

CHARTER OF THE
BOARD OF DIRECTORS



PEERMONT

HOTELS CASINOS RESORTS

1. Introduction

- 1.1 The boards of directors of Peermont Global (Pty) Ltd, Peermont Global Holdings II (Pty) Ltd and Peermont Global Holdings I (Pty) Ltd (collectively referred to as “**the Board**”) acknowledge the need for a charter of the Board as recommended in the Code of Governance Principles for South Africa – 2009 (“King III”).
- 1.2 This Charter is subject to the provisions of the Companies Act 2008 and the memoranda of incorporation and shareholders agreements, if any, of each of Peermont Global (Pty) Ltd, Peermont Global Holdings II (Pty) Ltd and Peermont Global Holdings I (Pty) Ltd (each of which is referred to as “**the Company**” and collectively referred to as “**the Companies**”) and any other applicable law or regulatory provision. It is recorded that as the relationship of the Companies are one of wholly owned subsidiary and holding company, the boards of directors of the Companies consist of the same persons and that meetings of the boards are held simultaneously.

2. Purpose of the Charter

The purpose of this Charter is to set out the Board’s role and responsibilities.

3. Composition

- 3.1 The Board comprises a balance of executive and non-executive directors, with a majority of non-executive directors. It is recorded that that a majority of the non-executive directors are not independent directors as recommended in King III, this is due to the manner in which the Board is appointed pursuant to the agreements relating to some of the Companies.

4. Role and responsibilities

The role and responsibilities of the Board are to -

- 4.1 act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- 4.2 appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:

- 4.2.1 directing the strategy and operations of the Company to build a sustainable business, taking into consideration the short- and long-term impacts of the Company's strategy on the economy, society and the environment;
- 4.2.2 contributing to and approving the strategy;
- 4.2.3 satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
- 4.2.4 identifying key performance and risk areas;
- 4.2.5 ensuring that the strategy will result in sustainable outcomes;
- 4.2.6 considering sustainability as a business opportunity that guides strategy formulation;
- 4.3 provide effective leadership on an ethical foundation;
- 4.4 ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates;
- 4.5 ensure that the Company's ethics are managed effectively;
- 4.6 ensure that the Company has an effective and independent audit committee, if required in terms of the Companies Act;
- 4.7 be responsible for the governance of risk;
- 4.8 be responsible for information technology ("IT") governance;
- 4.9 ensure that there is an effective risk-based internal audit;
- 4.10 appreciate that stakeholders' perceptions affect the Company's reputation;
- 4.11 ensure the integrity of the Company's integrated report;
- 4.12 act in the best interests of the Company by ensure that individual members:
 - 4.12.1 adhere to legal standards of conduct;

- 4.12.2 are permitted to take independent advice in connection with their duties following an agreed procedure;
- 4.12.3 disclose real or perceived conflicts to the Board and address these accordingly;
- 4.12.4 deal in securities only in accordance with the policy adopted by the Board;
- 4.13 consider whether to commence business rescue proceedings as soon as it has reasonable grounds to believe that the Company is financially distressed;
- 4.14 elect a chairman of the Board that is an independent non-executive director or if the chairman is not an independent non-executive director, then elect a lead independent non-executive director;
- 4.15 appoint and evaluate the performance of the Group Chief Executive Officer.

5. **Standards of directors' conduct**

- 5.1 Each member of the Board must -
 - 5.1.1 not use that position, or any information obtained while acting in that position -
 - 5.1.1.1 to gain an advantage for him or herself or for another person other than the Company or a wholly-owned subsidiary of the Company; or
 - 5.1.1.2 to knowingly cause harm to the Company or a subsidiary of the Company; and
 - 5.1.2 communicate to the Board at the earliest practicable opportunity any information that comes to the director's attention, unless the director –
 - 5.2.2.1 reasonably believed that the information is immaterial to the Company or is generally available to the public, or known to the other directors;
 - 5.2.2.2 bound not to disclose that information by a legal or ethical obligation of confidentiality.

5.2 A member of the Board, when acting in that capacity, must exercise his powers and perform his functions –

5.2.1 in good faith and for a proper purpose;

5.2.2 in the best interests of the Company; and

5.2.3 with the degree of care, skill and diligence that may reasonably be expected of a person:

5.2.3.1 carrying out the same functions in relation to the Company as those carried out by that member; and

5.2.3.2 having the general knowledge, skill and experience of that director.

6. Delegation

6.1 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 -

6.1.1 formal terms of reference are established and approved for each committee of the Board;

6.1.2 each committee is appropriately constituted with due regard to the skills required by each committee;

6.1.3 the Board must a framework for the delegation of authority to the management of the Company.

7. Meeting procedures

7.1 Frequency

7.1.1 The Board must hold sufficient scheduled meetings to enable it to discharge all of its duties as set out in this charter, but subject to a minimum of four meetings per year.

7.1.2 In addition to the meetings referred to in 7.1.1, additional meetings may be held at the request of a Board member provided that due notice is given to all of the members.

7.1.3 The chairman 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.

7.2 **Attendance**

7.2.1 Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote.

7.2.2 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 chairman of the Board or to the Company Secretary.

7.2.3 The Company Secretary is the secretary to the Board.

7.2.4 If the nominated chairman of the Board is absent from a meeting, the members present must elect one of the other members present to act as chairman.

7.3 **Agenda and minutes**

7.3.1 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. The annual plan must ensure proper coverage of the matters set out in this charter, with the more critical matters to be addressed annually and other matters being addressed on a rotational basis over a three-year period.

7.3.2 A detailed agenda, together with supporting documentation, must be circulated to the members and other invitees a reasonable time prior to each Board meeting.

7.3.3 Board members must be fully prepared for Board meetings in order to provide appropriate and constructive input on the agenda items.

7.3.4 The minutes must be formally approved by the Board at its next scheduled meeting.

7.4 Meetings and quorum

7.4.1 A quorum for Board meetings is as provided for in the Company's memorandum of incorporation and/or shareholders agreement, if any.

7.4.2 Invitees to Board meetings may participate in discussions but do not form part of the quorum for Board meetings.

7.4.3 Meetings will be conducted pursuant to the provisions of the Companies Act and the memorandum of incorporation and shareholders agreement, if any, of the Company.

7.5 Evaluation

The evaluation of the Board, its Committees and individual members, including the chairman, must be performed every year.