure controls, risk management, legal compliances, safety and health and the environmental management, internal audit, ethics management, human capital management, information management, stakeholder relationships and sustainability are complied with. This is done through appropriate shareholders' agreements, technical services agreements where necessary and management agreements between the Company and its Subsidiaries.
- 7.3. In order to enhance and align the composition of Subsidiary boards to recommended international best practices in corporate governance the Company has established a Corporate Governance Framework for Subsidiary companies. The framework covers amongst other things aspects of board governance as covered in this Charter.

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8. DISCLOSURE AND CONFLICT OF INTERESTS

- 8.1. In terms of the Act, Directors are obliged to promptly disclose their direct or indirect interests in:
 - 8.1.1. any other company, partnership, trust or legal entity; or
 - 8.1.2. any contract or proposed contract which is of significance to the business of the Company and which is entered into or to be entered into:
 - 8.1.2.1. in pursuance of a resolution taken or to be taken at a meeting of directors of the Company or
 - 8.1.2.2. by any director or officer of the Company who has been authorized by the directors of the Company to enter into such contract.
- 8.2. Full disclosures of the above should be made in writing and be submitted to the Company Secretary who will submit it to the Group Governance, Nominations, Social and Ethics Committee and the Board at the first subsequent Board or Committee meeting. General disclosures of this nature are only effective until the end of the financial year in which the disclosures had been made. The Group Nominations Committee is required to:
 - 8.2.1. consider all declarations of interest;
 - 8.2.2. report to the Board any conflicts of interest which require specific action by the Board; and
 - 8.2.3. recommend to the Board which Directors should be categorised for governance purposes as Executive Directors, Non-Executive Directors and Independent Non-Executive Directors.
- 8.3. A Director may be removed from the Board for an enduring, material conflicts of interest with the Company or one of the Group of Companies.
- 8.4. Failure to make disclosures of interest may constitute a criminal offence in terms of the Act.

9. INSIDER TRADING

- 9.1. The shares of the Company are listed on the Botswana Stock Exchange.
- 9.2. The Company has listed medium term note programs on both the Botswana and Johannesburg Stock Exchanges.
- 9.3. Directors of the Company and of the Group of Companies are subject to insider trading restrictions.
- 9.4. Directors of the Company and of the Group of Companies are advised that there are personal statutory implications and penalties that go with any breaches that are associated with insider

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trading for which if convicted, Board membership shall be terminated as highlighted under clause 13 below. In general, the following trading restrictions apply:

- 9.4.1. Directors of the Company and of the Group of Companies can trade in the securities of the Company during an 'open period'. However trading in the securities of the Company is prohibited in the event that Board members are aware of unpublished and price sensitive information.
 - 9.4.2. Directors of the Company and of the Group of Companies are prohibited for trading in the securities of the Company during a 'closed period'.
 - 9.4.3. The 'closed period' of the Company commences from the close of business on both the interim (i.e. from 1 July)) and year end (i.e. from 1 January) up to the date of publication of the interim and final results in the print media.
- 9.5. In general, the Group Investment Committee or the Group Audit Committee are responsible for determining and recommending to the Group Board what information is 'unpublished and price sensitive'.
 - 9.6. In view of the above, Directors of the Company and its Group of Companies are required to get clearance from the Group Head of Governance and Compliance prior to any trading in the securities of the Company.

10. BOARD FEES AND DIRECTORS 'EXPENSES

- 10.1. Board members, save for Executive Directors, shall be paid such remuneration in respect of their appointment as shall be fixed by the Board from time to time.
- 10.2. The remuneration shall include sitting fees for preparing and attending Board or Committee meetings. The preparation for meetings includes going through the Board or Committee packs in order to understand the issues; also this may involve discussing and/or communicating with other Board members and Management of the Company to obtain further clarification if necessary.
- 10.3. In addition, Board members shall be paid a retainer on a regular basis based on alignment with local market conditions. The retainer covers any other official and general business related engagements that the Board members may be requested to undertake on behalf of the Company such as attendance at CSI events, monthly update meetings to communicate with Management, etc.
- 10.4. The Board and Committee fees shall be reviewed annually by the Group Remuneration Committee for alignment to local market and industry levels and adjusted accordingly to ensure that they are fair and competitive.
- 10.5. Board fees shall be denominated in Botswana Pula.
- 10.6. Where a Board member, over and above the normal Board duties, spends extra time working on a specific task or undertaking at the request of the Company, he may be remunerated

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based on a daily rate which has been set by the Board. The specific task and the estimated time to complete it should be pre-approved by the Board.

- 10.7. Accommodation and travel expenses to attend Board or Committee meetings or to carry out specific pre-approved tasks are for the account of the Company. If a Board member pays such costs, he/she will be reimbursed accordingly upon producing of relevant supporting vouchers for those expenses.

11. PERFORMANCE EVALUATION

To determine whether it is functioning effectively

- 11.1. the Board shall review this Charter annually;
- 11.2. undertake an evaluation of its performance annually taking into consideration its effectiveness and performance;
- 11.3. establish an annual work plan to ensure that all the relevant matters are covered by the agendas of the meetings planned for the year; and
- 11.4. evaluate every alternate year the performance of the Board and its members based on a methodology approved by the Board.

12. POLICY IN RESPECT OF BUSINESS RESCUE PROCEEDINGS OR OTHER TURNAROUND MECHANISMS

- 12.1. The Board should continuously monitor the solvency and liquidity of the Company and should obtain adequate assurances from Management about the solvency and liquidity of the Group of Companies.
- 12.2. As soon as the Company is financially distressed as defined in the Companies Act the Board should consider business rescue proceedings or other turnaround mechanism and implement such steps as required by King IV and the Act.

13. TERMINATION OF BOARD MEMBERSHIP

- 13.1. Further to the provisions of the Act and the Constitution, a Board member's appointment shall be terminated with immediate effect if the Director has:
 - 13.1.1. committed a material breach of his/her obligations under this Charter;
 - 13.1.2. breached his/her statutory, fiduciary or common-law duties;
 - 13.1.3. been found guilty of any fraud or dishonesty or acted in a manner which in the Board's opinion brings or is likely to bring the Company into disrepute or is materially adverse to the Company's interests;

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- 13.1.4. been convicted of criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
 - 13.1.5. been declared bankrupt or has arranged with or for the benefit of the Board member's creditors, or if a court administration order has been made against the Board member;
 - 13.1.6. been disqualified from acting as a Director by any applicable legislation or has not complied with the applicable anti-corruption and bribery policies and procedures; and
 - 13.1.7. noncompliance with the rules regarding trading in the shares of the Company;
- 13.2. Termination of appointment for Non-Executive Directors or contract of employment for Executive Directors shall result in automatic termination of a director's Board and Committee memberships.

14. GENERAL

- 14.1. This Charter is subject to the provisions of the Act, the Constitution the charters of the various Committees, the BSE Listings Rules and any other law as may be applicable.
- 14.2. The Company strives to comply with all applicable corporate governance legislation and will follow the guidance as provided by the King Code of Governance Principles 2017 (King IV).
- 14.3. The Company's corporate governance practices shall be reviewed frequently in view of changes in the Company and international best practices of corporate governance in order to proactively adapt the corporate governance practices of the Company should it be in the best interests of the Company to do so.
- 14.4. This Board Charter is considered to be an integral part of the conditions of appointment of all directors. Future letters of appointment should attach the Board Charter and specifically incorporate it by reference.

APPROVED:

SIGNED THIS 10 DAY OF JUNE 2022



CHAIRMAN



COMPANY SECRETARY