



SUSTAINABILITY REPORT 2015



MORE THAN JUST AGRICULTURE



Senwes
village



Senwes
credit



Senwes
grainlink



TradeVantage™

“ THE SENWES GROUP HAS AN
INTEGRATED BUSINESS MODEL TO
FACILITATE ITS CORE OBJECTIVE
OF MAKING A MEANINGFUL
CONTRIBUTION TO FOOD
SECURITY IN SOUTH AFRICA IN A
SUSTAINABLE MANNER. ”





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INTRODUCTION TO SENWES

Senwes, with its roots planted firmly in Klerksdorp in the Northwest province, is one of the leading agri-business companies in South Africa and has for the past 106 years built a proud history of servicing the agricultural sector. The Senwes Group of companies is supported by three pillars - Input Supply, Financial and Technical Services and Market Access in the Northwest, Free State, Gauteng, Mpumalanga, KwaZulu-Natal, Eastern Cape, Northern Cape and Western Cape provinces. The Senwes Group has an integrated business model to facilitate its core objective of making a meaningful contribution to food security in South Africa in a sustainable manner.



Watch the 2015 Senwes Corporate Video
www.senwes.co/CorporateVideo2015

“SENWES IS ONE OF THE LEADING AGRI-BUSINESS COMPANIES IN SOUTH AFRICA AND HAS FOR THE PAST 106 YEARS BUILT A PROUD HISTORY OF SERVICING THE AGRICULTURAL SECTOR”



SENWES GROUP STRUCTURE

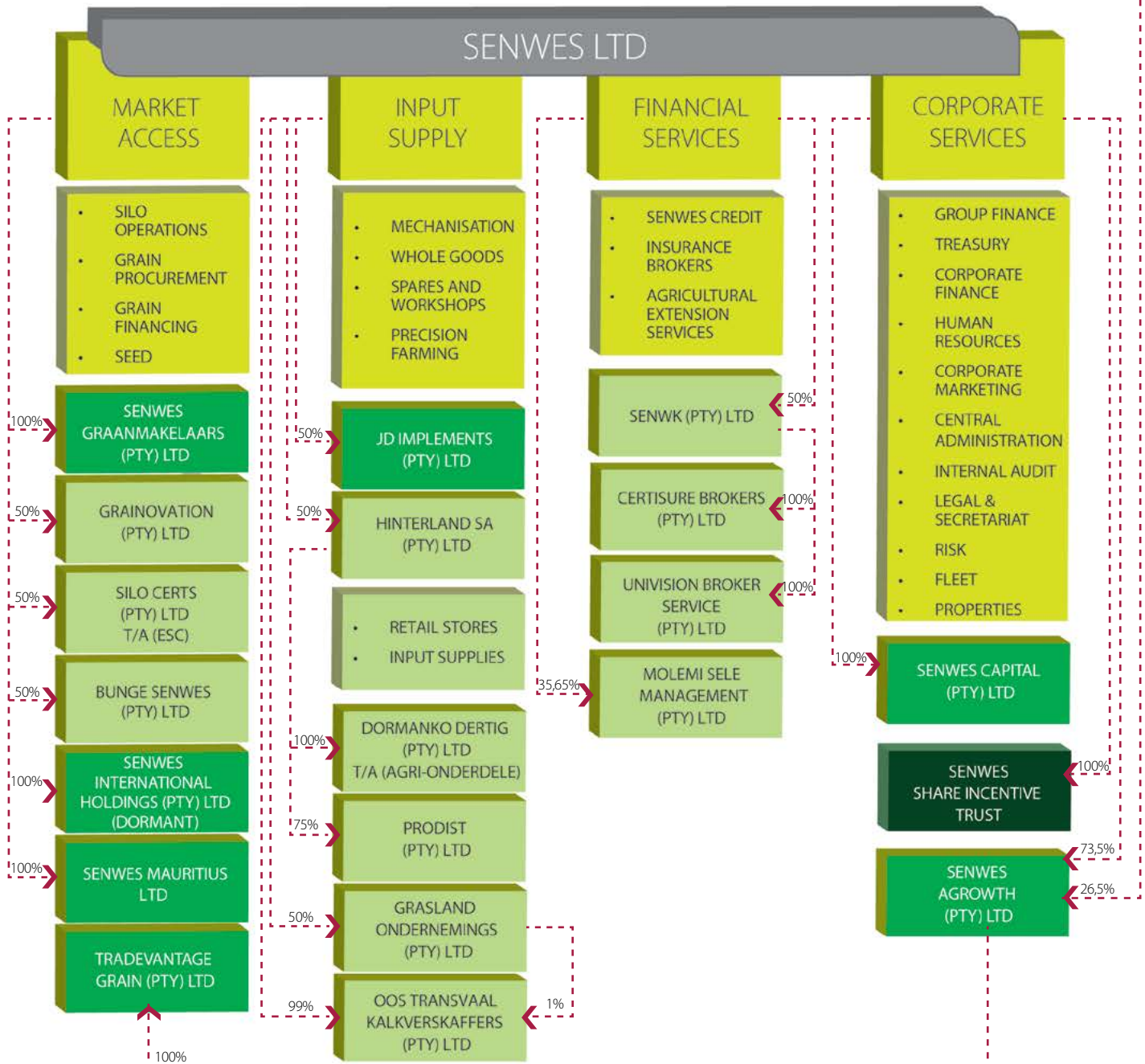


ORDINARY SHAREHOLDERS

BEE-SHAREHOLDER



SENWES LTD



■ DIVISIONS
 ■ SUBSIDIARIES
 ■ JOINT VENTURES
 ■ TRUST



ABOUT THIS REPORT

This report covers the period 1 May 2014 to 30 April 2015. Information is provided in accordance with the International Financial Reporting Standards (IFRS), the Companies Act of South Africa, No 71 of 2008 (as amended), King Code of Governance Principles for South Africa, 2009 (King III), the Department of Trade and Industry's Codes for Broad-Based Black Economic Empowerment and the Global Reporting Initiative's G4 Guidelines for sustainable reporting.

Our intention is to provide balanced and responsible reporting to our stakeholders on behalf of the Senwes Group of companies, covering an overview of financial indicators, strategy and governance.

The theme of this report is "More Than Just Agriculture" and through its content we wish to demonstrate our passionate support of and involvement in the agri-industry through innovative and sustainable solutions for all stakeholders throughout the value chain.

This report provides information to existing and future partners and stakeholders, enabling them to make informed decisions about the Senwes Group.

For a comprehensive insight into our business, this report should be read together with the sustainability report, the comprehensive corporate governance report and the annual financial statements which are available online at www.senwes.co.za.

The report covers Senwes Limited and its key operating divisions (Senwes Credit, Senwes Grainlink and Senwes Mechanisation), as well as Senwes' joint ventures, associates and subsidiaries.

The non-financial information in this report has not been subjected to an independent audit or review and has been compiled based on internal records and information in the public domain under supervision of CF Kruger, CA (SA), Group Financial Director.

Ernst & Young Inc. conducted an independent audit of the Group's annual financial statements.

This sustainability report is the responsibility of the Board and accordingly the Board accepts accountability for the integrity of the information contained herein. The Board has given due consideration to this report and is of the opinion that all material aspects have been addressed in a reasonable manner.

Danie Minnaar
Chairman
30 June 2015
Klerksdorp

Francois Strydom
Managing Director

OUR COMMITMENT AND STRATEGY

STATEMENT OF COMMITMENT

We are committed to making a meaningful contribution to sustainable livelihoods through sustainable agriculture, by providing innovative and integrated solutions to food producers and other players in the applicable phases of the food value chain.

We are also committed to creating value for all our stakeholders by conducting sustainable businesses through ethical dealings, protecting the environment and contributing to the socio-economic development of our employees and societies in which we conduct business.

THE RESULTS OF OUR COMMITMENT AND STRATEGY

- Sound return on equity
- Consistent dividend yield
- Balanced gearing ratio and cash generation

OUR VALUES



| VALUE | VALUE DESCRIPTION |
|----------------------|---|
| INTEGRITY | We do the right things for the right reasons and act in an ethical manner at all times. |
| BUSINESS ORIENTATION | All our actions are oriented towards meeting the needs and solving the problems of our customers and all our stakeholders in a professional manner. |
| SELF-MOTIVATION | We are self-motivated in the pursuit of the Company's vision, as well as the realisation of our career aspirations. |
| INNOVATION | We strive to be creative, imaginative and resourceful in seeking solutions for business challenges and meeting customer needs. |
| LOYALTY | We are loyal to Senwes and act in the best interest of the Company and its stakeholders at all times. |
| ACCOUNTABILITY | We are responsible and accountable for our actions, committed to providing complete, truthful, accurate and timely information to all our stakeholders. |





OPERATIONAL AND FINANCIAL REVIEW

CHAIRMAN'S REPORT

I am pleased to report that Senwes has performed according to expectation and operationally we have exceeded the previous year's results with relatively good growth. The second biggest grain harvest in recorded history contributed towards a good performance, with our silos handling in excess of 3 million tonnes of grain and oilseeds. The 2015 financial year started with low carry-over stock levels. We also ended the year on a difficult note as a result of severe drought conditions.

Due to Senwes' focus on innovation and consolidation and our dedicated management team, we increased our market share which resulted in additional grain flowing through the silo network. This resulted in good silo revenue.

Given the cyclical nature of agriculture, our business model is designed to maintain stability and sustainability. The previous cycle started with a record grain intake, which exerted downward pressure on prices. Towards the end of the year we entered a period underlined by a harvest which could be 40% to 50% lower than the previous year. This had an impact on several aspects of the agri-industry all the way down the value chain. During such times one's debtor book needs to be performing well in order to manage the effects of the drought. Senwes' debtor book is in a sound position to provide the needed support for our clients during the challenges brought on by harsh conditions.

INNOVATIVE SOLUTIONS

Our upgraded silos, which will allow farmers to deliver grain with a higher moisture content and enable them to harvest earlier, are a good example of our drive to develop innovative and sustainable solutions. This upgrade also allows for faster intake and off-loading of grain which, in turn, will put money in the producer's pocket faster.

Our IT-platform continues to set the trend and the latest innovations will allow the producer to monitor and trade his grain supplies on a real-time basis and to capitalise on the most advantageous premiums. We've also established a specialised division which will focus on new innovations and integrated solutions.

CONSOLIDATION IS STILL THE WAY TO GO

Food security is what drives our industry and our strategy of consolidation has been validated by the impressive performance of our joint ventures and partnerships. JDI (John Deere

Implements), Grainovation, Hinterland and Certisure have once again delivered very good results.

We will continue to explore and evaluate new ventures and markets in our quest to create more value for our stakeholders.

Unfortunately I have to announce that we have ended our partnerships with Bunge due to failure of the business model to deliver on our strategic and financial objectives. We take away from the experience a good business relationship with them, as well as a better vantage point from which to assess future opportunities, should they arise.

INVESTORS SHOW CONFIDENCE

Our two biggest shareholders, Senwesbel and Grindrod, have increased their shareholding in the company. This reflects their support of and confidence in the business and I would like to add that our relationship with our investors is on a very good level, making it a pleasure to do business with them. Together Grindrod and Senwesbel now own 72% of Senwes' shares and it is fair to say that this adds to greater stability and strength for the company moving forward.

SOCIO-ECONOMIC TRENDS

The ongoing debate in the industry about land reform challenges is an important issue and Senwes is optimistic that sustainable solutions will be found. To this end we have contributed to recommendations made to organised agriculture and the Minister via Agbiz. We have also indicated our willingness to contribute towards projects together with financial institutions in order





to ensure transformation.

We believe that the land issue is vital to the industry in terms of its sustainability. The stability of the producer and the stability of the industry are of cardinal importance to us. Our continued financing of land transactions can be viewed as our conviction that a positive and sustained solution to the land issue will be found.

NATION IN CONVERSATION

The Senwes-initiated Nation in Conversation platform launched three years ago made a significant impact this year by bringing together all the major stakeholders, including the Minister of Agriculture, during filming at Nampo.

A serious problem faced by our country is the unreliability of power supply. As an emergency measure we have had to install generators at our silos and retail outlets to ensure continuous workflow when Eskom is unable to deliver. In addition, as a Group, we have implemented key power and water saving measures and we continue to monitor our green footprint.



RESULTS

Normalised headline earnings of the Group increased by 77% to 175 cents per share due to the good grain year and a consequent rise in the silo operations income. The profit after tax is R247 million (2014: R251 million). The Bunge Senwes business model was established to address national commodity surpluses and shortages. The performance of the joint venture was poor and Senwes decided to exit the investment by the end of the financial year. Even though the market conditions for capital goods were difficult this year, the Mechanisation division managed to deliver the second highest profit in its history.



Visit www.senwes.co
NationinConversation to watch
all the Nation in Conversation
episodes.



LOOKING AHEAD

We are geared to manage the effects of the drought over the short term by optimising the management of stock levels which, by all accounts, are projected to be below the 10 million ton level in South Africa. We remain on the lookout for strategic partnerships, new markets and new commodities so as to diversify our portfolio and be less reliant on the dynamics of our current areas of business.

ACKNOWLEDGEMENT

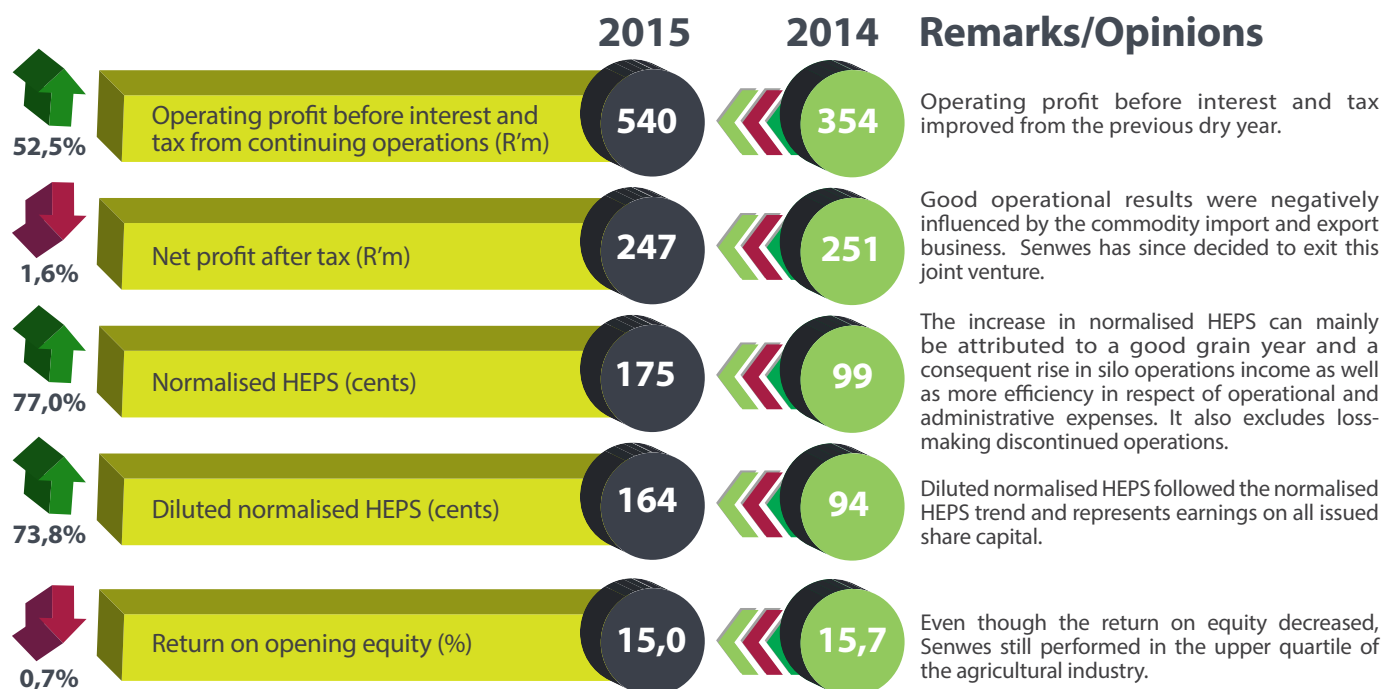
On behalf of the Board, I would like to thank all our stakeholders across the spectrum of the value chain for contributing to our success. Without the efforts of our staff, suppliers, clients, customers, business partners and government, Senwes would not be the successful agri-business that it is.

A special thank you to my fellow Board members and the Exco team for your support and guidance of the company. I would also like to take this opportunity to wish Ruwayda Redfearn a fond farewell from the Board. We will miss her positive contributions and we wish her all the best with her future endeavours. We welcome Andrew Waller from Grindrod to the Board and we are looking forward to his contributions. A special welcome to Joe Maswanganyi, who has been appointed as Executive Director: Strategy, Sustainability & Corporate Services on the Board of Senwes.

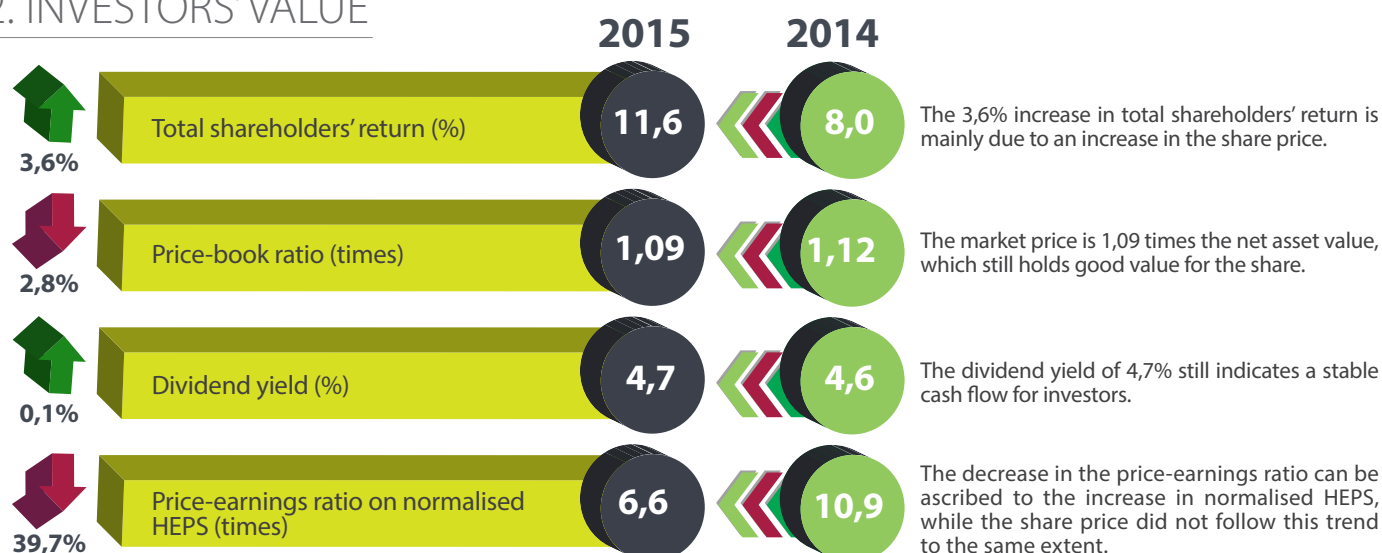
As always we honour and recognise our Heavenly Father for the blessings bestowed upon us.

Danie Minnaar
Chairman: Senwes Limited
Klerksdorp
30 June 2015

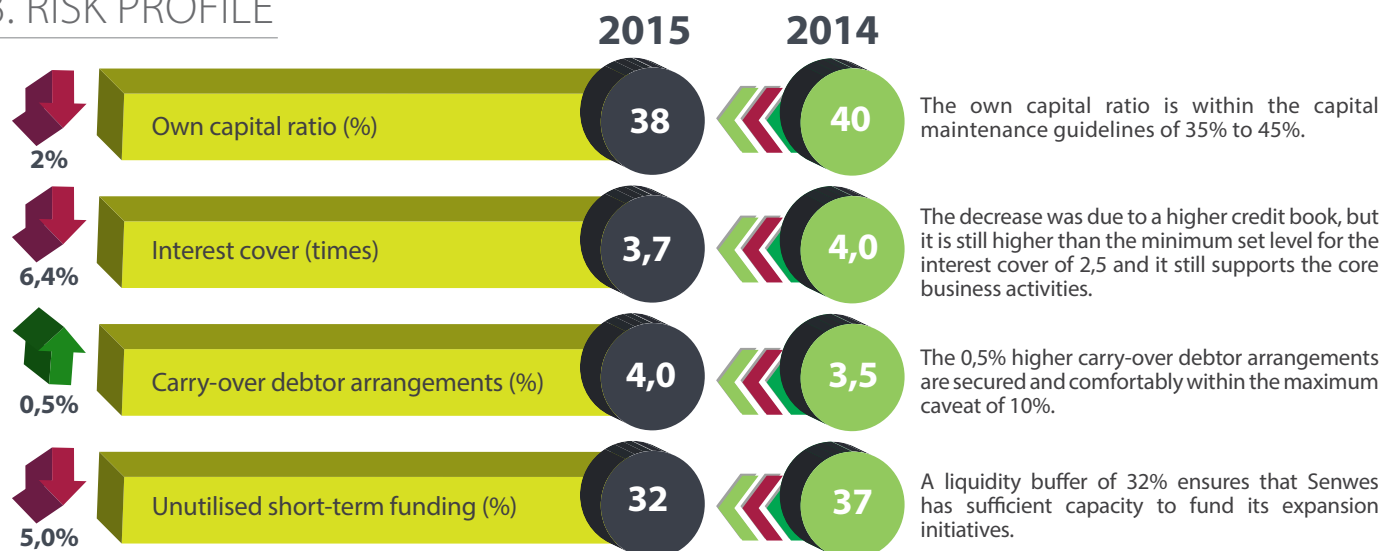
FINANCIAL HIGHLIGHTS



2. INVESTORS' VALUE



3. RISK PROFILE



THE MANAGING DIRECTOR'S REPORT

The year under review proved once again that Senwes' strategies are well-placed to handle the unpredictable nature of agri-business. Good results from operations and strategy implementations saw us performing to expectation, despite starting the year on the back of a severe drought and low carry-over volumes. However, good rains towards the end of the previous financial year came just in time and this resulted in the second biggest harvest in the history of South Africa.

The sustainability of the Senwes group is underpinned by a strategy which is geared to create value for clients and shareholders through integrated sustainable business solutions.

In 2010 we embarked on our strategy for 2020. However, it is a rolling ten-year strategy and we are already looking ahead and talking about our 2025 strategy. It is executed through passionate and committed staff who operate and manage state of the art systems and technology to maintain focus and discipline in delivering our solutions to stakeholders.

Against this background I am pleased to share our financial performance, which reflects the focus and dedication mentioned above. Our performance for the financial year ended 30 April 2015 can be described as positive in overall terms.

Our experience of more than a century has guided us through various scenarios in the agri-landscape. This puts us in the driving seat to sustain good returns for our stakeholders in any scenario. Our strategies are built around the producer and stakeholder and are geared to continually seek sustainable and profitable solutions to new and existing challenges in the agri-industry.

THE 2020 STRATEGY

With the agricultural company as the starting point, Senwes will develop profitable business and create added value throughout the value chain. Senwes' 2020 strategy includes additional investments, innovation and product development, collaboration and partnerships and further development of the Senwes brand.

Strategic actions implemented in line with the 2020 strategy can be listed as follow:

- The establishment of a specialist and focused logistics partnership in order to empower imports and exports as well as local transport needs – Grainovation with Imperial Logistics as partner.
- Consolidation of the financial services group in order to create a more sustainable platform for consolidation and expansion to other markets – Certisure with NWK as partner.
- Expansion of the John Deere mechanisation agency to the Western Cape – JDI with the Tomlinson family as partner.
- Establishment of a retail champion - Hinterland with Afgri as partner.
- Entering the wholesale market (distribution centre) – Prodist with Afgri and LRB (Mica, DIY and House of Paints) as partners.
- The repositioning of grain trading in Tradevantage in order to develop into a national grain trading agent (with sufficient BEE-credentials).
- The expansion of capacity in the lime industry and the acquiring of a bigger share in the business - Grasland with NWK as partner.
- The alignment of staff with shareholders over the long term by establishing a real share scheme.
- The alignment of and integration into the logistics value chain – the 20% shareholding by Grindrod/Remgro in Senwes Limited.
- The rolling out of a new BEE-strategy after the exit of Royal Bafokeng Holdings.
- The establishment of increased funding lines for the strategic deployment and growth of the operating balance sheets. Additional funding of R1,6 billion was established over the past two years, while R979 million was unutilised as at 30 April 2015.

THE 2025 STRATEGY

MORE INTEGRATION IN RESPECT OF THE HANDLING OF SOFT COMMODITIES

Senwes foresees more extensive participation in the logistics networks, particularly in view of inbound and outbound transport. The South African farmer is competing with prices in world markets and inefficiencies relating to road transport require a new, appropriate solution. Various role players in the value chain are already placing more focus on this aspect.

TECHNOLOGICAL QUANTUM LEAP

Senwes believes that agriculture is ready for a technological quantum leap in all facets of the producer's business. Development projects are being launched in order to ensure that the Company is strategically geared for this, which will improve the client's efficiency, productivity and decision-making ability.

JOINT VENTURES

Joint ventures are one of the success stories of the 2020 strategy and the 2025 strategy will continue building on this platform. Further consolidation via joint investments will bring about critical mass due to strategic positioning, as well as synergies in order to improve the sustainability of the business. As soon as platforms with adequate critical mass have been established, reorganisation and resultant specialisation will follow, which will reposition the business for growth.

NEW MARKETS

It is becoming clear that business SA is in the process of externalising to lower risk jurisdictions. Our objectives remain externalisation and diversification. Expansion to new markets can address both aspects at the same time.

MORE EXTENSIVE PARTICIPATION IN THE GRAIN VALUE CHAIN

Certain areas in the food production value chain have been yielding good returns over a long period of time. Senwes is attempting to increase its involvement in such areas.

INTERNATIONAL AND LOCAL TRENDS

The over-supply of soft commodities and the sharp decline in crude-oil prices have seen the international repricing of the whole soft commodity market, and it looks like this will most probably be the trend for the next two to three years. This means that both our input and market access channels may be under pressure. From the producer's point of view it will require greater influence from other business flows besides grain. The trend will also stimulate a response to the impact on our input supply chain to provide innovative and sustainable solutions, products and services.

NATIONAL TRENDS

Agriculture is likely to remain at a 3% GDP contribution level. However, agriculture's contribution to the whole value chain of the rest of the economy exceeds 20%.

One of the lessons learnt from the developed and successful economies in the world is that a common denominator is a well-developed and thriving agri-sector. In this regard we face several challenges given the current socio-economic situation, vis-à-vis high unemployment, infrastructure challenges, energy demands, food security issues, political dynamics and a shortage of skills in our sector.

It is also important to note that 62% of Sub-Saharan Africans are below the age of 25, and over 70% of the total labour force in the region is employed in agriculture. This alone contributes to more than 30% of the annual GDP. More than 60% of the population of Sub-Saharan Africa lives in the rural areas, which highlights the importance of the multiplying factor and impact that agriculture has on society.

These trends show an increase in urbanisation and higher income streams, which in turn leads to an increase in protein diets and which impacts on maize production and ultimately increases the pressure on agriculture globally.

Against this scenario, the consolidation and optimisation of the agri-sector is hugely important and will remain on our radar. In this regard geographical de-risking of our commodity and client profile remains important. International diversification to areas that provide the possibility of a rand hedge as well as shareholder income externalisation will be some of our primary focus areas going forward.

As part of our strategic vision we will explore exposure to other commodities in mitigation of risk while growing the investment portfolio of the business.

FINANCIAL PERFORMANCE

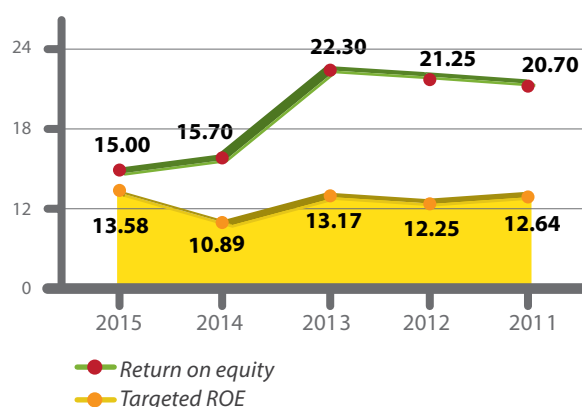
The Group's financial results for the 2014/2015 financial year reflect a profit after tax of R247 million in comparison with the previous year's profit after tax of R251 million. Profit from continuing operations shows a profit after tax of R297 million.

The increase of 77% in normalised headline earnings per share (normalised HEPS) can mainly be attributed to a good grain year and a consequent rise in silo operations income as well as more efficiency regarding operational and administrative expenses. The low grain prices until December as well as the drought that prevailed during the second part of the year, dampened the increase in normalised HEPS.

Senwes managed to maintain its own capital ratio at 38%, which is within the capital maintenance guidelines. Unutilised short-term facilities as at 30 April 2015 amount to R979 million, which provides enough liquidity for future growth.

The following are key financial ratios:

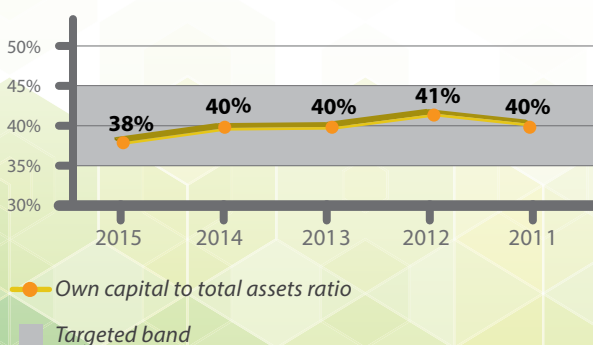
- A 77% growth in normalised HEPS, from 99 cents per share to 175 cents per share.
- Diluted headline earnings increased by 74% to 164 cents from 94 cents last year.
- Earnings per share is 0,4% lower than the previous year.
- Return on opening equity of 15%.
- An increase in net asset value of 97 cents per share.
- Dividend yield of 4,7% on opening market price, which represents a dividend of 50 cents per share.
- Total shareholders' return (capital growth + dividends) of R226 million was generated for the shareholders during the year under review.



OWN CAPITAL RATIO TARGET

An important part of Senwes' strategic platform is to maintain a stable financial base, which provides better scope for strategic choices in response to external challenges. Senwes uses the own capital ratio to measure its financial stability irrespective of the growth in the asset base. Senwes' own capital target band is between 35% and 45% of total assets, which reflects Senwes' desired financial risk profile and the Board's view of long-term financial stability.

The equity ratio was 38% as at 30 April 2015, which is 2% lower than in 2014. The marginal decrease was due to the increase business assets which form the basis of operational activities.



TARGET SETTING AND MONITORING

RETURN ON EQUITY TARGET

The Group's return target is dependent on the composition of the portfolio. The current business portfolio is estimated as having a total return on equity potential of the ten year risk free rate (R186) plus market premium over a business cycle. For the financial year the set target was 13,58%.

The actual return on equity amounted to 15% in 2015. The higher than targeted return on equity for 2015 reflects the improved earnings trend from business activities. An average return on equity of 19% was achieved over the last five years.

“AN IMPORTANT PART OF
SENWES’ STRATEGIC PLATFORM IS TO
MAINTAIN A STABLE FINANCIAL BASE,
WHICH PROVIDES BETTER SCOPE FOR
STRATEGIC CHOICES IN RESPONSE TO
EXTERNAL CHALLENGES”



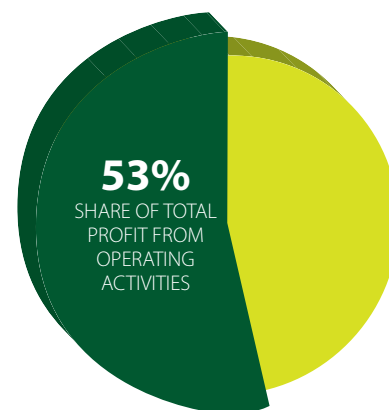
OPERATIONAL OVERVIEW: MARKET ACCESS

SENWES GRAINLINK

(A DIVISION OF SENWES)

Senwes Grainlink provides storage and handling facilities through a well-developed silo and alternative storage infrastructure. Senwes' silos handle approximately 20% of the country's grain and oilseeds in an average agricultural production year. Senwes Grainlink operates 68 grain silo complexes and 3 throughput structures. These silo complexes include 2 223 bins which receive, dry, clean and store grain and oilseeds. At full capacity we store nearly 4,6 million tonnes, which represents more than 25% of the total South African commercial storage capacity.

Senwes has streamlined the link between procurement and marketing of grain to assist the producer as well as the off-taker in maximising their turnaround time. The efficient handling of grain through our silo complexes is underpinned by a combination of proven experience, industry knowledge and the application of reliable and innovative technology. Grain trading is managed through 1 trading office as well as 18 procurement offices. Customised contracts and trading solutions allow for full optimisation of the harvest to secure maximum returns for the producer. Services are also rendered to the grain off-taker in order to ensure that his raw material supply requirements are addressed.



OPERATIONAL PERFORMANCE

Senwes Grainlink's results were influenced by two major opposing factors namely the very good crop received and the poor financial performance of the international trading business. The net result for this division increased by 147%.

Despite a very low carry-over crop from the previous season, the bumper harvest collected during the current financial year ensured an increase in volumes of 63,4%.

Senwes Grainlink's investment in technology and infrastructure at its silos also resulted in an increase in market share due to a more attractive value proposition to clients.



TRADEVANTAGE

(SUBSIDIARY OF SENWES)

73.5
PERCENT
SHAREHOLDING

Grain trading is done on a national basis through Tradevantage, which is positioned to serve the local market and to participate in exports and imports.

OPERATIONAL PERFORMANCE

Tradevantage performed according to expectation with regards to volume and financial targets and after a year of trading, it has successfully established itself as a recognised brand in a very competitive market sector.

GRAINOVATION

(JOINT VENTURE WITH IMPERIAL LOGISTICS)

50
PERCENT
SHAREHOLDING

Grainovation provides logistical services for the procurement and trading of grain and oilseeds.

OPERATIONAL PERFORMANCE

Grainovation performed well and handled the biggest volumes in its history and was successful in the growth of its market share.

ELECTRONIC SILO CERTIFICATES (ESC)

(JOINT VENTURE WITH AFGRI)

50
PERCENT
SHAREHOLDING

Senwes increased its shareholding in ESC to 50%. ESC traded 16 123 silo certificates nationally this year.

POSITIONING OF THIS PILLAR

Set up between the farm gate and the grain off-taker to provide logistics, handling, storage, procurement, hedging and marketing of grain and oilseeds.

STRATEGIC OBJECTIVES OF THE MARKET ACCESS CHANNEL

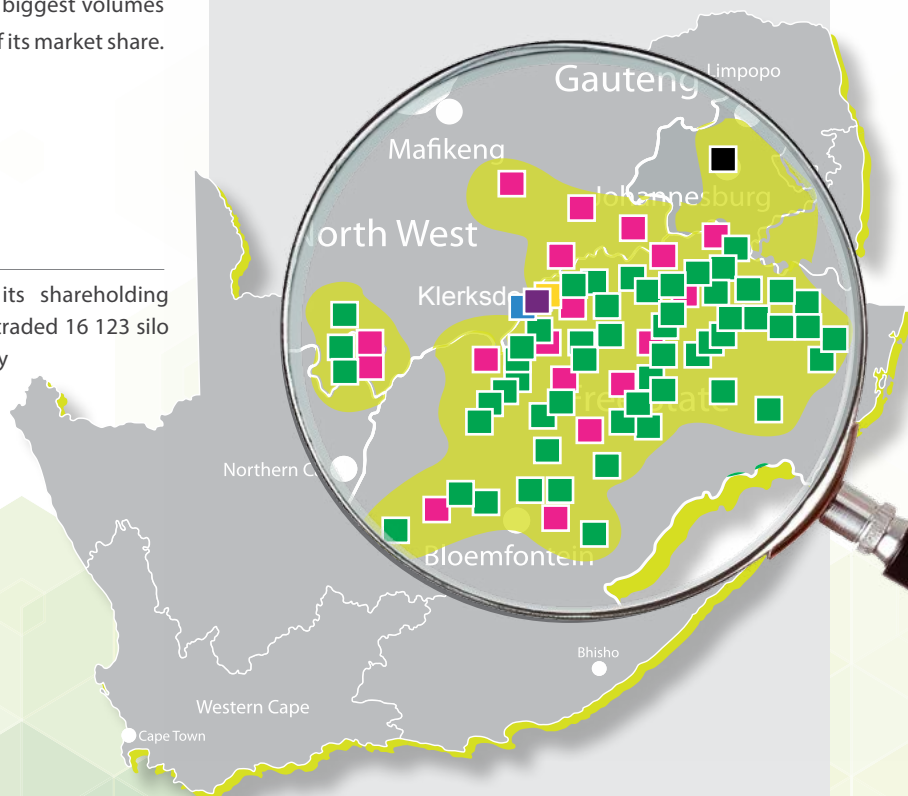
An integrated solution for the producer and grain off-taker to enhance market access and pricing solutions.

MARKET ACCESS

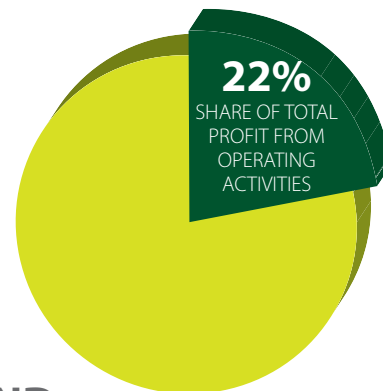
| | 2015 R'm | 2014 R'm |
|---------|-------------|-------------|
| Revenue | 6 985 | 9 889 |
| Cost | 6 775 | 9 804 |
| Profit | 210 | 85 |
| ROCE | 31% | 15% |

GEOGRAPHIC FOOTPRINT

- Handling and Storage
- Seed Processing
- ESC
- Tradevantage
- Grainovation
- Procurement Offices



OPERATIONAL OVERVIEW: INPUT SUPPLY



SENWES MECHANISATION

(A DIVISION OF SENWES)

Senwes Mechanisation is responsible for the supply of mechanisation equipment and maintenance services. This supply channel matches the quality of its equipment - from tractors and planters to combine harvesters and other agricultural equipment with sustainable support and unequalled after-sales service. Senwes Village Mechanisation is truly the farmer's partner in increasing profits and lowering input costs through precision farming, especially in a volatile labour market. Senwes is also the exclusive agent for John Deere in central South Africa, supplying whole goods, spare parts and rendering workshop services from 25 outlets and 14 mechanisation workshops.

OPERATIONAL PERFORMANCE

The positive growth due to the good pre-planting rains was affected by the drought conditions towards the end of the year under review. However, robust activity in the workshops and especially in spare parts sales enabled us to meet our targets. Spending in respect of capital goods remains high on the list of priorities of the producer, especially due to the unpredictability of the labour situation and the risks associated with it.

Mechanisation market share decreased by 2,5% from 32,5% to 30%. The decrease in total market share is due to more aggressive competition by several other brands in this specific market. However, we currently enjoy a good market share in the higher John Deere kilowatt range. This unit delivered a growth of 11%, which is sound, taking into account the drought challenges towards the end of the year.

HINTERLAND

(JOINT VENTURE WITH AFGRI)

50
PERCENT
SHAREHOLDING

Hinterland was established in 2013 and is responsible for supplying input requirements to agricultural producers and the provision of, inter alia, a variety of hardware and convenience products to the general public, such as irrigation equipment, DIY, hardware, veterinary medicine, animal feed and

fuel. Hinterland has 60 retail outlets, 7 fuel stations, 5 forecourt convenience stores and 1 supermarket.

OPERATIONAL PERFORMANCE

Now in its second year of existence, Hinterland remains on an upward trajectory reflecting growth of 134% in profit, having successfully navigated the challenges of system and culture integration which are intrinsic to the creation of a joint venture. Although the Senwes Village Mechanisation business does not form part of the Hinterland joint venture, it still remains part of an integrated product and service offering to the customers in the Senwes Village value proposition.

The Hinterland footprint has been extended to the Eastern Highveld, the Lowveld and KwaZulu-Natal as a result of the joint venture.

The financial year under review saw the company face a challenging planting season which was put under pressure by rainfall not occurring at the right time. The late rains impacted negatively on the traditionally high sales month of February and resulted in downward pressure on our bottom line towards the end of the year.

JD IMPLEMENTS

(SUBSIDIARY OF SENWES WITH TOMLINSON FAMILY)

50
PERCENT
SHAREHOLDING

Senwes Mechanisation's footprint as an exclusive John Deere agent has been expanded to the Western and Eastern Cape through a partnership with JD Implements. JD Implements conducts its business through five outlets.

OPERATIONAL PERFORMANCE

JD Implements has yet again performed exceptionally well. The main challenges are regional expansion and optimisation of the business model.

PRODIST

(JOINT VENTURE WITH AFGRI AND LRB)

37.5
PERCENT
SHAREHOLDING

Prodist is a wholesale distributor of agricultural requirements, hardware, general merchandise and irrigation products. It is focused on the development of an efficient channel of supply into the agri-business and hardware retail store markets in South Africa and neighbouring countries.

Through distribution centres in Johannesburg and Bethlehem, Prodrist imports bulk products which are then repackaged and distributed to retailers.

OPERATIONAL PERFORMANCE

Prodrist is the group's bulk warehousing solution and similar to Hinterland, it is focused on top line growth and optimising efficiencies. The brand is also making notable market share inroads. Prodrist's performance is progressing slower than projected, but moving in the right direction.

GRASLAND ONDERNEMINGS

(JOINT VENTURE WITH NWK)

50
PERCENT
SHAREHOLDING

Grasland is an agricultural lime production and marketing enterprise. Its mining operations consist of 4 lime mines in the Northwest province which supply dolomite and calcite agricultural lime, mainly to farming operations.

OPERATIONAL PERFORMANCE

Despite being under volume pressure due to the same dynamics experienced by all input channels, the joint venture still delivered positive results. We have made management changes at Grasland with a view to creating a new and more diverse strategy for the lime resources at our disposal.

POSITIONING OF THIS PILLAR

Well-positioned through retail networks, marketing structures and product ranges to meet agricultural and public retail and mechanisation needs.

STRATEGIC OBJECTIVES OF THE INPUT SUPPLY CHANNEL

To be the supplier of preference to agricultural producers in respect of all their input requirements.

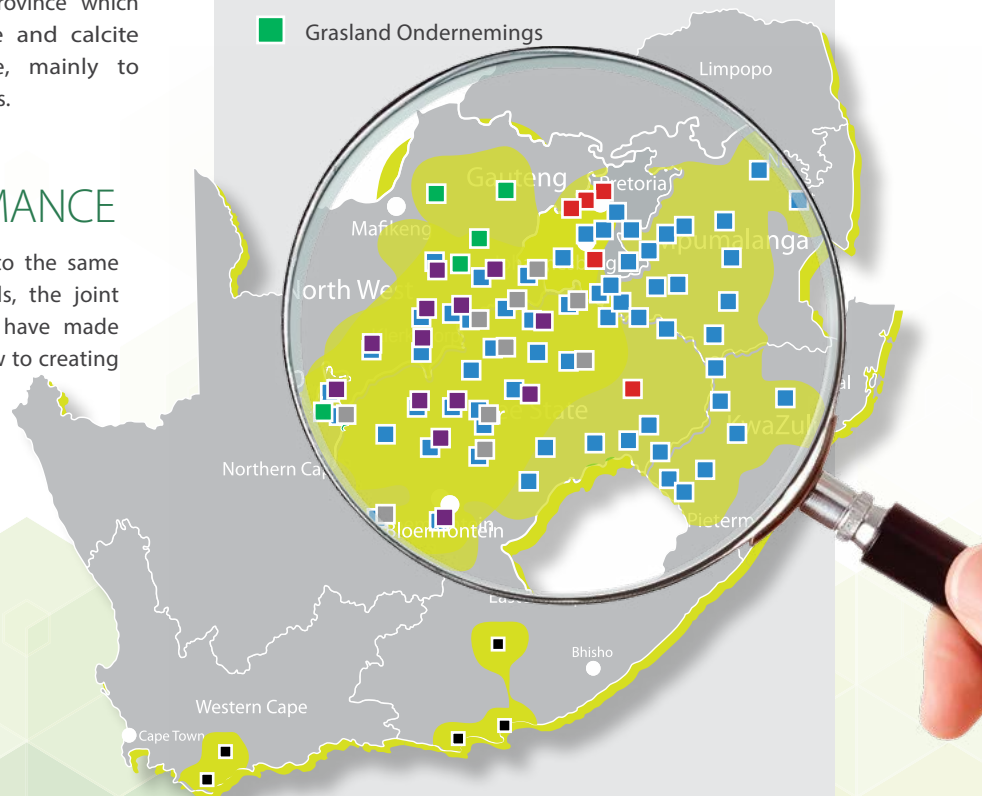
INPUT SUPPLY

| | 2015 R'm | 2014 R'm |
|-------------------|-------------|-------------|
| Revenue* | 1 463 | 1 552 |
| Cost | 1 374 | 1 472 |
| Profit | 89 | 80 |
| Net profit margin | 6% | 5% |
| ROCE | 30% | 40% |

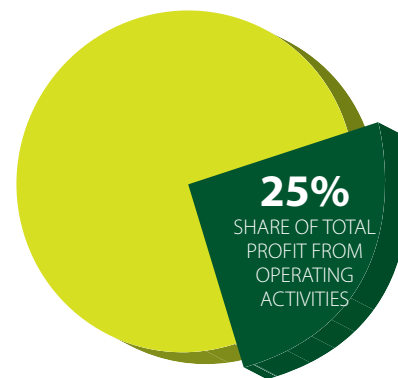
*Revenue of joint ventures excluded.

GEOGRAPHIC FOOTPRINT

- Hinterland
- Prodrist, Farm City and Dormanko
- Senwes Mechanisation Workshops
- Senwes Mechanisation Whole Goods and Spare Parts
- JD Implements
- Grasland Ondernemings



OPERATIONAL OVERVIEW: FINANCIAL SERVICES



SENWES CREDIT

(A DIVISION OF SENWES)

Senwes Credit provides credit to its clients through production loans, monthly accounts, credit arrangements of a long-term nature and hire-purchases. Financial arrangements also occur with the off-takers of grain so as to create bridging finance for the operational costs of their businesses. Senwes Credit, through its Agricultural Services division, also renders services to producers in the field of agronomy, soil technology and animal science to optimise their operations.

Our product offering is competitive in terms of its features and pricing, but we distinguish ourselves from other financial service providers through our agility, sustainable solutions, close relationships and fast turn-round times.

OPERATIONAL PERFORMANCE

The substantial drop in commodity prices due to the record harvest resulted in a decline of approximately 40-50% in farming income when compared to a normal season. In effect it had a similar impact as experienced due to the previous season drought. This again resulted in slow repayment of the credit book but also higher credit margins. The debt is supported by strong balance sheets and the arrears were normalised to 4,0% (2014: 3,5%) of the total book by the end of April 2015.

The credit book grew by 10,9% on average year-on-year and this contributed to a 27% increase in net profit. The profit share of Senwes Assets Finance represents a 21% increase compared to the 2014 financial year.



CERTISURE

(JOINT VENTURE WITH NWK)

50
PERCENT
SHAREHOLDING

Certisure Brokers is a joint venture between Senwes and NWK and is focused on supplying various tailor-made insurance products to producers, clients and the general public and the rendering of broker and administrative services to address our clients' risk needs.

OPERATIONAL PERFORMANCE

Despite the drought and pressure from producers to decrease their insurance premiums, Certisure managed to maintain its margins. The geographic expansion of the insurance business in conjunction with NWK increased the sustainability and growth potential of the Group.

MOLEMI SELE

(ASSOCIATE COMPANY WITH AFGRI AND NWK)

35.6
PERCENT
SHAREHOLDING

The newly established Molemi Sele Management is the owner of a cell captive for credit life insurance within Guardrisk Life.

GEOGRAPHIC FOOTPRINT

- Certisure Brokers
- Molemi Sele
- Senwes Credit



POSITIONING OF THIS PILLAR

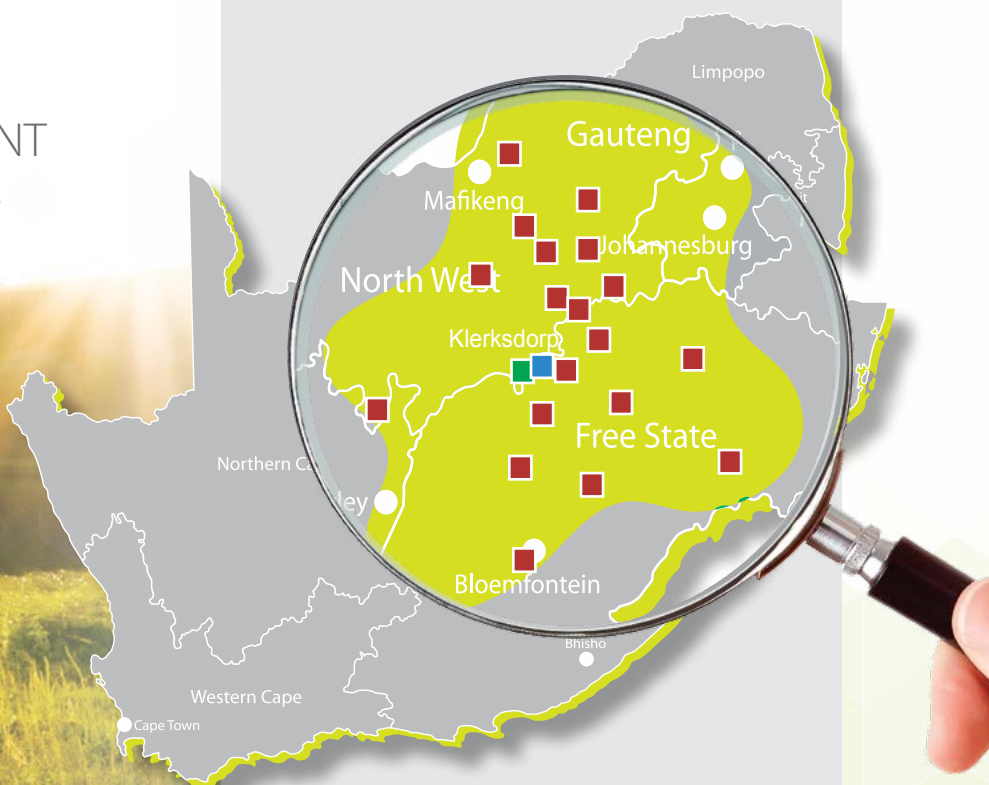
- Finance link between agricultural producers and other Senwes operational activities.
- Finance link between the grain off-taker and Senwes Grainlink and TradeVantage.
- Expert advice on production practices and input planning.
- Insurance

STRATEGIC OBJECTIVES OF FINANCIAL SERVICES

The availability of effective and customised financing products to enable the producer and the grain off-taker to manage their business in an optimal manner to the advantage of all stakeholders. To provide value-added insurance products and services to the core activities of Senwes and to support the business at various levels.

FINANCIAL SERVICES

| | 2015 R'm | 2014 R'm |
|------------|-------------|-------------|
| Revenue | 219 | 170 |
| Cost | 120 | 75 |
| Profit | 99 | 95 |
| Net Margin | 3,8% | 4,1% |



FUTURE PROSPECTS AND CHALLENGES

The effects of the severe drought conditions in 2015 will most probably reflect in the Group's performance of the new financial year. Downward pressure is likely to be experienced on grain handling and storage income due to decreased volumes, which are expected to be lower than the previous year. However, the higher carry-over stock levels should help to mitigate some of that risk.

The average producer will probably not be as profitable from a net farming income base and this will have an impact on the spending capacity on capital goods. This could lead to negative pressure being brought to bear on our mechanisation business unit. The overall conditions will also influence the collections of the debtor book towards the end of August 2015.

The Group expects that a combination of the above conditions will have a negative influence on results towards the end of the next financial year and this will result in the balance sheet having a slower turnover.

As a Group our top priority going forward is to ensure that we meet the challenges that lie ahead with innovative and sustained solutions, aligned with our strategic objectives.

External elements which could affect the business are industry-related macro-economic global variances; while locally, the general decline in socio-economic conditions is an area of concern.

Our efforts will be geared towards strengthening operational controls and efficient execution of strategy as well as accelerated innovation to enhance our clients' profitability.

From a strategic point of view it is still our expectation that greater integration and collaboration are the best ways of reducing ever-increasing operational costs. There is also a chance that an international player will take up a stronger and more extensive role in the market, which will bring about particular alliances.

The over-supply of food producers, coupled with high commodity prices, could create unusual pressure on the industry and a restructuring or "right sizing" of the industry is not impossible.

However, all necessary efforts will be made to mitigate the potential negative impact of these factors on the performance of the Group, whilst at the same time seeking new avenues to improve profitability and create sustainable value for our stakeholders.



Listen to Francois Strydom (Managing Director, Senwes) commenting on the Senwes' 2014/2015 financial year.
www.senwes.co/Francois2015

ACKNOWLEDGEMENTS

I would like to convey my sincere thanks and appreciation for the continued support of all our stakeholders, our business partners, joint venture partners and our staff complement who have again excelled in their commitment and ownership. Special thanks also to the Exco who never shirk from their responsibilities and accountability. The board structures as represented by the committees have done their work exceptionally well and play a vital role in the success of the Company.

The different board committee chairmen have developed and performed their responsibilities with extreme care and insight. The chairman and vice-chairman of the Board are totally committed to the Company and have performed their responsibilities with excellence.

Each of Senwes' clients, big or small, is the sole reason for the Company's existence. Senwes does not exist because of any other internal or external factors. Providing innovative and sustained solutions for our customers is the primary reason for our existence and will continue to remain our focus.

The guidance of our almighty God is evident in the way the Company and its employees perform their daily tasks.



Francois Strydom
Managing Director
30 June 2015
Klerksdorp



CORPORATE GOVERNANCE

OUR BOARD OF DIRECTORS



JDM (DANIE) MINNAAR

CHAIRMAN

- Director since September 1999
- Qualifications: B.Com
- Membership of board committees: Nomination (Chairman) and Investment
- Ex officio-member of all board committees

Other important directorships: Senwesbel Ltd



F (FRANCOIS) STRYDOM

MANAGING DIRECTOR

- Director since June 2002
- Qualifications: B.Sc Agric (Hons) (Animal Science)
- Membership of board committees: Risk

Other important directorships: Director of various companies in the Senwes Group and related companies. He is also a council member of the North-West University and Agbiz.



ZBM (ZARINA) BASSA

- Director since June 2011
- Qualifications: B.Com (Acc), Higher Diploma (Accountancy), CA (SA)
- Membership of board committees: Audit and Remuneration

Other important directorships: Financial Services Board, Investec Bank, Investec Ltd and Investec Plc; Vodacom Ltd, Yebo Yethu Ltd, Kumba Iron Ore Ltd, Sun International Ltd, Woolworths Holdings Ltd, Oceana Ltd.



SF (STEVE) BOOYSEN

VICE-CHAIRMAN

- Director since October 2010
- Qualifications: B.Compt (Hons) (Acc), D. Com, CA (SA)
- Membership of board committees: Audit (Chairman), Investment (Chairman), Nomination and Remuneration

Other important directorships: Efficient Group Ltd, Steinhoff Ltd, Clover Ltd, Vukile Properties Ltd



JBH (JAMES) BOTHA

- Director since October 2009
- Qualifications: B.LC.LLB and HDip (Tax)
- Membership of board committees: Audit and Social & Ethics (Chairman)



AJ (DRIES) KRUGER

- Director since October 2007
- Qualifications: B.Compt (Hons) (Acc), CA (SA)
- Membership of board committees: Audit, Investment and Nomination

Other important directorships: Senwesbel Ltd



CF (CORNÉ) KRUGER

FINANCIAL DIRECTOR

- Director since August 2010
- Qualifications: B.Com (Hons) (Acc), CA (SA)
- Membership of board committees: Risk

Other important directorships: Director of various companies in the Senwes Group and other related companies.



NDP (NICO) LIEBENBERG

- Director since August 2008
- Qualifications: B.Com (Hons), M. Sustainable Agriculture
- Membership of board committees: Remuneration (Chairman), Risk (Chairman) and Audit

Other important directorships: Senwesbel Ltd



J (JOE) MASWANGANYI

DIRECTOR STRATEGY, SUSTAINABILITY AND CORPORATE SERVICES

- Director since December 2014
- Qualifications: B.Com, Post-Graduate Diploma Business
- Membership of board committees: Social & Ethics

Other important directorships: Director of various companies in the Senwes Group and other related companies.



JJ (JACO) MINNAAR

- Director since August 2011
- Qualifications: B.Eng. (Agriculture)
- Membership of board committees: Risk and Remuneration

Other important directorships: Senwesbel Ltd, executive committee and top management of Grain SA.



TF (TOM) VAN ROOYEN

- Director since November 2013
 - Qualifications: B.Sc Agric. (Hons) (Agricultural Economics)
 - Membership of board committees: Social & Ethics and Risk
- Other important directorships: Senwesbel Ltd



WH (THABO) VAN ZYL

- Director since August 2012
 - Qualifications: B.Sc Agric (Agricultural Economics)
 - Membership of board committees: Risk and Social & Ethics
- Other important directorships: Senwesbel Ltd



AG (ANDREW) WALLER

- Director since December 2014
- Qualifications: B.Com (Hons) (Acc), CA (SA)
- Membership of board committees: Investment

Other important directorships: Grindrod Ltd, Grindrod Travel (Pty) Ltd, Grindrod Management Services (Pty) Ltd

GROUP SECRETARY



EM (ELMARIE) JOYNT

COMPANY SECRETARY AND CHIEF LEGAL COUNSEL

- Appointed in February 2002
 - Qualifications: B.Com (Law), LLB, FCIS, FCIBM, Attorney and Notary of the High Court
- Other: Trustee of a trust in the Senwes Group.



CORPORATE GOVERNANCE, STRUCTURES & PRACTICES

COMPLIANCE WITH KING III

The Senwes Group ("the Group") and the Board of Directors ("the Board") of Senwes and its related parties conduct the business according to the highest standards of corporate governance and in the interest of all stakeholders. The Groups' corporate best practices as contained in charters, policies and operating procedures and the application of these are regularly tested against the practical realities and execution.

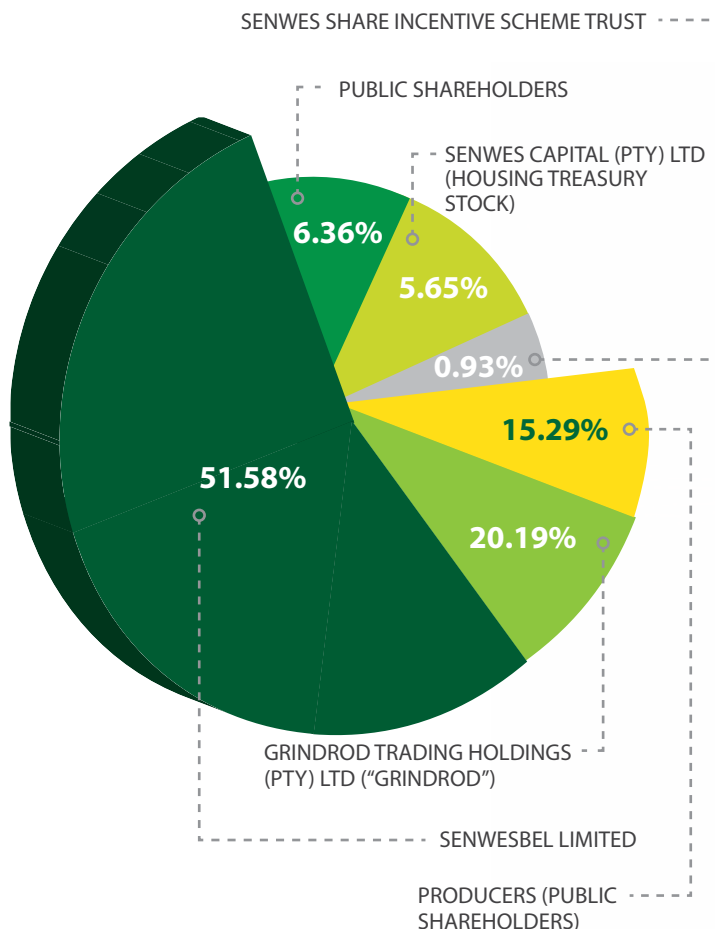
The principles and practical application of King III are applied and are in place throughout the Group and are operating well. The Board is satisfied that the Group complies substantially with the provisions and recommendations of King III and the adopted Governance Frameworks.

The Group elected not to apply the following King III principles given the current shareholder structure:

- The non-executive Chairman of the Board, is not an independent director but is supported by a strong independent non-executive vice-chairman;
- The Board does not comprise of a majority of independent directors;
- The chairman of the Board is the chairman of the Nomination Committee;
- The Chairman of Remco is not independent, but a non-executive director.

SHAREHOLDER STRUCTURE

As indicated below the shareholder structure dictates the composition of the Board and is as follows:



The two major shareholders have a long-term strategic view of the Group and enjoy the major representation on the Board.

THE BOARD OF DIRECTORS

The pursuit of managing the Group and the Company in accordance with good corporate governance practices still applies and the Board, comprises of 13 members as indicated below:

| SHAREHOLDER: | BOARD MEMBERS |
|-------------------------------------|-----------------|
| SENWESBEL LIMITED | 6 |
| GRINDROD | 1 (1 alternate) |
| TOGETHER WITH: | |
| INDEPENDENT NON-EXECUTIVE DIRECTORS | 3 |
| EXECUTIVE DIRECTORS | 3 |

The fact that strong independent non-executive directors have been appointed to the Board, together with the balance of a strong executive team, ensures that no single individual can exercise undue influence on the decision-making process of the Board.

During the year under review the following changes occurred in the board membership:

- Ms. Ruwayda Redfearn, representing Grindrod resigned due to ill health and Mr. Andrew Waller, the Financial Director of Grindrod, was appointed in her stead;
- Mr. Khutso Mampeule resigned from the board given other commitments; and
- The executive team of the board was also enhanced with the appointment of Mr. Joe Maswanganyi as the Executive Director responsible for Strategy, Sustainability and Corporate Affairs.

Directors are nominated and elected by shareholders and provision has been made for rotation in terms of a staggered rotation programme in terms of which no board member's-term of office may exceed three years. Directors are appointed, subject to re-election, by the shareholders in accordance with the Companies Act and the Memorandum of Incorporation ("MOI").

The composition and the performance of the Board, directors and committees are carefully scrutinised by the Nomination Committee. Shareholders are provided with information about directors to enable them to make an informed decision regarding their election. Reappointment of non-executive directors is not automatic.

A formal evaluation process was conducted again during the year under review and the Board expressed its satisfaction with the performance of its members and the committees via the Nomination Committee. It was confirmed that the Board Committees in particular contribute significantly to the Board being able to attend comprehensively to the matters of the Group as they ensure that detailed oversight takes place, disclosure with integrity occurs and risk management is done in a diligent manner. Chairmen of the Board Committees report comprehensively to the Board to ensure that the functions of the Committees are executed in accordance with its written mandates.

Written mandates and authorities have been put in place by the Board for itself in the Board Charter and the Board Committees, in terms of which certain powers have been reserved for the Board only as the highest decision-making authority, thereby ensuring that the Board address all of its responsibilities towards the Group.

BOARD MEETINGS AND ATTENDANCE OF BOARD MEETINGS

The Board meets quarterly and during the year under review 2 meetings were held with specific focus on strategy and the strategic financial plans for the Group. In addition the Board also visited some of the operational joint venture businesses of the Group. Through the Nomination Committee the Board also adopted and implemented a formal orientation programme and encouraged board members to attend courses and conferences at reputable higher education institutions.

The Board is serious about the matters of the Company and meetings are well-attended, as can be seen from the following table:

| Name of director | Board | Audit Committee | Risk Committee | Remuneration Committee | Nomination Committee | Investment Committee | Social & Ethics Committee |
|---|-------|-----------------|----------------|------------------------|----------------------|----------------------|---------------------------|
| Number of meetings | 6** | 3 | 4 | 4 | 3 | 1 | 1 |
| Non-executive: | | | | | | | |
| JDM Minnaar (Chairman) | 6/6 | - | - | 4/4 | 3/3 | 1/1 | - |
| ZBM Bassa | 6/6 | - | - | 3/4 | - | - | - |
| SF Booysen (Vice-Chairman) | 6/6 | 3/3 | - | 4/4 | 3/3 | 1/1 | - |
| JBH Botha * | 6/6 | 3/3 | - | 2/2 | - | - | 1/1 |
| AJ Kruger | 6/6 | 3/3 | - | - | 3/3 | 1/1 | - |
| NDP Liebenberg | 6/6 | 3/3 | 4/4 | 4/4 | - | - | - |
| KI Mampuele (resigned 29 August 2014)* | 2/2 | - | 2/2 | - | - | - | 1/1 |
| JJ Minnaar | 6/6 | - | 4/4 | 4/4 | - | - | - |
| R Redfearn (resigned 5 December 2014) * | 2/4 | - | 1/2 | - | - | - | - |
| TF van Rooyen | 6/6 | - | 4/4 | - | - | - | 1/1 |
| WH van Zyl | 6/6 | - | 4/4 | - | - | - | 1/1 |
| AF Waller (appointed 5 December 2015)* | 1/2 | - | - | - | - | - | - |
| Executive: | | | | | | | |
| F Strydom | 6/6 | - | 4/4 | - | - | - | - |
| CF Kruger | 6/6 | - | 4/4 | - | - | - | - |
| J Maswanganyi* | 2/2 | - | - | - | - | - | - |

(* Not a member of the Board/Committee for a full year)

(** Includes strategic sessions)

THE ROLE AND FUNCTION OF THE CHAIRMAN

The Chairman is a non-executive director who is appointed by the Board on an annual basis. Mr Danie Minnaar has successfully taken up this role and has been able to guide the Board and the Group in a highly efficient manner. The office of the Chairman and the Managing Director are separate with segregated duties.

Although not an independent chairman as defined in King III, the Board and Mr Minnaar's fellow directors are of the view that, given the shareholder structure and his vast experience within the commercial agricultural sector, it is appropriate for him to chair the Board. He has empowered the individual board members and board committees as to truly take charge in dealing with the extensive workload of the board.

The Chairman is supported by the Vice-chairman, Mr Steve Booysen, who is also the chairman of the Audit and Investment Committees.

THE ROLE AND FUNCTION OF THE MANAGING DIRECTOR AND EXECUTIVE COMMITTEE

The Company's daily corporate and management functions are dealt with by the Managing Director.

The duties of the Managing Director are to execute the strategies and policies, as approved by the Board, to manage the business and to execute all instructions of the Board. The Managing Director is supported by a management team of 13 members, which form the Executive Committee.

CONFLICT OF INTERESTS

Personal interests of directors are being monitored and reported. Formal declaration of interests is a standing agenda item on the boards of the joint venture companies as well. Board members and senior management are required to disclose their personal interests and other directorships as indicated in the table below.

They have unrestricted access to the Company Secretary, who provides guidance and advice in relevant circumstances and may also seek independent advice at the cost of the Company regarding the business of the Group.

Share trading takes place in terms of a formal Code of Conduct for the trading of shares in the Group. During the year under review trading was regulated as follows:

| DATE | STATUS OF TRADING | REASON |
|-------------------|-------------------|---|
| 30 April 2014 | Closed | Group under cautionary announcement since 1 November 2013 |
| 16 July 2014 | Open | Withdrawal of cautionary announcement |
| 30 September 2014 | Closed | Preparation of interim financial statements |
| 5 December 2014 | Open | Announcement of interim financial results and dividends |
| 31 March 2015 | Closed | Preparation of annual report |
| 30 June 2015 | Open | Publication of annual financial statements |

The personal interest of the current Board members in the Group are disclosed in the table below:

| Name | 2015 | | | | 2014 | | | |
|-----------------------|--------------------|----------------|------------|--------|--------------------|----------------|------------|--------|
| | Direct | | Indirect* | | Direct | | Indirect* | |
| | Shares | % | Shares | % | Shares | % | Shares | % |
| Non-executive | | | | | | | | |
| AJ Kruger | 137 386 | 0.08% | 685 062 | 0.31% | 137 386 | 0.08% | 633 098 | 0.35% |
| NDP Liebenberg | - | - | 781 029 | 0.43% | - | - | 770 073 | 0.43% |
| JDM Minnaar | - | - | 8 808 865 | 4.87% | - | - | 7 870 500 | 4.35% |
| JJ Minnaar | - | - | 3 231 081 | 1.79% | - | - | 3 147 254 | 1.74% |
| TF van Rooyen | 29 250 | 0.01% | 139 944 | 0.08% | 24 140 | 0.01% | 72 556 | 0.04% |
| WH van Zyl | 38 384 | 0.02% | 6 035 311 | 3.34% | 38 384 | 0.02% | 5 615 334 | 3.11% |
| Executive | | | | | | | | |
| F Strydom | - | - | 1 471 211 | 0.81% | - | - | 812 304 | 0.45% |
| CF Kruger | 174 655 | 0.10% | 432 469 | 0.24% | 61 570 | 0.03% | 225 322 | 0.12% |
| J Maswanganyi | - | - | - | - | - | - | - | - |
| Subtotal of directors | 379 675 | 0.21% | 21 584 972 | 11.87% | 261 480 | 0.14% | 19 146 441 | 10.59% |
| Other shareholders | 180 409 633 | 99.79% | | | 180 527 828 | 99.86% | | |
| TOTAL | 180 789 308 | 100.00% | | | 180 789 308 | 100.00% | | |

*Indirect interest is based on the percentage of the shareholding of the entity in Senwes, multiplied by the percentage interest held by the individual.



BOARD COMMITTEES

FUNCTIONS AND MANDATES

The Board established a number of committees to facilitate effective decision-making and to assist the Board in the execution of its duties and powers, whilst still reserving the material decisions for itself in terms of the "Reservation of Authority". The powers and execution of the responsibilities of each committee are arranged by means of formal, written mandates which are reviewed and approved by the Board on an annual basis.

The current board committees are as follows:

- Audit Committee;
- Investment Committee;
- Nomination Committee
- Remuneration Committee;
- Risk Committee; and
- Social and Ethics Committee

The Chairman of these Committees report formally against each of the mandates to the Board and it is ensured that the work of these Committees are done comprehensively. Overall the Board has expressed its satisfaction with the active role that each Board Committee plays in ensuring that the onerous responsibilities of the Board are properly executed and addressed.



THE AUDIT COMMITTEE

The Board is satisfied that it has a highly independent Audit Committee. This Committee comprises of a majority of independent non-executive directors and is being chaired by Steve Booysen. The Managing Director, Financial Director and major financial and corporate disciplines throughout the Senwes Group also attend Committee meetings.

The Committee met three times during the year under review. In terms of the provisions of the Companies Act and its mandate, the Committee attends to the following:

- Annual internal and external audit planning and budgets;
- Internal and external audit reporting;
- Integrated reporting;
- Integrity of controls and financial disclosure;
- Appointment of external audit as and verification of independence;
- Approval and recommendation of the annual financial reports; distributions to shareholders, liquidity and solvency tests and compliance assurance in terms of the Companies Act, IFRS and accounting policies;
- Governance frameworks; and
- Combined assurance in terms of risk, audit and compliance.

It ensures appropriate reporting of the going concern recommendations and supports the Board actively in ensuring that appropriate corporate governance- and information technology frameworks are in place and are being maintained as such.

| COMMITTEE | INDEPENDENT DIRECTORS | NON-EXECUTIVE DIRECTORS | EXECUTIVE DIRECTORS |
|-------------------|---|---|----------------------------------|
| Nominations | Steve Booysen | *Danie Minnaar Dries Kruger | |
| Audit | *Steve Booysen Zarina Bassa James Botha | Nico Liebenberg Dries Kruger | |
| Risk | | *Nico Liebenberg Thabo Van Zyl Jaco Minnaar Tom van Rooyen | Francois Strydom Corne Kruger |
| Remuneration | Steve Booysen Zarina Bassa | *Nico Liebenberg Jaco Minnaar | |
| Social and Ethics | *James Botha | Nico Liebenberg Tom van Rooyen | Joe Maswanganyi |
| Investment | *Steve Booysen | Dries Kruger Danie Minnaar Andrew Waller | |

* Committee chairman

THE INVESTMENT COMMITTEE

The Investment Committee comprises of non-executive directors only. The Executives attend these meetings as well. This Committee met once during the year under the guidance of its chairman, Steve Booysen.

It is responsible for various matters and the mandate has been expanded to include the management of liabilities as well. It attends to:

- Investment philosophy and investment management;
- Growth transactions and joint venture partnership;
- Investment performance;
- Funding requirements and equity structuring;
- Liability management; and
- Review of post-implementation audit reports of investments made.

THE NOMINATION COMMITTEE

This Committee met three times during the year and is under leadership of Danie Minnaar, Chairman of the Board. It comprises of only non-executive directors only with attendance by the Managing Director and the Company Secretary. The Nomination Committee takes care of all board and governance matters such as:

- Board succession planning;
- Composition of the board itself and committees;
- Board and committee performance and active evaluation thereof;
- Board training and skills enhancement.

THE REMUNERATION COMMITTEE

This Committee met four times this year under the chairmanship of Nico Liebenberg and comprises of non-executive directors only. The corporate divisions attend the meeting on invitation and mainly represent corporate services and human resources.

The Remuneration committee is responsible to:

- Make recommendations regarding non-executive and executive directors' remuneration to the board and shareholders;
- Review and ensure application of the Remuneration Philosophy;
- Ensure sound management of incentive schemes and reasonable and appropriate salaries/wages;
- Ensure appropriate succession planning for the executive and management;
- Employment equity.

SENWES SHARE INCENTIVE SCHEME TRUST

During the year under review and after extensive consideration, the Remuneration Committee recommended and the Board approved a long-term real share incentive scheme for the executive and senior managers, known as the Senwes LTI Share Scheme. The participants are senior managers that are able to influence the performance of the Group and are able to align the interests of the Group with those of the shareholders. It is based on dual principles of retention, thereby ensuring continuity as well as predetermined performance targets. Should these targets not be achieved, the allocated shares are forfeited. The vesting of the grants in terms of this share scheme will take place every three years with the first vesting in 2017.

The scheme is overseen by the Remuneration Committee and complies with section 97 of the Companies Act.

The Remuneration Philosophy and Policy are dealt within the remuneration Report.

THE RISK COMMITTEE

This Committee's members consist of a mix of non-executive and executive directors and the Committee is chaired by Nico Liebenberg. Risk management and all of the divisions are exposed to the Committee by means of a structured work plan. The Committee met four times during the year. This Committee plays a strategic role in guiding the Board in its strategic plans. It analyses strategic and operational risks at all levels. During the year under review the Committee reviewed its risk management plan and risk appetite.

Risk management is applied throughout the Senwes Group. It is understood that risk management will assist to ensure the long-term sustainability of Senwes. The current risk culture within the company contributes towards creating shareholder value on a sustainable basis that is consistent with shareholders' expectations. Its reporting structure is as follows:

- Chief risk manager and risk officers;
- Exco;
- Compliance Committee;
- Internal Ethics Committee; and
- Risk Committee.

The risk management functions entail continuous reporting on the top ten risks for the Group as well as each operational business unit or joint venture. The reporting processes are being enhanced and during the year under review a GRC reporting framework was adopted and implemented.

THE SOCIAL AND ETHICS COMMITTEE ("SOC")

This Committee is responsible for oversight of some of the other board committees as provided for in the Companies Act. James Botha is the Chairman and the Committee met once during the

year. It comprises of non-executive directors only. It is responsible for, inter alia:

- Labour matters;
- BEE-matters;
- Consumer protection and sound business practices;
- Code of ethics and ethical conduct;
- Sustainable culture of values;
- Stakeholder management; and
- Sustainability and concomitant integrated sustainability reporting.

During the year under review an ethics programme was adopted and implemented and ethics are monitored continuously throughout the Group. This programme includes the declaration of personal interests and conflict, training and awareness of values and demonstrated commitment of all levels of staff to the Senwes Code of Ethics. It contributes significantly to the ethical culture that the Group desires to pursue.

The Social and Ethics Committee carried out its statutory obligations in terms of its mandate and this Committee confirms that the Group conducts its affairs diligently and responsibly as is required in terms of good corporate citizenship. The Committee reviewed and was satisfied with the integrated report as presented to the shareholders.

COMPANY SECRETARY

The Board collectively and the individual board members are guided by the Company Secretary in the execution of their continued responsibilities and duties. Newly appointed directors undergo an appropriate induction process, presented by the Company Secretary, which contains various elements.

After the Board evaluation during the course of the year, the Board concluded that the Group Company Secretary is a fit and proper person in terms of qualifications, experience and performance and is competent to continue in this critical role. She has also maintained an arms' length relationship with the Board and its directors.

As required in terms of the Companies Act, the Company Secretary supervises compliance with legislation throughout the Group. The appropriate structures in this regard have been established, as explained under the heading "compliance with legislation".

ACCESS TO INFORMATION

The Company complies with the Access to Information Act, 2000 and a manual in this regard is available on the Company's website.

Shareholders also have access to the shares register, minutes of members' meetings and information regarding a number of Company matters. Any enquiries may be addressed to the Company Secretary as Chief Information Officer.



SUSTAINABILITY ASPECTS AT BOARD LEVEL

The sustainability of the Company over the long term remains the most important aspect and the Board therefore has a long-term view in respect thereof. The strategy is made up of four pillars and is challenged continuously. The Board has also commenced the process to extend the strategy to beyond 2020.

Whilst pursuing these objectives, the Board and management co-operate within the parameters of a disciplined and specific internal control environment, IT-control framework and combined assurance framework, which will ensure the continued existence of the Company as a going concern.

COMPLIANCE WITH LEGISLATION

The Board accepts total responsibility for compliance with all applicable legislation and regulatory requirements. This is reported via the internal Compliance Committee and then to the Risk Committee as well as the Audit Committee. Focused attention is being afforded to compliance aspects throughout the Company.

During the year under review, no material non-compliance matters were reported. The Financial Intelligence Centre (FIC) conducted an on-site routine audit, which confirmed the Group's compliance with the money laundering legislation known as FICA, is sound.

The Board officially adopted the Group Compliance Coverage plan that involves a group-wide approach to compliance. The Coverage Plan is being implemented with focus on:

- Identification of applicable and material legislation per business unit;
- Assessment of compliance with self-audit questionnaires, which are being designed;
- Continuous follow-up and reporting against the provisions of the particular legislative sections;
- Collated dashboard reporting to the relevant Board and management committees.

ETHICAL LEADERSHIP AND STRATEGY

Senwes is committed to conducting business in an ethical manner and seeks to promote ethical behaviour in all its dealings. The Senwes code of ethics is a high-level aspirational document, which publicly articulates Senwes' commitment to conducting business in a manner that is legally and ethically acceptable to

every Director and employee in the Group. It clarifies the values, standards and guidelines that everyone should observe in their dealings with both internal and external stakeholders.

In this regard, Senwes has a policy of zero tolerance of unethical conduct, irrespective of the size or impact of the consequences of the unethical behaviour on the business. Senwes policies, in guidelines and formal communication, are considered to constitute clear ethical business practices and are targeted at promoting an ethical culture and discouraging unethical behaviour. Managers across the board are expected to make it easy for their employees to communicate openly and freely on matters regarding ethics.

All employees and Directors are expected to pledge their commitment to the Company's values and ethical behaviour and to report incidences of unethical conduct, so as to ensure that the two-pronged strategy of promoting ethical behaviour, whilst combating unethical behaviour, is successfully implemented.

All reported incidents are investigated and should sufficient information be provided, appropriate corrective action will be taken. Anonymity is guaranteed for anyone reporting unethical conduct.

ETHICS PROGRAMME

The Senwes ethics programme focuses on the following key performance areas.

- Ethics governance
- Ethical leadership
- Education and awareness
- Creating an ethical culture
- Programme effectiveness, behavioural monitoring, and accountability

IT-CONTROL

The Board ensures the active management of the IT-control framework by a team of IT-members of management as an integral part of the risk management framework reporting to, inter alia, the IT-Steering Committee. The strategy and performance of Senwes are aligned with and dependent upon these fully incorporated and integrated structures and systems. Extensive business and IT-disaster recovery processes have already been established. The external auditors focus on the IT-environment annually as part of the year-end audit.

GOING CONCERN

After recommendation by the Audit Committee, the Board records the facts and assumptions used to determine whether the business will continue as a going concern for the new financial year and approves the going concern principle.



SHAREHOLDER DIARY

| | |
|----------------------------------|--------------------------------|
| Financial year-end | 30 April 2015 |
| Announcement of results in media | 2 July 2015 |
| Submission of proxies | 26 August 2015 before 11:00 am |
| Annual general meeting | 28 August 2015 |

INVESTOR RELATIONS

Senwes provides and maintains an independent and active over-the-counter share trading mechanism ("OTC-mechanism"). Share trading is done electronically, in terms of applicable legislative measures.

The market price of the Senwes share is therefore determined by means of trading on the OTC and provides a sound price determination mechanism.

Shareholders have electronic access to information regarding their shares and can still exercise their voting powers electronically, via the internet platform.

During the year under review, the Financial Markets Act, 2012 was enacted and the Financial Services Board issued a Directive regarding OTC markets. In terms of the said directive the OTC has to be conducted through a licensed exchange. Senwes has been temporarily exempted from these requirements and is in the process of considering the most suitable share trading mechanisms. Shareholders and users of the OTC will be advised in due course of the proposed plans.

SHAREHOLDER INFORMATION AND MATTERS

SENWES' FIVE LARGEST SHAREHOLDERS AS AT 30 APRIL 2015

| | NUMBER OF SHARES | % |
|--|------------------|-------|
| SENWESBEL LIMITED | 93 259 402 | 51.58 |
| GRINDROD TRADING HOLDINGS (PTY) LTD ("GRINDROD") | 36 498 947 | 20.19 |
| SENWES CAPITAL (PTY) LTD | 10 219 647 | 5.65 |
| SENWES SHARE INCENTIVE SCHEME TRUST | 1 685 094 | 0.93 |
| GARDEN VIEW NOMINEES (PTY) LTD | 1 197 445 | 0.66 |

Shareholder information in terms of portfolio size:

| PORTFOLIO SIZE | SHAREHOLDERS | % | NUMBER OF SHARES | % |
|--------------------|--------------|---------------|--------------------|---------------|
| 1 - 1 000 | 765 | 30.78 | 270 760 | 0.15 |
| 1 001 - 5 000 | 550 | 22.13 | 1 405 752 | 0.78 |
| 5 001 - 30 000 | 864 | 34.77 | 12 095 179 | 6.69 |
| 30 001 - 100 000 | 252 | 10.14 | 12 371 299 | 6.84 |
| 100 001 – and more | 54 | 1.92 | 154 646 318 | 85.54 |
| TOTAL | 2 485 | 100.00 | 180 789 308 | 100.00 |

EXECUTIVE COMMITTEE

1. FRANCOIS STRYDOM

GROUP MANAGING DIRECTOR: SENWES LIMITED

Qualification: B.Sc. (Hons)

Experience:

25 years - Corporate Business Industry

5 years - Senwes CEO

Responsible for Senwes operations:

- Ensure business performance/growth
- Ensure financial viability
- Corporate governance
- Lead Corporate Culture
- Maintain Stakeholder Relationships
- Developing and defining the overall strategy

2. CORNÉ KRUGER

GROUP FINANCIAL DIRECTOR: SENWES LIMITED

Qualification: B.Com (Hons), CA (SA)

Experience:

3 years – External Audit experience

2 years – SAP business analyst

9 years – Group Finance , Treasury and

Corporate Finance experience

5 years – Senwes CFO

Responsible for Senwes Finances:

- Ensuring business decisions are grounded in sound financial criteria
- Providing insight and analysis to support the CEO and other senior managers
- Leading key initiative in finance that support overall strategic goals
- Funding, enabling and executive strategy set by the CEO
- Representing the organisation's progress on strategic goals to external stakeholders.

3. JOE MASWANGANYI

GROUP EXECUTIVE DIRECTOR: SENWES LIMITED

Qualification: B.Com, Postgraduate Diploma in Business Administration and Executive Development Programme.

Experience:

10 years - Banking experience.

11 years - Agricultural industry experience.

10 years – Executive management experience.

Responsible for Senwes Corporate Services:

- Strategic direction and oversight of corporate support services, including human resources, corporate marketing, facilities and fleet management.
- Ensure adequate leadership succession.
- Leading sustainability management
- Manage the strategy development processes.
- Leading transformation processes and corporate social investment initiatives.

4. CHRISTO BOOYENS

MANAGING DIRECTOR: TRADEVANTAGE (PTY) LTD

Qualification: BSc (Hons) M.Sc

Experience:

2 years - MD TradeVantage

19 years – Grain management experience

30 years experience - Agricultural Economist

Responsible for TradeVantage:

- Strategically direct TradeVantage in achieving goals and Objectives set.
- Set up financial targets and to oversee the achievement thereof annually.
- Set an environment where traders have enough room to optimize their skills within an acceptable risk environment

5. PIETER MALAN

MANAGING EXECUTIVE: GRAINLINK DIVISION

Qualification: National Diploma: General Management, Senior Management Development Program, Harvard Management Development Program

Experience:

25 Years - General experience in Agriculture:

Grain Procurement, Trading and Handling and Storage of soft commodities

8 Years - Domestic and International Logistics experience

5 years - Seed Industry

Responsible for Senwes Grain Industries:

- Strategically direct Grainlink Industries to ensure growth and sustainability for the long term
- Manage, lead and support Grainlink Industries to ensure that budgets and goals are achieved through optimal utilization of all resources
- Establish and manage relations with relevant stakeholders, role players and institutions

6. FERDIE PIETERSE

MANAGING EXECUTIVE: MECHANISATION DIVISION

Qualification: Middle Management Programme. John Deere, Kuhn and Krone Product Training and other marketing related courses.

Experience:

24 years total mechanisation experience in:

Sales, Parts, Admin, stock, control and management.

Responsible for Senwes Mechanisation Division:

- Develop strategy to grow the division and increase profitability
- Oversee the execution of all strategic plans and actions
- Optimize all operational activities
- Measure and control all activities in relation to budget guidelines
- Liaise with all relevant suppliers and optimize the supply of products

7. PIETER SWART

MANAGING EXECUTIVE: SENWES CREDIT

Qualification: B.Com (Hons), AMP

Experience:

28 years - Corporate Banking Experience

2 years - Senwes Credit

Responsible for all Legal Counsel and Group Secretariat division:

- Ensure that the division is strategically and operationally placed to achieve sustainable growth within acceptable risk tolerance levels
- Maintain strong relationships with national and external stakeholders
- Ensure that key risks are proactively managed

8. ELMARIE JOYNT

GROUP SECRETARY AND CHIEF LEGAL ADVISOR

Qualification: B.Com Law, LLB, FCIBM, Admitted Attorney and Notary of the High Court.

Experience:

24 years - experience in commercial, agricultural and legal commercial sectors.

Responsible for all Legal Counsel and Group Secretariat division:

- Legal commercial matters
- Investor services
- Group Corporate Governance
- Group Compliance
- Group Corporate Business Administration
- Group Corporate Actions
- Trustee of Thobo/Kotulo Trust

9. WIKUS GROBLER

GROUP EXECUTIVE : FINANCE AND TREASURY

Qualification: B.Com (Hons) CA(SA)

Experience :

7 years - Audit experience

13 years - Grain management, Risk Management, Financial and treasury management

Responsible for Senwes Finance and Treasury:

- Preparation of interim and annual financial statements
- Compiling of group budget
- Overseeing the calculation and filing of tax
- Managing the treasury function

10. JOHAN LE GRANGE

GROUP EXECUTIVE: CORPORATE FINANCE

Qualification: M.Comm. Ph.D

Experience:

12 years – Internal Audit experience

25 years – Economic feasibility studies and research / Rendering of advice and recommendations on business decision making

Responsible for Senwes Group Finance:

- Analysing the Feasibility of the company's strategy
- Conduct analysis and advice on potential viable projects
- Enhancing the internal business of the company
- Business intelligence
- Competitor and customer analysis

- Managing incentive schemes within the company
- Assist all levels of management in decision making
- Member of ethics committee

11. MARTIN VAN ZYL

GROUP EXECUTIVE: INNOVATION AND INTEGRATED SOLUTIONS

Qualification:

Masters of Business Leadership

The innovative CIO

Experience:

8 years - Head of Senwes IT

15 years - in various disciplines within the IT Systems environment

10 years - Certified SAP Financial Consultant

Responsible for Senwes Innovation and Integrated Solutions:

- Design and develop innovative business solutions that will enhance the overall customer experience and ultimately increase revenue.

12. DIRK OPPERMAN

GROUP EXECUTIVE: INTERNAL AUDIT AND ASSURANCE

Qualification:

B. Com; Dip. Criminal Justice and Auditing

Experience:

27 years - Internal Audit

15 years - Forensic Investigation

Responsible for Senwes Internal Audit and Assurance:

- Manage the Internal Audit and Forensic Investigation functions.
- Planning and co – ordination of the combined assurance function
- Combined assurance reporting to the Board

13. ALF WHITE

GROUP EXECUTIVE : INFORMATION TECHNOLOGY

Qualification: Bcom (Hons) CA(SA)

Experience :

8 years - Management exposure within the medical and agricultural industries

5 years - System design, development and implementation

Responsible for Senwes Group's Information Technology:

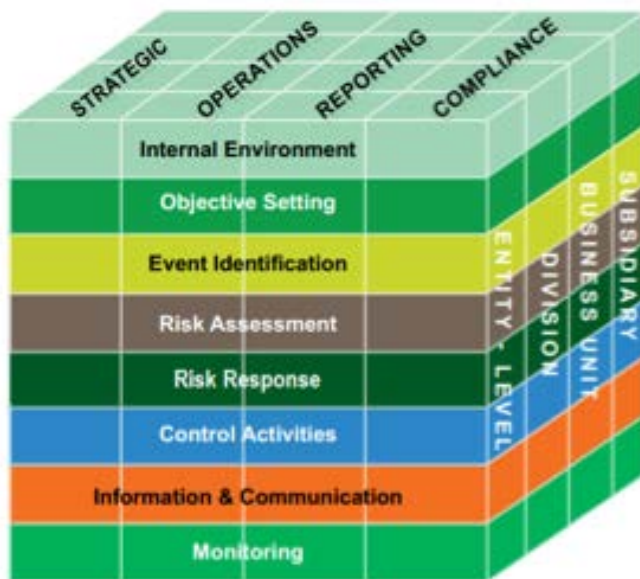
- To ensure that applicable technology utilised throughout the group is aligned with current business requirements and future strategy



RISK MANAGEMENT

APPROACH AND RISK MANAGEMENT METHODOLOGY

Senwes Group Risk Management uses the COSO Enterprise Risk Management Framework as basis for our Risk Management Methodology. The COSO Framework has been adapted according to the Senwes needs.



Source – COSO ERM Framework

Enterprise risk management consists of eight interrelated components. These are derived from the way management runs a business, and are integrated with the management process. These components are:

- **Internal environment** – Management sets a philosophy regarding risk and establishes a risk appetite. The internal environment sets the foundation for how risk and control are viewed and addressed by an entity's people. The core of any business is its people – their individual attributes, including integrity, ethical values and competence – and the environment in which they operate. They are the engine that drives the entity and the foundation on which everything rests.
- **Objective setting** – Objectives must exist before management can identify events potentially affecting their achievement. Enterprise risk management ensures that management has a process in place to set objectives and that the chosen objectives support and align with the entity's mission/vision and are consistent with the entity's risk appetite.
- **Event identification** – Potential events that might have an impact on the entity must be identified. Event identification includes identifying factors – internal and external –

that influence how potential events may affect strategy implementation and achievement of objectives. It includes distinguishing between potential events that represent risks, those representing opportunities and those that may be both. Management identifies interrelationships between potential events and may categorise events in order to create and reinforce a common risk language across the entity and form a basis for considering events from a portfolio perspective.

- **Risk assessment** – Identified risks are analysed in order to form a basis for determining how they should be managed. Risks are associated with related objectives that may be affected. Risks are assessed on both an inherent and a residual basis, and the assessment considers both risk likelihood and impact. A range of possible results may be associated with a potential event, and management needs to consider them together.
- **Risk response** – Management selects an approach or set of actions to align assessed risks with the entity's risk appetite, in the context of the strategy and objectives. Personnel identify and evaluate possible responses to risks, including avoiding, accepting, reducing and sharing risk.
- **Control activities** – Policies and procedures are established and executed to help ensure that the risk responses management selected are effectively carried out.
- **Information and communication** – Relevant information is identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. Information is needed at all levels of an entity for identifying, assessing and responding to risk. Effective communication also must occur in a broader sense, flowing down, across and up the entity. Personnel need to receive clear communications regarding their role and responsibilities.
- **Monitoring** – The entire enterprise risk management process must be monitored, and modifications made as necessary. In this way, the system can react dynamically, changing as conditions warrant. Monitoring is accomplished through ongoing management activities, separate evaluations of the enterprise risk management processes or a combination of the two.



Read the full Financial report
www.senwes.co/Financials2015





REMUNERATION REPORT

REMUNERATION PHILOSOPHY

The purpose of remuneration is to attract, retain, motivate and reward talented and high performing staff in order to achieve the company's strategic objectives, deliver expected shareholder returns, and ensure sustainable performance and shareholder value-creation in the long-term.

The company's philosophy is to encourage sustainable long-term performance that is consistently aligned with the interest of shareholders.

Senwes adopts a holistic and total reward philosophical approach to remuneration, which takes into consideration financial and non financial, direct and indirect, as well as intrinsic and extrinsic rewards, based on and in support of the employee value proposition.

SENWES TOTAL REMUNERATION FRAMEWORK



In establishing a remuneration philosophy and policy, Senwes gives careful consideration to the following:

- Remuneration that is compliant with regulations and aligned to codes of best practice.
- Fair, reasonable and market related remuneration.
- Policies and practices that strives for internal equity.
- Remuneration that is economically affordable and aligned to the ethics code of the company.
- Aligns executive long-term interests with the long-term interests of the shareholders.

GUIDING PRINCIPLES

- The remuneration policy is governed through the governance structures to ensure alignment with the vision, commitment, values, strategic direction and objectives of the company.

- The remuneration policy and practice are compliant with relevant regulations, economically sensible, ethically aligned and market competitive.
- The group uses a total reward approach, applying an appropriate reward mix for the various employees, based on, and in support of the employee value proposition.
- The group remuneration policy is transparent and implemented fairly and consistently, based on the factors of role, qualifications, experience, scarcity of skills, individual contribution, level of performance and talent potential.
- Remuneration of employees is based on relevant and appropriate market benchmarks in order to strive for competitiveness of the total reward positioning, within the parameters of affordability.
- Total remuneration is aligned with individual, business unit and corporate performance.

REMUNERATION POLICY

Scope

- The policy outlines the governance framework through which remuneration is determined and managed throughout the group, and across all levels of the organisation.
- The policy is approved by the Board and management has the responsibility to implement it.
- The policy is aligned to the Senwes strategy and is part of the Senwes operating philosophy, policies and standards.

STRATEGIC OBJECTIVES

The strategic objectives of the remuneration policy are:

- To ensure the business has the right mix of skills.
- To attract and retain the right talent.
- To develop a high performance culture, which rewards individual, team and corporate performance.
- To motivate results oriented behaviour and pursuit of excellence.
- To encourage long-term focus that ensures sustainability of performance, and effective risk alignment and management.
- To encourage behaviour that is aligned with the culture and objectives of the company.
- To align employees' interests with the interests of the shareholders.

REMUNERATION GOVERNANCE

BOARD OF DIRECTORS

- The Board has the final authority for the approval of remuneration philosophy and policy.
- The Board delegates responsibility of this policy to Remco.
- Board provides oversight for the execution of the policy.

REMUNERATION COMMITTEE

The remuneration committee has responsibility for the following in line with the Remco Charter:

- Accountability for all remuneration matters in the company, including oversight of the implementation of the remuneration policy.
- Determines the remuneration of executive and non executive directors, and recommend first to the Board, and subsequently to the shareholders at an AGM for approval.
- Approves the remuneration structure of the company.
- Ensures that there is an appropriate, adequate and effective remuneration system in place.
- Ensures that remuneration strategy is economical and ethical, and that the policy is applied consistently and fairly throughout the organisation.
- Benchmark and evaluate income differential rate between the executives and the employees.
- Works in consultation with other Board committees and relevant internal functions in ensuring co-operative and responsible remuneration policy design, planning, decision making and execution.
- Approves the benchmark methodology, including the comparator groups of companies used for the purpose of determining external market competitiveness of the groups remuneration.
- May engage independent external advisers and relevant stakeholders on any matters of remuneration as they deem necessary, to ensure that the remuneration policy and practices are aligned with the groups objectives.
- Account to the shareholders on behalf of the Board on remuneration matters.

EXECUTIVE COMMITTEE

- The Group Executives under the supervision of the CEO/MD has the responsibility for the proposal and implementation of the remuneration policy and strategies, as envisaged by the remunerations committee on behalf of the Board.

HUMAN RESOURCES (REMUNERATION MANAGEMENT)

- Develops policy proposals, provides guidelines, tools and support to management in the implementation of the remunerations policy.
- Undertake annual benchmarks to ensure market competitiveness
- Formulate wage negotiations strategy and engage in collective bargaining processes in line with the mandate approved by Remco.

COMPOSITION OF GROUP REMCO

| NAME | DIRECTOR STATUS | QUALIFICATIONS | |
|-----------------|-------------------------------------|--|--------------------|
| Nico Liebenberg | Non-Executive Director | B.Com (Hons), M. Sustainable Agriculture | Committee Chairman |
| Steve Booyens | Independent Non- Executive Director | B.Compt (Hons) (Acc), D. Com, CA (SA) | Member |
| Zarina Bassa | Independent Non- Executive Director | B.Com (Acc), Higher Diploma (Accountancy), CA (SA) | Member |
| Jaco Minnaar | Non-Executive Director | B.Eng. (Agriculture) | Member |

REMUNERATION STRATEGY

Senwes remuneration strategy is based on a total reward approach, which includes financial and non financial, direct and indirect, intrinsic and extrinsic rewards, based on and in support of the employee value proposition.

EMPLOYEE VALUE PROPOSITION

Senwes strives to be an employer of choice. In this regard, Senwes has developed an employee value proposition, which steers the company's employee engagement and talent strategy, to the realisation of that vision.

The purpose of our employee value proposition is to enable the organisation to attract prospective talent, improve employee engagement and performance, inculcate behaviour consistent with our values, develop an enabling and supportive work environment and retain talent. The employee value proposition is based on the following four pillars.

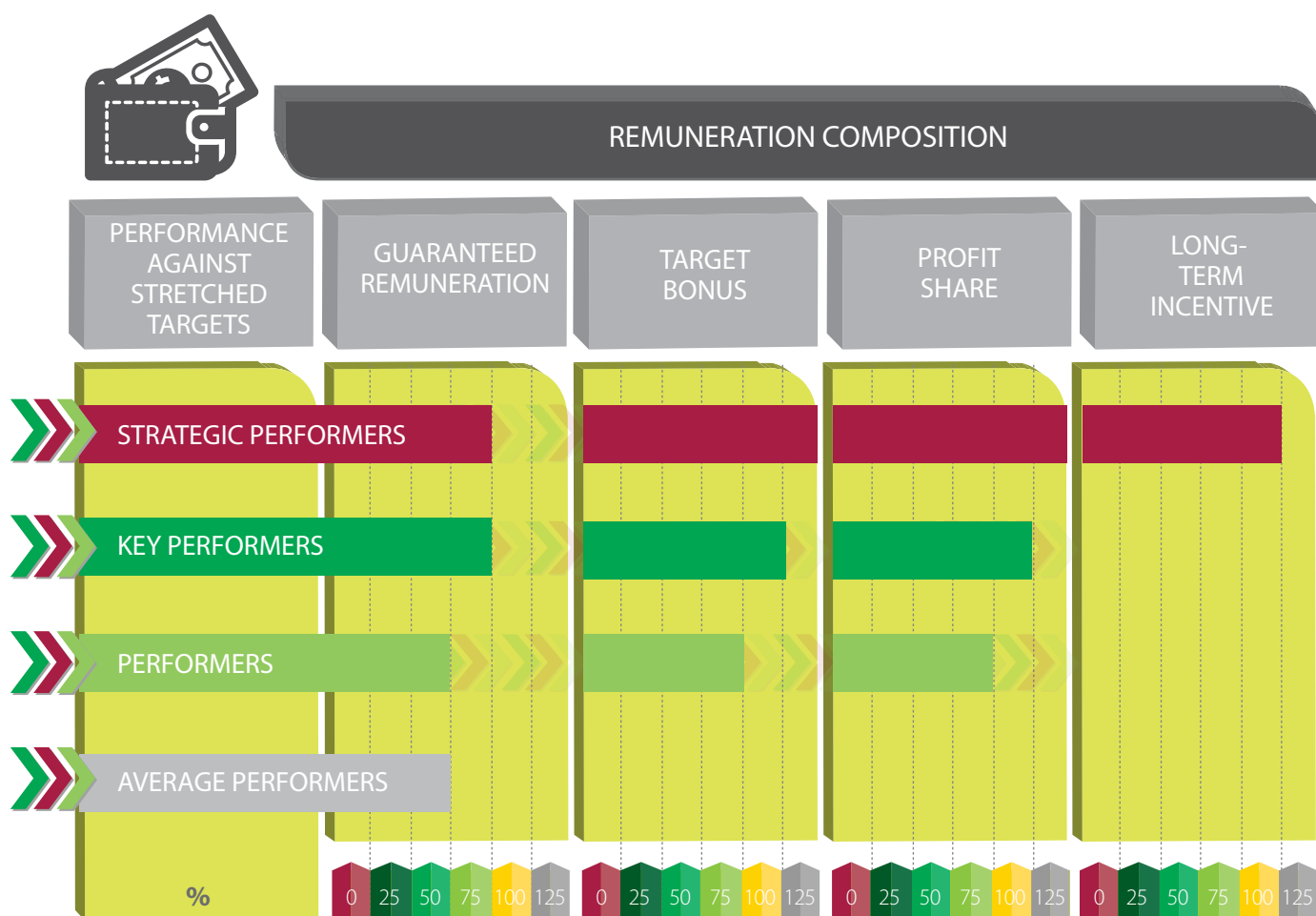
REMUNERATION STRUCTURE

Remuneration structure comprises of guaranteed pay (total cost to company), special purpose bonus (in exceptional circumstances, at the discretion of the executive and/or Remco), short term incentive, and long term incentives.

An appropriate remuneration mix is maintained between fixed and variable performance based remuneration, as well as between short-term and long-term performance based remuneration.



The graph below illustrates the functioning of remuneration structure:



DIRECTORS REMUNERATION

The remuneration committee reviews the remuneration of executive and non executive directors annually, based on external surveys and benchmarks of comparator group of companies, and other relevant benchmarks. The committee also considers the skills levels, performance, and retention of the directors. Remuneration is generally positioned at the median of the relevant benchmark.

NON EXECUTIVE DIRECTORS REMUNERATION

Non-executive director's remuneration is reviewed on an annual basis, and presented to the shareholders at an AGM for a non binding resolution. Non-executive director's fees are benchmarked against various surveys and compared to a comparator group of companies, approved by Remco, in order to ensure market competitiveness. The comparator group comprises of companies with a similar profile to that of the Group from an investor's perspective.

Non-executive directors fees comprises of a fixed fee for board membership and board meeting attendance, as well as additional fees for board committee participation.

The fees for the Deputy Chairman of the board are based on a percentage of the Chairman's fees, which is set at 70%. The Chairpersons of board committees are paid a premium

commensurate with their role and as compensation for the additional responsibilities as chairpersons.

Non-executive directors do not participate in either the short-term or long-term incentive schemes. The out-pocket expenses including travel and accommodation of non executive directors are reimbursed upon request.

EXECUTIVE DIRECTORS REMUNERATION

The primary objective is to ensure that executive directors receive remuneration which is appropriate to their scale and scope of responsibility and performance, and which will attract, motivate and retain individuals of exceptional calibre and behaviour, as well as incentivise them to work in the short-term and long-term interest of the group in line with shareholder interests.

The remuneration mix of the executive directors comprises of guaranteed pay, short-term incentives, and long term incentives. Total remuneration is weighted towards performance based variable remuneration. Appropriate benchmarking is done against applicable and selected peer groups.

GUARANTEED REMUNERATION

Remco determines executive directors and other executive's total remuneration, and review it, at least annually, using benchmarks

based on external surveys and comparator group of companies. The benchmarks are verified with independent remuneration specialist at the discretion of Remco.

Guaranteed pay is positioned at median of the relevant benchmark. Variations will occur around the median which will be influenced by various factors, such as the strategic importance of the role, level of experience of the executive, performance record, and other considerations that Remco may deem appropriate.

SIGN-ON AND/OR RETENTION BONUS

A sign-on bonus is a once-off monetary award offered to a prospective employee as part of a total remuneration package as an incentive to join the company. The payment may also be used to relieve the prospective employee of the financial obligations they have to their current employer, which will become due and payable as a result of their termination of employment. This obligation may serve as a disincentive for the prospective employee to leave their current employment.

A retention bonus is a financial incentive paid to a key employee from time to time to motivate them to remain in the employ of the company. It is a strategic tool to manage the flight risk of key employees, potential successors and scarce skills.

Remco at its discretion determines and approves or recommend to the Board a special purpose bonus, applicable conditions and the quantum thereof.

SHORT TERM INCENTIVES

Short-term incentives are paid in cash and are based on achievement of annual targets. The STI comprises of on-target bonus and at some levels profit share, where target has been exceeded. The criteria for qualifying for short term incentive is evaluated on group corporate financial performance, based on profit and return targets, business unit and individual financial and non financial strategic and operational performance.

LONG TERM INCENTIVES

Executive directors and other executives, as well as selected senior managers participate in an equity based share incentive scheme, which is used for retention as well as long-term performance incentivisation. The remuneration committee at their discretion and based on the recommendation of the MD grant shares to participants on an annual basis. The shares are forfeitable, subject to a vesting period of three years and retention and performance conditions.

Performance criteria are based on return on equity and growth on HEPS.

The shares are allocated to a Senwes Share Incentive Trust that is governed by a Board of Trustees made up of three Remco nominated trustees and one nominated by the participants.

The aggregate number of shares which may be granted under the Scheme may not exceed 5% (five percent) of the total issued

ordinary shares of the company, from time to time, over the life of the Scheme.

The maximum number of shares awarded to any individual participant in respect of all unvested grants in terms of the Scheme, shall not exceed 1% of the issued ordinary shares of the company, over the life of the Scheme.

DISCRETION AND JUDGEMENT

The remuneration policy recognises that mechanistic and formulaic remuneration practices whilst providing certainty and predictability, are not always appropriate in some circumstances. Remco and Board discretion is important to ensure that pay practices and outcomes remain appropriate at all times, including circumstances that are not anticipated by the remuneration policy. This discretion has to be exercised legally, fairly, ethically and justly.



DIRECTORS REMUNERATION STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

Non-executive directors' remuneration:

| Non-executive | Status | Date | Total | Remuneration | Travelling and accommodation expenses | Committees |
|----------------|-----------|------------|-------------------|-------------------|---------------------------------------|-------------------|
| JE Grobler | Retired | 23/08/2013 | R83 669 | - | R83 669 | |
| ZBM Bassa | Full Year | In Office | R398 919 | R248 954 | R14 295 | R135 670 |
| SF Booysen | Full Year | In Office | R716 697 | R340 905 | R26 242 | R349 550 |
| JB Botha | Full Year | In Office | R391 313 | R268 564 | R6 579 | R116 170 |
| AJ Kruger | Full Year | In Office | R437 956 | R227 116 | R11 210 | R199 630 |
| NDP Liebenberg | Full Year | In Office | R683 128 | R273 958 | R11 655 | R397 515 |
| KI Mampeule | Resigned | 27/06/2014 | R144 279 | R75 277 | R10 502 | R58 500 |
| JDM Minnaar | Full Year | In Office | R849 169 | R443 207 | R30 822 | R375 140 |
| JJ Minnaar | Full Year | In Office | R419 947 | R243 468 | R26 119 | R150 360 |
| WH v Zyl | Full Year | In Office | R322 858 | R220 302 | R13 426 | R89 130 |
| TF van Rooyen | Full Year | In Office | R319 937 | R220 279 | R10 528 | R89 130 |
| Total | | | R4 767 872 | R2 562 030 | R245 041 | R1 960 795 |

Non-Executive Directors receive directors' fees, fees per meeting for directors meeting and committee meetings, as well as travelling and accommodation expenses. They do not receive any short-term or long-term incentives, and are not paid any retention bonuses.

Executive directors' remuneration:

| Executive | Total | Remuneration | Performance incentives and bonuses | Equity-settled share-based payment | Statutory costs |
|----------------|--------------------|-------------------|------------------------------------|------------------------------------|-----------------|
| F Strydom | R9 272 293 | R3 762 128 | R4 123 859 | R1 296 547 | R89 759 |
| CF Kruger | R6 078 564 | R2 440 531 | R2 721 738 | R864 365 | R51 929 |
| J Maswanganyi* | R2 787 841 | R694 685 | R1 589 510 | R488 700 | R14 946 |
| Total | R18 138 698 | R6 897 344 | R8 435 107 | R2 649 612 | R156 634 |

* Appointment date: 1 October 2014

INTEREST IN SENWES SHARE APPRECIATION SCHEME AS AT 30 APRIL 2015

| Name | Date of Grant | Number of shares granted | Appreciation of Net Asset Value Per Share | Appreciation of Market Price |
|----------------------------|---------------|--------------------------|---|------------------------------|
| F Strydom | 01/05/2012 | 600 000 | 2.71 | 2.98 |
| | 01/05/2013 | 600 000 | 1.21 | 1.70 |
| CF Kruger | 01/05/2012 | 400 000 | 2.71 | 2.98 |
| | 01/05/2013 | 400 000 | 1.21 | 1.70 |
| J Maswanganyi | 01/05/2012 | 180 000 | 2.71 | 2.98 |
| | 01/05/2013 | 180 000 | 1.21 | 1.70 |
| Prescribed Officers | 01/05/2012 | 800 000 | 2.71 | 2.98 |
| | 01/05/2013 | 1 070 000 | 1.21 | 1.70 |

- These grants are subject to retention conditions, but are not subject to any performance conditions.

Interest in Senwes Share Incentive Scheme as at 30th April 2015

| Name | Number of shares granted at 1 May 2014 | Shares Granted during the year | Shares Forfeited during the year | Balance at 30 April 2015 | Market Price at date of grant |
|---------------------|--|--------------------------------|----------------------------------|--------------------------|-------------------------------|
| F Strydom | 374 004 | - | - | 374 004 | 12.5 |
| CF Kruger | 249 336 | - | - | 249 336 | 12.5 |
| J Maswanganyi | 112 201 | 64 411 | - | 176 612 | 12.5 |
| Prescribed Officers | 891 381 | 49 867 | -56 101 | 885 147 | 12.5 |
| Total | 1 626 922 | 114 278 | -56 101 | 1 685 099 | |

- The performance and vesting period for all the shares granted as indicated on the table above is from the 1 May 2014 to the 30 April 2017.
- 30% of the shares granted are subject to retention and individual performance conditions.
- 70% of the shares granted are subject to specified company performance conditions as follows:

| Performance Measure and Indicator | Proportion of allocation | Performance Target | Performance Threshold |
|---|--------------------------|-------------------------------|-----------------------|
| ROE measured at a 3 year average | 49% | Risk free plus market premium | 60% of market premium |
| Growth in HEPS measured at a moving 5 years average | 21% | CPI plus 3% | 100% |

POLICY ON EXTERNAL NON-EXECUTIVE DIRECTOR APPOINTMENT

Executive Directors may at the discretion and approval of the Board accept an appointment as non-executive director in an external company.

SERVICE CONTRACTS

Executive directors can be appointed on a fixed term or full time basis with extended notice periods, as determined by Remco from time to time. Fixed term contracts have to be reviewed six months before the termination date to decide on extension or termination.

| Position | Contract |
|---------------------|---|
| Managing Director | Fixed 3 year contract expiring 31/07/2016 |
| Financial Director | Fixed 3 year contract expiring 31/01/2017 |
| Executive Director | Fixed 3 year contract expiring 31/09/2017 |
| Prescribed officers | Standard employment agreement |

SUMMARY OF REMUNERATION COMMITTEE ACTIVITIES

The remuneration committee considered the following and approved or accordingly recommended to the board for approval.

- The committee considered and approved the refinement of the remuneration philosophy, policy, strategy and practices; and is satisfied that the remuneration framework is appropriate for the achievement of organisational objectives of attracting, retaining best talent and motivating performance and desired behaviour.
- The committee reviewed the salaries of executive directors and recommended increases for approval by the Board
- The committee considered the payment of short term incentives based on the rules of the scheme, the achievement of set objectives, and satisfied itself with the compliance to the rules, and the accuracy of the performance measures and incentive amounts to be paid.
- Evaluated the short term incentive scheme and recommended to the board that deferral provisions be introduced with regard to the strategic pool, which relates to bonuses for strategic transactions. The board approved the recommendation.
- Approved long term incentives awards, as well as payment of vesting incentives in line with the retention and performance conditions as set out in the rules of the LTI scheme.
- Approved participants into the equity based long term incentive scheme as well as the number of shares allocated to each participant.
- Set targets for the long term share appreciation scheme.
- Reviewed and approved the succession plans for senior management, including emergency cover, continuity plans, and development plans for current as well as potential successors.
- Reviewed the group's performance with regard to employment equity in line with the approved talent diversification and employment equity strategy and plan, and compliance with regard to the employment equity act.
- The committee reviewed the contracts of executive directors and recommended that these contracts should be converted to standard non-fixed term employment agreements, as and when they expire and are considered for possible extension.





SUSTAINABILITY MANAGEMENT

SUSTAINABILITY MANAGEMENT FRAMEWORK

We pride ourselves in being a sustainable and responsible corporate citizen. Our approach to sustainability management is a long-term ongoing journey, and it is realised in our commitments and the way we conduct our business.

We are committed to ensuring the sustainability of our business, while simultaneously contributing towards the continued existence of a just, equitable and stable society, as well as the preservation of the ecosystem. We do this by being conscious of our actions, consistently finding ways to improve and minimise the natural environmental and social impact and developing strategies that create value for our stakeholders.

At Senwes we define sustainability as follows: *Sustainability refers to the responsible, efficient and ethical manner in which current generations use all types of resources to meet their own needs and realise their goals and aspirations; thereby impacting the socio-economic and ecological environment in a way that does not compromise, but enhances the ability of future generations to meet their own needs and realise their own goals, aspirations and potential. (Adapted from The Brundtland Commission's definition created in 1987).*

We are aware that all Senwes stakeholders, including the Board and Executive Committee, are merely custodians of the organisation and have been given the responsibility of operating sustainably, in order to hand over the business to future generations in a better state than it was when we received it from past generations.

Our approach to sustainability management focuses largely on two critical value drivers: risk reduction and the optimisation of opportunities in order to increase sustainable value creation. Based on that, we believe that it is critical for our organisation to have a sustainability oriented culture, structures and processes for the effective governance of sustainability.

This approach takes into account the reality that sustainability development issues are not static. They dynamically evolve and therefore require continued innovation and a high level of organisational agility. We keep up to date with regulatory and best practice, and ensure that our reporting and disclosure meets the minimum requirements of relevant guidelines like King III and Global Reporting Initiatives (GRI).

Our sustainability endeavours are therefore focused on the following broad objectives.

- Taking advantage of opportunities.
- Protection of current business and income.
- To find new business and income streams.
- Mitigation of risk.
- To improve operational efficiencies.

SUSTAINABILITY ISSUES

Senwes has identified ten broad strategic sustainability issues for the group as the ones highlighted in the graphic below, and from which various material issues are derived, which changes from time to time in line with the changes in the business, regulatory, workplace and natural environment.

SUSTAINABILITY ISSUES



SUSTAINABILITY OBJECTIVES

Our sustainability objectives are informed by our strategic commitment and goals, our values and code of ethics. They articulate our desire to leave a positive impact on all our stakeholders in the way we manage the business.

CUSTOMERS

The objective is to maintain a strong position in all markets where Senwes has a presence. However, market share is a specific target but not at the cost of margin or risk.

SUMMARY OF MATERIAL SUSTAINABILITY ISSUES

- Socio-political instability and regulatory uncertainty
- Business growth
- Risk and compliance management
- Rapid technological developments
- Operational and cost efficiency
- Talent Retention and engagement
- Health and Safety
- National transformation and community development
- Scarcity and quality of natural resources and reliability of energy supply



MARKET PLACE ENVIRONMENT

MARKET ENVIRONMENT

At Senwes we strive to ensure that our operation does not undermine fair competition, harm customers, but contribute to local economic development. We aim to always deliver quality and safe products and services.

BUSINESS PERFORMANCE

Refer to: MD's Report

FINANCIAL PERFORMANCE

Refer to: Full Financial Statement

RISK AND COMPLIANCE MANAGEMENT

Refer to: Full Financial Statement

RAPID TECHNOLOGICAL DEVELOPMENT

One of Senwes' areas of excellence is customer focus. In today's world of "connectedness" it is even more imperative to focus on developing integrated and sustainable solutions for our customer. Senwes has embarked on a project to develop comprehensive farm management solutions which will enhance our customers' ability to take crucial business decisions based on key drivers. This solution will integrate the various aspects of the Senwes business value chain in a seamless way, in order to enhance the overall customer experience.

Innovation and sustainability is a key drive for Senwes – the objective of this solution is to contribute to the sustainability of our customer's business and ultimately to that of the Senwes Group and its Stakeholders.

FOOD SAFETY

Senwes handles prepared and packed foodstuff. Food samples are taken every six months from our food preparing premises for bacteriological testing and quality purposes. Water samples (effluent) are also taken every six months from our silos to test parameters such as pH, conductivity etc. The safety of grain as a core product and its handling is continuously assessed by Senwes through hazard critical control point (HACCP) and quality management system.

WORKPLACE ENVIRONMENT

TALENT MANAGEMENT

Senwes strives to be an employer of choice. Our strategic investments and initiatives to this end are guided by our corporate strategy, talent strategy and the employee value proposition as outlined below.

EMPLOYEE VALUE PROPOSITION



Our strategic approach to talent management is undergird by our employee value proposition which is aimed at attracting, engaging, developing and retaining talent, essential for delivering on our strategic goals.

The purpose of our employee value proposition is to enable the organisation to attract prospective talent, improve employee engagement, retain current employees, and promote attributes that will make Senwes an employer of choice in the labour market. Our value proposition is captured in these four essential pillars which summarise the attributes that prospective and current employees perceive as the value they gain through employment with Senwes.

- Great Company to work for
- Challenging job with growth opportunities
- Enabling, safe and healthy work environment
- Employee recognition and market related rewards

TALENT PROFILE AND DIVERSITY

Senwes strategic goal for talent diversification is driven by the business strategic objectives as well as national transformation imperatives. The purpose is to ensure that we have a culture of diversity and inclusion, in which every individual embraces and leverages the strength of our diversity and the unity of purpose.

The strategic objectives are; improving innovation through diversity of thought, widening the talent pool, developing talent competitive advantage, ensuring legal and regulatory compliance, and supporting national transformation and sustainability imperatives.

DIVERSITY

The Senwes talent diversity strategy focuses on four main elements, namely; attracting diverse talent, develop and engage diverse talent, create an inclusive culture and retain diverse talent.

AGE PROFILE BY LEVEL OF THE ORGANISATION

| OCCUPATIONAL LEVEL | Under 30 yrs | 30 - 50 yrs | 50 yrs and older | Total |
|---------------------------------|--------------|-------------|------------------|-------|
| TOP MANAGEMENT | 0% | 33% | 67% | 100% |
| SENIOR MANAGEMENT | 0% | 37% | 63% | 100% |
| MIDDLE MANAGEMENT | 4% | 57% | 39% | 100% |
| JUNIOR MANAGEMENT & SPECIALISTS | 11% | 62% | 27% | 100% |
| SKILLED EMPLOYEES | 33% | 48% | 19% | 100% |
| UNSKILLED EMPLOYEES | 13% | 64% | 23% | 100% |

GENDER AND RACE PROFILE



EMPLOYMENT PROFILE BY LEVEL OF THE ORGANISATION

| OCCUPATIONAL LEVEL | FEMALE | | | | MALE | | | |
|---------------------------------|--------|----------|--------|-------|-------|----------|--------|-------|
| | Black | Coloured | Indian | White | Black | Coloured | Indian | White |
| TOP MANAGEMENT | 0% | 0% | 0% | 0% | 33% | 0% | 0% | 67% |
| SENIOR MANAGEMENT | 0% | 0% | 0% | 12% | 0% | 0% | 0% | 88% |
| MIDDLE MANAGEMENT | 0% | 0% | 0% | 18% | 3% | 3% | 1% | 75% |
| JUNIOR MANAGEMENT & SPECIALISTS | 2% | 2% | 0% | 21% | 6% | 2% | 0% | 67% |
| SKILLED EMPLOYEES | 5% | 9% | 1% | 24% | 30% | 4% | 0% | 27% |
| UNSKILLED EMPLOYEES | 4% | 0% | 0% | 0% | 93% | 3% | 0% | 0% |

Although progress has been made in diversifying talent across gender and race, it has not been at the desired pace, and efforts are made to accelerate progress and realise the desired transformation.

SUCCESSION MANAGEMENT

The objective of succession management at Senwes is to ensure that there is enough talent to provide cover for critical positions. It is also to ensure continuity by being able to replace people in critical positions and to develop leaders for future positions in-line with our leadership development competency model. There is adequate short term cover and pool of succession potential for most of the management and professional position in the company. Potential successors have personal development plans in place, targeted at enhancing their succession readiness.

TALENT DEVELOPMENT

We recognise that talent capacity is an essential component of our competitive advantage. Our business exist for the sake of the customer and is anchored on our relationships with them, which are established, maintained and enhanced by our capacity to meet their needs and solve their problems.

In order to play this role effectively and competitively, our employees need to each be a leader and possess certain competencies. We have developed a leadership competency model which articulates these competencies that every Senwes leader should possess, and our talent development investments are targeted at securing those competencies.



LEADERSHIP DEVELOPMENT MODEL

ADAPTING TO CHANGE

Deals with change in authentic, positive and resilient ways, being supportive in different situations and respecting diverse groups of people.

DESIGNING THE FUTURE

Focuses on developing ideas and exploring a range of possibilities, analysing and solving problems in ways that have a long-term impact.

GETTING THE RESULTS

Unlocks value and achieves outstanding results through discipline, integrity and well planned, timeous execution.

INFLUENCING OTHERS

Takes people on a journey through communicating and partnering with others, building relationships, demonstrating leadership and developing people.

Our integrated skills development framework guides proportionate, yet balanced investment in various skills development categories across all levels of the Organisation. The framework sets clear guidelines for employees to acquire the full spectrum of training, ranging from technical to job specific skills, without neglecting the need for personal growth, people skills and leadership development.

As part of the realignment and integration of the talent management strategy, we are continuously streamlining our talent development programmes to deliver on the employee value proposition of offering challenging jobs and development opportunities. A

culture of formulating talent development plans for all employees is being infused and integrated to the performance management system. Learnerships, accelerated development, and management development programmes are being implemented in conjunction with top business schools in the country and internationally.

The Group is committed to invest resources towards training and skills development of employees, acknowledging that greater emphasis should be placed on the development of candidates from previously disadvantaged groups in order to progressively support the achievement of talent diversification and employment equity objectives.

TALENT DEVELOPMENT INDICATORS

| INDICATORS | 2014/2015 | 2013/2014 | % MOVEMENT |
|--|-----------|-----------|------------|
| NUMBER OF TRAINING MAN-DAYS | 8 198 | 4 118 | 99 |
| TOTAL TRAINING COST (R'm) | 7.3 | 4.2 | 74 |
| % OF TRAINING INVESTMENT SPENT ON HDI'S* | 39 | 45 | (6) |
| AVERAGE TRAINING DAYS PER EMPLOYEE | 6.3 | 3.2 | 97 |
| CERTIFICATES AND DIPLOMAS AWARDED FOR REGISTERED LEARNERSHIPS (NUMBER) | 19 | 25 | (24) |
| TRAINING COSTS AS A % OF PAYROLL COSTS | 2.4 | 1.3 | 1.1 |

* Historically disadvantaged individuals

THE SENWES ACADEMY

The Senwes academy which was formally established in 2008 is responsible for the planning and delivery of learning and development across the group, as well as maintaining support systems to track and manage all learning. A variety of learning interventions are offered, covering the full spectrum from short courses, skills programmes, and learnerships leading to workplace qualifications as well as qualifications offered at tertiary institutions.

As an accredited training provider, Senwes is able to offer workplace qualifications in collaboration with external training providers. During the past year's graduation ceremony a total of 42 learners were recognized by the Senwes Academy for successful completion of various learning interventions ranging from level 2 to level 6 on the national qualifications framework (NQF). This demonstrates our commitment not only to grow and develop people, but also to recognize and reward achievements.

LEARNERSHIP PROGRAMMES

The delivery of learnership programmes remain a high level skills development priority in Senwes. Learnerships for employed as well as unemployed learners were successfully implemented and facilitated within Senwes over the past six years. The current focus with learnerships is to offer workplace qualifications in leadership and core business skills, by recruiting unemployed learners from the rural areas, providing workplace related training with the view of permanent employment after completion of training. A total of 25 learners were trained in learnership programmes while 19 were awarded with national certificates during the past year's graduation ceremony.

EMPLOYEE BURSARY SCHEME

Senwes' study bursary scheme for employees enables prospective learners to enroll for academic study on the basis of a study bursary, provided that it forms part of their personal development plan and is offered by an accredited and reputable institution. During the past financial year a total of R 652 300 was approved for study bursaries to students in the following categories. Almost 60% of bursaries are awarded to black employees, with 40% beneficiaries being female. This is in line with the diversity transformation objectives.

| DETAILS | MEASURE |
|---|----------|
| Number of Employees with Bursaries | 88 |
| Percentage of Black employees with Bursary | 44% |
| Percentage of Female Employees with Bursary | 45% |
| Amount of Bursaries | R652 300 |
| Percentage spent on Black Employees | 59% |
| Percentage spent on Female Employees | 40% |

LEADERSHIP DEVELOPMENT

A leadership model which supports leadership development across multiple levels is adopted, ranging from accelerated leadership development at supervisory and graduate level, to executive development at senior management level. We partner with leading business schools and private training providers to address leadership and management development needs, ranging from supervisory level to leaders at tactical and strategic level.

During the past year, the focus was on middle management and supervisory training with the objective of cultivating and enhancing management and leadership behaviour. Apart from enrollment of candidates on external management development programs at a selected business school, an in-house program is also offered, which enables successful candidates to achieve a NQF qualification in management upon completion. With this intervention learners are challenged with topics that are related to best practice in management and leadership, incorporating functional management competence combined with people, technical and business leadership competencies.

GRADUATE PROGRAMME

The graduate programme is a significant component of our talent attraction and development programme. It is a means of introducing academically trained young people, with excellent educational results, into the workplace, and exposes them to different aspects of the business, aligning talent objectives of the business with their individual careers interests. Through this programme we have been able to identify and appoint high potential individuals who also form part of our succession plans.



Initially, after which if successful they are employed permanently. Graduates are given a year-long contract during which they receive invaluable on the job training in various business units throughout the company. Over the last 5 years 60 graduates were placed in various departments at Senwes, 65% of whom were from previously disadvantaged groups.

TALENT RECOGNITION AND REWARD

Senwes reward strategy is to be competitive to the relevant market and to incentivise employees to achieve high performance through payment of performance based incentives when the relevant business, financial and personal targets have been achieved. Details of the remuneration policy and strategy are included in the Remuneration Report.

Furthermore, Senwes recognises employees who demonstrate exceptional performance in various areas of their work, at both divisional and group level. Employees are recognised and nominated either by their peers or by management for their exceptional service and receive an award at a divisional and/or group level. The awards cover areas of financial performance, customer service, entrepreneurship, operational efficiency, innovation, teamwork, and sustainability.



A SAFE, HEALTHY AND ENABLING WORKPLACE

In order to be productive employees need to work in a place that is safe, healthy and supportive. Employees work better and are more productive when they are free to be themselves, engage fully as part of a team and are appreciated and respected.

At Senwes we strive to create that kind of workplace and a culture that nourishes those attributes.

The health and safety strategy is based on five pillars, namely;

- Enabling policy environment
- Effective structures
- Education and training
- Empowering employees to make judgement calls
- Enforcement of rules and regulations.

HEALTH AND SAFETY STATISTICS



| INDICATORS | 2014/2015 | 2013/2014 |
|---------------------------------|-----------|-----------|
| SECTION 24 DISABLING INJURIES | 15 | 4 |
| DISABLING INJURIES | 34 | 24 |
| MAN-DAYS LOST DUE TO INJURIES | 809 | 180 |
| DISABLING INJURY FREQUENCY RATE | 2.93 | 1.97 |

A SHEQ strategy and operational review has been undertaken to address the lapses and increases in injury on duty cases.

EMPLOYEE WELLNESS

Senwes has an AIDS/HIV policy which prescribes that employees whom may be affected will not be discriminated against. The company uses its induction program to create employee awareness and distribute pamphlets and condoms to all work places.

Employees that might have any drug or substance abuse related issues are referred for counselling and treatment if requested, furthermore employees that are exposed to trauma incidents related to the working environment receives counselling and treatment at company costs.

LABOUR RELATIONS

The focus of Labour Relations is to have a pro-active approach to matters and the timeous identification of potential risks. Senwes is also in the fortunate position to experience labour peace through this approach. Good relations are maintained with labour unions. Senwes is a member of the Bargaining Council for the Grain Industry and plays a leading role in the Council, with representation on the board of this Council. A clearly defined employment policy and disciplinary code, which is electronically available to employees ensures that employees know what the rules of the company are. Employees experiencing personal difficulties, such as substance dependency or psychological difficulties are assisted in a confidential manner by being referred to external specialists.

INTERNATIONAL LABOUR ORGANISATION (ILO) CONVENTIONS

Senwes also support and complies with the principle of the ILO conventions on Rights at work and Decent Work

ILO FUNDAMENTAL RIGHTS AND DECENT WORK

Principle 1: Freedom of Association and the effective recognition of the right to collective bargaining.

Principle 2: Elimination of all forms of forced or compulsory labour.

Principle 3: Effective abolition of child labour.

Principle 4: Elimination of discrimination in respect of employment and occupation

TRADITIONAL RIGHTS

Senwes has an employment policy that is consistent and uniform for all employees. This policy protects the rights of staff and complies with labour legislation and in some cases exceeds the requirements of the laws governing employee rights. Any special deviations from this policy are negotiated on a centralised basis at bargaining council level. Special needs of employees are considered within this framework when the need arises. An example of a traditional right is special leave being granted to employees who need to attend initiation schools.

ELIMINATION OF DISCRIMINATION

The difference in benefits for employees is based on the level of employment and performance. The company policy does not contain any discriminatory elements other than this. If any other form of discrimination might occur, the company's grievance or disciplinary procedures may be activated.

ELIMINATION OF FORCED

The company does not make use of any forced labour. All jobs are allocated in a structured manner to the best available candidate, but giving preference to employment equity appointments. Senwes do not make use of labour brokers to provide labour. All employees working within the company are employees of the company.

ABOLISHING OF CHILD LABOUR

Senwes does not employ any children. The bar for employment was set higher than the age of sixteen, as contained in the Act. All employees are older than the age of eighteen. Identity documents are verified before employment to ensure potential appointees are eighteen years and older.

FREEDOM OF ASSOCIATION

Senwes recognises the employee's rights to freedom of association and collective bargaining. Senwes is a member of the Grain Bargaining Council and recognises two trade unions, Solidarity and FAWU. The Bargaining council has decided to de-recognise NUFBWSAW due to failure to meet minimum member representation threshold.

Labour Relations Solidarity and FAWU combined membership

| JOB GRADE | TOTAL NUMBER OF EMPLOYEES | TOTAL NUMBER OF UNIONIZED EMPLOYEES | % OF UNIONIZED EMPLOYEES |
|-----------|---------------------------|-------------------------------------|--------------------------|
| 1 - 4 | 585 | 126 | 21.54% |
| 5 - 11 | 528 | 166 | 31.44% |
| 1 - 11 | 1 113 | 292 | 26.24% |
| 1 - 25 | 1 293 | 329 | 25.44% |

A total of 25.4% of permanent employees are affiliated to a Union, and are represented in collective bargaining processes

violent service delivery protests. This coupled with regulatory uncertainty especially in the area of land reform, is having a negative impact on business and investor confidence.

PERFORMANCE MANAGEMENT

A balanced score card based performance management system is implemented across all levels of the organisation, to facilitate tracking of progress towards the achievement of short, medium and long term goals. In addition to that, the system forms the basis upon which good performers are rewarded as well as the identification of areas where there are opportunities for improvement.

In the year under review 88% of our employees met performance expectations, 4% performed below expectations and 8% exceeded expectations. Remedial action is taken to assist employees who are non-performing, whilst high performers are incentivised accordingly in line with our remuneration strategy.

SOCIAL ENVIRONMENTAL

We are committed to the national transformation and development objectives of the country and align our initiatives with the government's development priorities. We are passionate about contributing to the sustainable development of the rural areas, especially in the geographic locations where Senwes group companies conduct business.

SOCIO-POLITICAL INSTABILITY AND REGULATORY UNCERTAINTY

The country is facing socio political instability due to a number of factors including high levels of unemployment, increasing crime levels, growing inequality, service delivery failure and resultant

NATION IN CONVERSATION

Senwes has initiated a platform called "Nation in Conversation", supported by other industry players, for stakeholders to constructively engage on these issues, so that together we could find lasting solutions. A number of engagements have taken place involving, primary producers, government, financial institutions, agribusinesses, labour unions, and the media. Issues discussed included amongst others, land reform, labour relations, technological trends in food production, and management of scarce natural resources. The initiative is growing from year to year and expanding the outreach to all stakeholder groups that are either effected or have influenced on issues relating to sustainable food security.



SOCIO-ECONOMIC TRANSFORMATION AND DEVELOPMENT

Our primary objective is to facilitate initiatives that opens up opportunities for the communities to realize their full potential, develop sustainable solutions to community problems and to become self reliant in the long term, thereby creating a sustainable legacy for future generations.

BLACK ECONOMIC EMPOWERMENT

Senwes is committed to national transformation and development objectives, and is currently a level 8 BBBEE contributor. We continue to explore opportunities for improvement and deployment of resources to areas that will facilitate transformation and lead to sustainable development of the communities in the geographic areas where Senwes conduct business.

| PERFORMANCE INDICATOR | TARGET POINTS | SENWES PERFORMANCE | | |
|----------------------------|---------------|--------------------|---------|----------|
| | | 2014/15 | 2013/14 | Variance |
| Equity Ownership | 20 | 14.4 | 0.00 | 100% |
| Management | 10 | 2.66 | 1.69 | 57% |
| Employment Equity | 10 | 0.00 | 0.00 | 0% |
| Skills Development | 20 | 5.22 | 5.37 | (3%) |
| Preferential Procurement | 20 | 1.47 | 12.31 | (88%) |
| Enterprise development | 10 | 7.77 | 10.00 | (22%) |
| Socio Economic Development | 10 | 1.81 | 3.65 | (50%) |
| Total Score | 100 | 33.33 | 33.02 | |

THE BBBEE STRATEGY

The Senwes BBBEE strategies is targeted at ensuring a sustainable empowerment status for the group and its joint venture companies, as well as optimise broad based socio-economic development for our stakeholders.

- To ensure sustainable BBBEE structure for Senwes.
- To create flexible empowerment structures for various entities.
- To ensure broad based empowerment.
- Enhance internal diversity of all entities and the Group as a whole.
- To optimise socio-economic, enterprise and supplier development investment.
- To align Senwes' interest and those of the agricultural community stakeholders.
- To maximise Senwes' BBBEE scorecard for mutual benefit of Senwes and beneficiaries.

SOCIO-ECONOMIC DEVELOPMENT

Our CSI-strategy places emphasis on forward-looking, integrated and strategic interventions based on a well researched understanding of current and anticipated future problems and devising long lasting solutions.

Our community development investments are targeted at areas of education, food security, sports, and addressing the needs of vulnerable children. We approach all our programmes and

initiatives through partnerships with relevant role players from across the spectrum, government, civil society organizations, tertiary institutions and business. Our approach to development is based on the following principles.

- Promote social cohesion.
- Take a programmatic approach to development – long-term programmes as opposed to short-term projects.
- Play a catalytic and facilitative role.
- Leverage partnerships and resources.
- Take a focused approach – and not attempt to be everything to everyone.

OUR CSI-OBJECTIVES

- To initiate and support innovative initiatives and practical solutions to community problems and needs.
- To work with communities at grass roots level.
- To support community interventions that are viable and have a wider, broader and sustainable impact in the long term.
- To leverage the resources, potential and opportunities within communities, so as to ensure that they can take ownership and responsibility for their own development.
- To provide our employees with opportunities and support to contribute to the well-being and development of communities in which they live and where we operate.
- To work in a consultative manner within partnerships with the community, government, non-governmental organisations and other businesses.

DEVELOPMENT FOCUS AREAS

Our development interventions are targeted at the following focus areas:

DEVELOPMENT FOCUS AREAS

EDUCATION

ENTERPRISE
DEVELOPMENT

SPORTS

FOOD
SECURITY

WELFARE

EDUCATION

Education is the best form of empowerment. It provides enlightenment by means of knowledge, understanding, insight, learning and enhancing the capacity of people to do things for themselves, engage effectively with others and make a contribution for the benefit of all. Senwes prioritises education as the best form of community development. Our investments in education cover the following areas:

- Bursaries for tertiary education
- Educational technology
- Early childhood development
- Learnerships
- Practical exposure and experiential learning

FOCUS AREA

PROGRESS TO DATE

BURSARIES FOR TERTIARY EDUCATION

During the 2014 academic year, we funded 4 bursary students. 3 Students completed their year successfully and enrolled for further studies during 2015. The total amount that was funded was R180 000.

During the 2015 academic year we funded 6 bursary students. The total amount for bursaries funded are R283 000.

EDUCATIONAL TECHNOLOGY

In Partnership with Senwes Black Empowerment Trust, Thobo Trust (formerly Kotulo Trust) we have initiated programmes in rural schools and townships around rural areas with focus on providing information technology in schools. The purpose of this programme is to ensure that the young people in rural areas have basic computer skills and have access to technology that will assist them to keep abreast with the rapid technological developments and become relevantly skilled for the digital world.

This programme also extends to tertiary institutions like Universities and Further Education Colleges. In this regard Senwes has assisted in establishing Computer Centre's for the University of the North West and Vuselela FET College, ensuring that tertiary students have access to technology that enables them to learn basic practical computer skills required for their tertiary studies as well as the world of work.

EARLY CHILDHOOD DEVELOPMENT

This programme seeks to ensure that early childhood development in rural areas goes beyond day care to educational development. In this regard, we focus on the enhancement of the qualifications of educators as well as providing learning resources.



LEARNERSHIPS

Learnerships are targeted at unemployed young people with the view of providing them with formal accredited training and experiential practical learning in various areas of our business. These young people are either absorbed into our businesses as full time employees or find employment elsewhere.

We view this as a very critical intervention given the high level of youth unemployment and unemployability, due to poor skills levels in our country. Senwes as a responsible corporate citizen makes a contribution to addressing this problem which has the potential to lead to instability if unattended to as a matter of urgency.

Certain qualifications at tertiary educational institutions require students to complete a practical work module in order to obtain a qualification. Also many learners whose qualifications did not require this are unable to secure employment because of lack of the necessary experience required.

Senwes participated in various initiatives to assist students with gaining workplace experience or the required practical work modules towards their qualifications.

Senwes donated computers to Vuselela FET College in order to assist in the total learning process of students and to develop skills that will make them ready for the workplace.

PRACTICAL EXPOSURE AND EXPERIENTIAL LEARNING

ORPHANED AND VULNERABLE CHILDREN

We believe that a nation has a responsibility to take care of its children and ensure that they are brought up in a humane, loving and caring environment. In this regard we have adopted 5 Children Homes in the Klerksdorp area who are assisted with school uniforms, learning materials and in some instances with educational technology. This is to ensure that vulnerable children get as reasonable as possible as much love, care and learning opportunities as children raised in their own families.

SPORTS

Senwes believes that sports development is crucial for providing opportunities to unearth talent and develop it so that young people can realise their potential. Furthermore, sports plays an important role in enhancing social cohesion, improving physical and mental fitness and engaging young people in constructive endeavors that takes them away from destructive activities like crime and substance abuse. The programme also contributes towards the development of coaches, and sport administrators at schools, and encourages parents to get involved in the extra curricula development of their children.

FOCUS AREA

PROGRESS TO DATE

SENWES SPINNERS

Senwes in partnership with North West Cricket have been running the Senwes Spinners Project since 2006. The purpose of this project is to introduce young people from rural and specifically farm schools to cricket, identify their potential and develop them into competitive cricket players.

The programme has since its inception, introduced 130 learners per annum from 19 schools, to the game of cricket and provided them with quality training, coaching and equipment. Our programme extended to 32 educators who were trained as coaches and umpires, thereby empowering them with the necessary skills to ensure a sustainable programme and skills transfer. One of the teachers completed a level 1 Cricket South Africa coaching course.

Excellent performers are identified and provided with an opportunity to attend a high performing academic and cricket school in order to enable them to pursue cricket at a higher level.

SENWES PARK

Our relationship with North West Cricket has grown stronger over the years. The naming rights contract of the North West Cricket Stadium in Potchefstroom to Senwes Park's has been extended for another three years. This international standard facility receives huge marketing through both print, electronic and digital media. The venue hosted international one day games, T20 Ram Slams, provincial games, schools bashes and music concerts. The Senwes Park stadium has been awarded best pitch and best groundsman for 5 consecutive years from Cricket South Africa.

SENWES SOCCER TOURNAMENT

The Senwes soccer tournament is targeted at primary schools and provides the opportunity for boys and girls to play competitively between schools from various areas, culminating in a cup tournament. This tournament serves also to show case talent, through which highly skilled players are identified by scouts for recruitment into soccer academies or teams, where they can get the opportunity to further develop into professional players.

THE RURAL SCHOOLS ATHLETICS PROGRAMME

The Rural Schools Athletics programme involves twelve rural schools in the Free State's Sandveld region that compete in an annual competition. This programme reaches out to 1200 learners.



WELFARE OF VULNERABLE COMMUNITIES

Annual Christmas Party Project

Senwes, as part of its Corporate Citizenship initiatives, hosted a party for local childrens' homes and homes for the disabled in the form of an annual Christmas event. The event is organised around the concept of a Christmas tree whereby staff and other interested individuals purchase a Christmas present for a child, which is then presented at the Christmas party. To date five homes (375 children in total) have benefited from this event. The primary purpose is to extend love and care to children who are needy.

Whilst the event is initiated and hosted by Senwes initiative, it has grown to include other local interested stakeholders who have provided financial and other forms of support to the initiative. This is in line with our goal of mobilising and leveraging local available resources for social good.

Farm and rural security

Senwes has over the past three years been involved in initiatives to improve rural security. In a partnership with OFM, Engen, Agri SA, Afgri and NWK, an amount of R265 000 was raised for Agri Securitas for purposes of contributing towards strengthening security in South Africa's rural communities.

ENTERPRISE DEVELOPMENT

In line with our commitment to sustainable development and food security, Senwes invests in the development of emerging and developing producers, with a view of expanding participation in mainstream food production and ensuring that arable land remains fully productive. Senwes programme is geared towards providing comprehensive support to farmers and new processors, covering the following aspects:

- Farm management training
- Technical support (economic and agronomic)
- Food safety
- Production finance
- Storage and handling, and
- Market access

We also invest in keeping farmers up to date with the changes and global trends in food production practices and latest technologies.

For the year under review Senwes has invested R 6 398 775 in comprehensive support to developing agriculture, especially targeted at new entrants and emerging farmers.

YOUNG FARMER FUTURE FOCUS DAY

The Senwes Young Farmer Future Focus Day is a conference for young farmers in central South Africa organised in association with Free State and North West provinces Young Farmers Committees, which exposes young farmers – the future of South African agriculture – to experts in various agri-related fields.

The objective is to encourage young people to pursue farming and to empower them to deal with the challenges of commercial farming. Approximately 300 young farmers attended the 2014 event, which was addressed by world renowned Agricultural Economists, Prof Hamish Gow, followed by variety of demonstrations of advances in production technology.

AGRICULTURAL CONFERENCE SPONSORSHIPS

Senwes sponsored one international, six national conferences, seven provincial congresses and 170 district and local farmer associations of agriculture-related institutions, which were attended by various organisations from the agricultural industry.

The following organisations and their events received sponsorships:

| EDUCATION | PROVINCIAL | AGRIBUSINESS |
|---|---|--|
| <ul style="list-style-type: none">• Agri SA• Grain SA• National Chamber of Milling• Grain Handling Organisation• AMT Agri Outlook• Agri Securitas• International Association of Operative Millers Mideast & Africa District | <ul style="list-style-type: none">• Free State Agricultural Union• Agri North West• Agri Northern Cape• Free State Agricultural Union Young Farmers• Agri North West Young Farmers• AFASA Free State | <ul style="list-style-type: none">• Red Meat Producer Organisation (North West)• Hebron Wheat Day |

NATURAL ENVIRONMENTAL

The goal of Senwes is to ensure that all our activities do not leave a negative impact on the natural environment, and to contribute towards the preservation of the ecosystem.

The Senwes Environmental management strategy is focussed on the following key elements:

- Energy efficiency
- Water efficiency
- Waste reduction (Reduce, Reuse, Recycle)
- Alternative resources

SCARCITY AND QUALITY OF NATURAL RESOURCES AND RELIABILITY OF SUPPLY

The management of land and natural resources will remain one of the most critical challenges for sustainable food production. On the one hand there is demand driven scarcity, whereby demand for specific resources cannot be met by the existing supply, and on the other hand, there is supply induced scarcity, resulting from either natural variation and climate change or failure of infrastructure or service delivery mechanisms to meet demand.

ENERGY SUPPLY CHALLENGES

South Africa faces its worst power crisis since 2008. The inability of Eskom to meet electricity demand due to ailing infrastructure, poor maintenance and delays in the completion and commissioning of new power plants, is having a detrimental effect on business operations and investor confidence.

Senwes has put in place measures to improve efficiency of energy utilisation and to reduce the effects of failure of electrical supply on our operations and productivity.

WATER SCARCITY

South Africa is also faced with challenges of adequacy of water supply and poor quality of water in some areas.

At Senwes we have adopted efficient water consumption practices that enable us to capture, store, utilize and recycle rainwater and underground water for non drinking purposes, which enables us to reduce the use of municipal water. We have also put in place mechanisms to ensure continuity of water supply during short term supply disruptions, resulting from breakdown of municipal water infrastructure.

ENVIRONMENTAL MANAGEMENT INDICATORS



| INDICATORS | 2014/2015 | 2013/2014 | VARIANCE |
|-------------------------------|------------|------------|----------|
| WATER CONSUMPTION (kl) | 65 683 | 66 897 | -1.8% |
| ELECTRICITY CONSUMPTION (kWh) | 23 314 506 | 20 270 010 | 15.0% |
| ELECTRICITY CONSUMPTION (kVA) | 126 413 | 116 508 | 8.5% |

The overall energy consumption increased by 15% (kWh) and 8.5% (kVa) respectively, mainly due to the increased volume of maize intake, whilst water consumption reduced by 1.8%. New capital projects have been approved as part of our continuous improvement towards further reduction in energy and water consumption.



STAKEHOLDER ENGAGEMENT

Senwes view a good relationship with its stakeholders as fundamental to its core business, which are input supply, market access and financial services to clients. For this reason stakeholders will remain at the heart of our vision as an integral part of our strategic priorities.

Our stakeholder relationship is grounded on our core values. Our engagement approach builds a proactive two-way process between Senwes and its stakeholders which to both parties enable us to understand the needs of our stakeholders.

Meaningful stakeholder engagement is of such importance to us that we constantly review our methods and medium of

communication to ensure that we employ the best suitable communication methods and platforms as preferred by our stakeholders.

The Senwes approach to engaging with stakeholders is to foster mutual transparency so as to create a better sense of understanding with regards to their needs, concerns, perceptions and expectations. As a trendsetting agri-business we are constantly seeking innovative communication solutions in order to address specific stakeholder groups via the most effective channel. Our comprehensive high-tech online platform for registered users is testament to our seamless one-stop solution option for producers.

Our stakeholders are groups of individuals or organisations that can influence our business or be impacted on by our performance, product or services and actions.

Our key stakeholders are:

- Customers / clients / producers
- Shareholders / investors
- Employees
- Suppliers
- Strategic partners
- Government
- Regulators
- Communities

Our engagement is guided by and pursuant to our commitment to create value for all our stakeholders.

“WE ARE ALSO COMMITTED TO CREATING VALUE FOR ALL OUR STAKEHOLDERS BY CONDUCTING SUSTAINABLE BUSINESSES THROUGH ETHICAL DEALINGS, PROTECTING THE ENVIRONMENT AND CONTRIBUTING TO THE SOCIO-ECONOMIC DEVELOPMENT OF OUR EMPLOYEES AND SOCIETIES IN WHICH WE CONDUCT BUSINESS.”

VALUE-ADDED STATEMENT

FOR THE YEAR ENDED 30 APRIL 2015

| | GROUP | | | |
|---|--------------|---------------|--------------|---------------|
| | 2015 R'm | % | 2014 R'm | % |
| Revenue | 8 755 | | 11 476 | |
| Paid to suppliers for goods and services | (7 864) | | (10 622) | |
| Value added | 891 | | 854 | |
| Income from investments | 1 | | 1 | |
| WEALTH CREATED | 892 | | 855 | |
| Distributed as follows: | | | | |
| Employees | 372 | 35.3% | 353 | 34.3% |
| Salaries, wages and other benefits | 315 | 29.9% | 336 | 32.6% |
| Incentive scheme | 57 | 5.4% | 17 | 1.7% |
| Authorities | 98 | 9.3% | 91 | 8.8% |
| Financiers | 137 | 13.0% | 124 | 12.0% |
| Shareholders | 285 | 27.1% | 287 | 27.9% |
| Dividends and distribution to ordinary shareholders | 79 | 7.5% | 106 | 10.3% |
| Provision for replacement of assets | 38 | 3.6% | 36 | 3.5% |
| Retained surplus | 168 | 16.0% | 145 | 14.1% |
| Wealth distributed from income | 892 | 84.7% | 855 | 83.0% |
| Wealth distributed from other sources | | | | |
| Authorities | 161 | 15.3% | 175 | 17.0% |
| TOTAL WEALTH DISTRIBUTED | 1 053 | 100.0% | 1 030 | 100.0% |

1. Notes:

Employer contributions of R3 million (2014 - R4 million) with regards to central insurance funds are not included in this figure as these are accounted for in the amount paid to authorities (Note 2).

2.

Central and local government:

| | | |
|---|-----------|-----------|
| SA normal taxation - current year | 100 | 51 |
| (Increase)/decrease in deferred taxation | (14) | 29 |
| Skills development levy net of refunds | 3 | 3 |
| Rates and taxes paid to local authorities | 6 | 4 |
| Central insurance funds | 3 | 4 |
| Spending on authorities | 98 | 91 |

3.

Other taxes comprise of:

| | | |
|--------------------------------|------------|------------|
| VAT | 101 | 103 |
| PAYE | 58 | 69 |
| Withholding tax on dividends | 2 | 3 |
| Spending on authorities | 161 | 175 |

Total spending on authorities

259

266

4.

Retained surplus comprises of:

| | | |
|------------------------|------|-------|
| Group profit after tax | 247 | 251 |
| Dividends | (79) | (106) |

Retained surplus

168

145

SHAREHOLDER/INVESTOR

OBJECTIVE: TO BE A PREFERRED INVESTMENT

Strategic importance

Our shareholders place their trust in our company and provide the capital needed for growth and sustainability.

Reasons for engagement

- To be informed of their expectations, concerns, perceptions, and feedback.
- To provide reliable and timely information.
- To respond timely to queries and concerns.
- To communicate our strategy and progress.
- To inform about significant developments and material changes in the business.

Type of engagement

- Road shows
- Annual reports
- Annual general meeting
- Media releases
- Published reports
- Presentations
- Face to face discussions

CUSTOMERS/CLIENT

OBJECTIVE: TO BE A PREFERRED SUPPLIER

Strategic importance

Our customers are our lifeblood and we know and understand them, as well as the fact that they make it possible for us to generate revenue and create sustainable growth.

The grain buyer provides a market for our product and is critical in the conclusion of grain transactions.

Reasons for engagement

- Our customers are our lifeblood and we know and understand them, as well as the fact that they make it possible for us to generate revenue and create sustainable growth.
- The grain buyer provides a market for our product and is critical in the conclusion of grain transactions.

Type of engagement

- Key account managers
- Senwes Agricultural Services
- Farm visits
- Personal contact at points of operation
- Annual group customer satisfaction survey
- SMS notifications
- Website and social media
- e-Newsletter (eScenario)
- Customer magazine (Senwes Scenario)
- Expos
- Farmers' days
- Demonstration days
- Promotional material

SUPPLIER

OBJECTIVE: TO BE A PREFERRED DISTRIBUTION CHANNEL

Strategic importance

Our suppliers are critically important with regards to enabling us to deliver on our value proposition. Our suppliers are our partners and the source of the quality products we sell.

Reasons for engagement

- To gain understanding of supplier strategy and objectives.
- To discuss distribution strategy.
- To share information on customer and market concerns and aspirations.
- To provide feedback on strategy, products and service.
- To communicate any pertinent issues regarding our relationship.

Type of engagement

- Supplier meetings and site visits
- Supplier forums
- Conferences
- Electronic interaction
- Personal contact/ discussions
- Suppliers' function

STRATEGIC PARTNERS

OBJECTIVE: TO BE A PREFERRED PARTNER

Strategic importance

Our JV partners aid our expansion and value creation, whilst sharing in the risks and rewards of business with us. Therefore we are all committed to the same high standards and operational excellence.

Reasons for engagement

- To be informed of their expectations, concerns, perceptions and feedback.
- To provide reliable and timely information.
- To communicate our strategy and progress.
- To inform about significant developments and material changes in the business.
- To gain understanding of partner strategy and objectives.
- To discuss strategy.
- To share information on customer and market concerns and aspirations.
- To communicate any pertinent issues regarding our relationship.

Type of engagement

- Meetings and site visits
- Personal and electronic interaction
- Strategic development
- Capital participation
- Integration and optimisation actions
- Risk and compliance solutions

EMPLOYEES

OBJECTIVE: TO BE A PREFERRED EMPLOYER

Strategic importance

Our employees are the foundation on which our organisation is built. We respect and value the skills and experience of our team members and recognise the contributions made by each individual.

Reasons for engagement

- To solicit input and provide information on the strategic direction and progress.
- To provide information on the sustainability performance of the company.
- To solicit input and provide updates on ethics, culture, employee value proposition and work environment.
- To solicit input on innovation and organisational development.
- To advise on significant development in the industry, organisation, policy changes and events.

Type of engagement

- Divisional meetings
- Management road shows
- Internal printed newsletter
- Internal e-Newsletter
- Discussion forum and articles on the Senwes intranet
- Performance objective setting and feedback sessions
- Employee award functions
- Employee surveys

COMMUNITY

OBJECTIVE: TO BE A PREFERRED SOCIAL PARTNER

Strategic importance

Our communities not only provide us with a market for our products and services, but our employees are also part of these communities. Therefore it is critical for us to operate in a responsible and sustainable fashion within these communities where our employees, clients and their families reside and to contribute to their development.

Reasons for engagement

- To gather information on their needs, expectations and perceptions.
- To discuss and strategise on development initiatives.
- To gather information and provide feedback projects.
- To provide updates on company's sustainability performance.

Type of engagement

- CSI initiatives
- Study/focus groups
- Surveys

GOVERNMENT AND REGULATORS

OBJECTIVE: TO BE A PREFERRED CORPORATE CITIZEN

Strategic importance

Our government and regulators provide the framework within which we operate. Good relationships with these parties are critical to the expansion of the Senwes Group.

Reasons for engagement

- To submit regulatory returns.
- To supply information that assists in policy formulation.
- To provide inputs regarding policy formulation processes.
- To advise on industry matters.

Type of engagement

- Engagement through industry structures
- Direct meetings
- Input to policy proposals



ANNUAL FINANCIAL STATEMENTS

SENWES GROUP 5-YEAR REVIEW

| STATEMENT OF FINANCIAL POSITION * | 2015 R'm | 2014 R'm | 2013 R'm | 2012 R'm | 2011 R'm |
|--|--------------|---------------|---------------|---------------|--------------|
| Assets | | | | | |
| Non-current assets | 1 214 | 1 077 | 822 | 696 | 548 |
| Current assets | 3 533 | 3 051 | 3 199 | 2 676 | 2 558 |
| Total assets | 4 747 | 4 128 | 4 021 | 3 372 | 3 106 |
| Equity and liabilities | | | | | |
| Capital and reserves | 1 781 | 1 622 | 1 583 | 1 368 | 1 230 |
| Non-controlling interest | 17 | 13 | 10 | 8 | - |
| Equity | 1 798 | 1 635 | 1 593 | 1 376 | 1 230 |
| Non-current liabilities | 1 007 | 662 | 1 009 | 457 | 446 |
| Current liabilities | 1 942 | 1 831 | 1 419 | 1 539 | 1 430 |
| Total equity and liabilities | 4 747 | 4 128 | 4 021 | 3 372 | 3 106 |
| Interest-bearing liabilities included in current and non-current liabilities | 2 161 | 1 961 | 1 782 | 1 440 | 1 399 |
| INCOME STATEMENT PER SEGMENT | | | | | |
| Revenue | | | | | |
| Financial Services - <i>Senwes Credit & Certisure Group</i> | 219 | 170 | 139 | 168 | 156 |
| Input Supply - <i>Senwes Mechanisation & Hinterland Group</i> | 1 463 | 1 552 | 2 871 | 2 259 | 1 770 |
| Market Access - <i>Senwes Grainlink & Tradevantage</i> | 6 985 | 9 889 | 12 209 | 10 659 | 5 567 |
| Sundry operations | - | - | - | - | 46 |
| Normal operating activities | 8 667 | 11 611 | 15 219 | 13 086 | 7 539 |
| Corporate income | 88 | 15 | 35 | 11 | 11 |
| Total income | 8 755 | 11 626 | 15 254 | 13 097 | 7 550 |
| Discontinued operations | - | (150) | (1 370) | (1 222) | (1 074) |
| Income from continuing operations | 8 755 | 11 476 | 13 884 | 11 875 | 6 476 |
| Profit/(loss) * | | | | | |
| Financial Services - <i>Senwes Credit & Certisure Group</i> | 99 | 95 | 71 | 62 | 54 |
| Input Supply - <i>Senwes Mechanisation & Hinterland Group</i> | 89 | 80 | 170 | 104 | 65 |
| Market Access - <i>Senwes Grainlink, Tradevantage & Bunge Senwes</i> | 210 | 85 | 177 | 183 | 252 |
| Normal operating activities | 398 | 260 | 418 | 349 | 371 |
| Corporate costs | (65) | (75) | (69) | (54) | (56) |
| Investment, business combinations and restructuring income | - | 146 | 58 | 67 | 4 |
| Profit before tax | 333 | 331 | 407 | 362 | 319 |
| Tax | (86) | (80) | (100) | (97) | (100) |
| Profit for the year | 247 | 251 | 307 | 265 | 219 |
| Non-controlling interest | 4 | 3 | 2 | 1 | - |
| Finance charges included in results | (137) | (124) | (104) | (92) | (115) |
| CASH FLOW STATEMENT * | | | | | |
| Net cash flow | | | | | |
| Cash from operating activities | 575 | 381 | 490 | 441 | 547 |
| Total finance cost, tax and dividends paid | (314) | (276) | (295) | (307) | (250) |
| Finance costs paid | (137) | (124) | (104) | (89) | (113) |
| Tax paid | (98) | (46) | (117) | (92) | (92) |
| Dividends paid | (79) | (106) | (74) | (126) | (45) |
| Movement in operating capital | (327) | (28) | (544) | (88) | (290) |
| Dividends received | 1 | 2 | - | 2 | 1 |
| Net cash flow (used in)/from operating activities | (65) | 79 | (349) | 48 | 8 |
| Net cash from/(used in) investment activities | 53 | 4 | (148) | (133) | (31) |
| Net cash (used in)/from financing activities | (5) | (102) | 531 | 102 | - |
| Net (decrease)/increase in cash and cash equivalents | (17) | (19) | 34 | 17 | (23) |

*Including discontinued and continuing operations

FINANCIAL AND OPERATING RATIOS

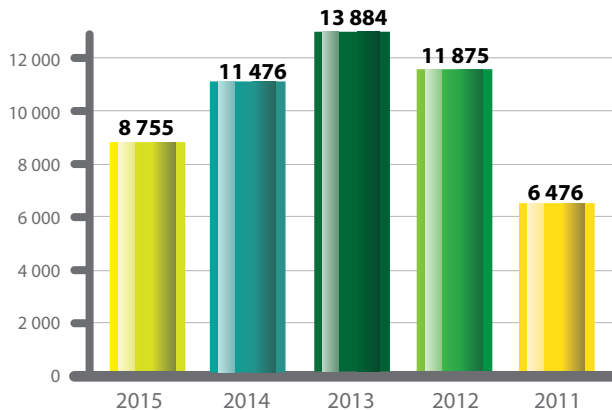
Definitions

| | | 2015 | 2014 | 2013 | 2012 | 2011 | 5-year compounded annual growth % |
|---|----|---------|---------|---------|--------|---------|-----------------------------------|
| FINANCIAL GROWTH (%) | | | | | | | |
| Total assets | | 15,0 | 2,7 | 19,2 | 8,6 | 11,1 | 11,2 |
| Total shareholder interest | | 10,0 | 2,6 | 15,8 | 11,9 | 16,1 | 11,2 |
| Interest-bearing liabilities | | 10,2 | 10,0 | 23,8 | 2,9 | 17,0 | 12,6 |
| Total revenue from continuing operations | | (23,7) | (17,3) | 16,9 | 83,4 | (28,4) | (0,6) |
| Profit before tax | | 0,6 | (18,7) | 12,4 | 13,5 | (3,9) | 0,1 |
| Normalised headline earnings per share | | 77,0 | (35,1) | 14,8 | 14,3 | 1,5 | 8,9 |
| Net asset value per share | | 10,1 | 8,3 | 16,9 | 11,2 | 16,1 | 12,5 |
| Closing market price per share | | 7,0 | 3,4 | 15,6 | (11,8) | 39,7 | 9,5 |
| Total dividends for the year | | 4,2 | (21,3) | 1,7 | 71,4 | (75,0) | (18,6) |
| PERFORMANCE OF ORDINARY SHARES | | | | | | | |
| Number of ordinary shares ('m) | | | | | | | |
| Weighted average number in issue | | 169,21 | 172,38 | 180,46 | 180,79 | 180,79 | |
| Number in issue at year-end | | 168,88 | 169,29 | 178,99 | 180,79 | 180,79 | |
| Cents per share | | | | | | | |
| Earnings | 1 | 143,4 | 143,9 | 168,9 | 146,0 | 121,1 | 4,4 |
| Normalised headline earnings | 2 | 175,2 | 99,0 | 152,4 | 132,8 | 116,2 | 8,9 |
| Diluted normalised headline earnings | 3 | 164,0 | 94,4 | 152,2 | 132,8 | 116,2 | 7,4 |
| Net asset value | 4 | 1 054,6 | 958,1 | 884,4 | 756,7 | 680,3 | 12,5 |
| Closing market price | 5 | 1 150,0 | 1 075,0 | 1 040,0 | 900,0 | 1 020,0 | 9,5 |
| Total dividends for the year | 6 | 50,0 | 48,0 | 61,0 | 60,0 | 35,0 | |
| Final dividend declared | | 26,0 | 22,0 | 31,0 | 15,0 | 25,0 | |
| Interim dividend paid | | 24,0 | 26,0 | 26,0 | 45,0 | 10,0 | |
| Special dividend paid | | - | - | 4,0 | - | - | |
| Percentage | | | | | | | |
| Price-book ratio | 7 | 109,0 | 112,2 | 117,6 | 118,9 | 149,9 | |
| Dividend yield, including special dividends | 8 | 4,7 | 4,6 | 6,8 | 5,9 | 4,8 | |
| Dividend yield, excluding special dividends | 9 | 4,7 | 4,6 | 6,3 | 5,9 | 4,8 | |
| Dividend yield on average market price, including special dividends | 10 | 4,5 | 4,5 | 6,3 | 6,3 | 4,0 | |
| Times | | | | | | | |
| Price earnings ratio | 11 | 6,6 | 10,9 | 6,8 | 6,8 | 8,8 | |
| Dividend cover, including special dividends | 12 | 2,9 | 3,0 | 2,8 | 2,4 | 3,5 | |
| Dividend cover, excluding special dividends | 13 | 2,9 | 3,0 | 3,0 | 2,4 | 3,5 | |
| SHAREHOLDER RETURN (%) | | | | | | | |
| Return on opening equity | 14 | 15,0 | 15,7 | 22,3 | 21,5 | 20,7 | |
| Return on average equity | 15 | 14,3 | 15,5 | 20,7 | 20,3 | 19,1 | |
| Total shareholder return (on opening market price) (dividends & capital growth) | 16 | 11,6 | 8,0 | 22,3 | (5,9) | 44,5 | |
| Total shareholder return (on average market price) (dividends & capital growth) | 17 | 11,2 | 7,8 | 20,7 | (6,3) | 37,1 | |
| PRODUCTIVITY | | | | | | | |
| Asset velocity (times) * | 18 | 2,0 | 2,8 | 3,8 | 3,7 | 2,2 | |
| Revenue/equity (times) * | 19 | 4,9 | 7,0 | 8,7 | 8,6 | 5,3 | |
| Number of employees | 20 | 1 482 | 1 443 | 2 124 | 2 170 | 2 201 | |
| Operating profit per employee (R'000) | 21 | 360 | 337 | 214 | 191 | 196 | |
| Return on total assets - EBIT (%) | 22 | 11,0 | 12,1 | 12,0 | 12,8 | 14,0 | |
| Operating profit as % of income * | 23 | 5,3 | 3,9 | 3,6 | 3,8 | 6,7 | |
| Effective tax rate | 24 | 26 | 25 | 25 | 27 | 31 | |
| SOLVENCY AND LIQUIDITY | | | | | | | |
| Equity as % of net assets | 25 | 45 | 45 | 47 | 49 | 47 | |
| Equity as % of total assets (own capital ratio) | 26 | 38 | 40 | 40 | 41 | 40 | |
| Gearing ratio % | 27 | 119 | 118 | 109 | 103 | 112 | |
| Non-interest-bearing liabilities as % of equity | 28 | 45 | 33 | 41 | 41 | 39 | |
| Finance costs paid (R 'm) | 29 | (137) | (124) | (104) | (89) | (113) | |
| Interest cover - EBITDA (times) | 30 | 3,7 | 4,0 | 5,3 | 5,4 | 4,1 | |
| Current ratio | 31 | 1,8 | 1,7 | 2,3 | 1,7 | 1,8 | |
| Quick asset ratio | 32 | 1,2 | 1,3 | 1,6 | 1,3 | 1,1 | |

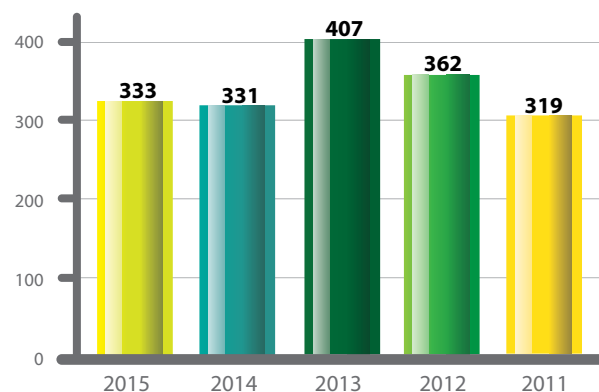
* Revenue from continuing operations used

INCOME STATEMENT

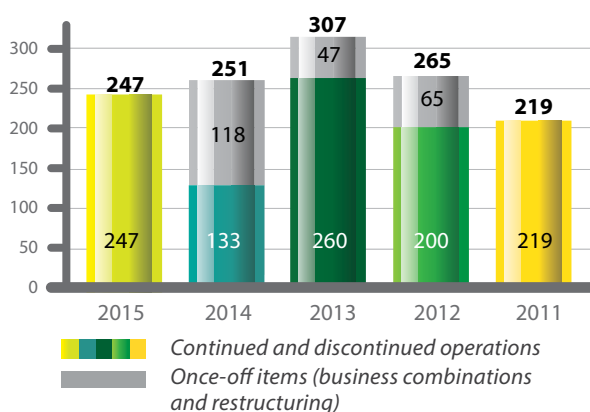
TOTAL REVENUE FROM CONTINUING OPERATIONS (R'M)



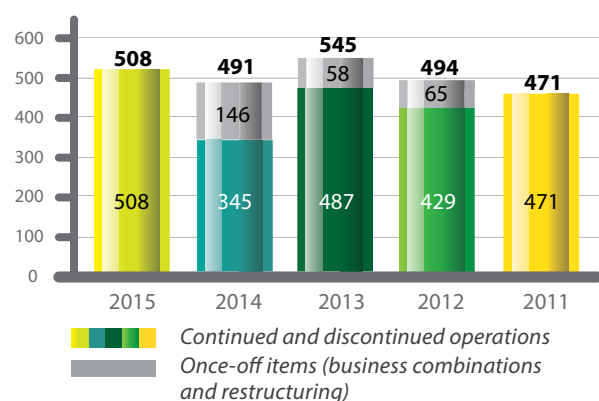
PROFIT BEFORE TAX (R'M)



PROFIT AFTER TAX (R'M)

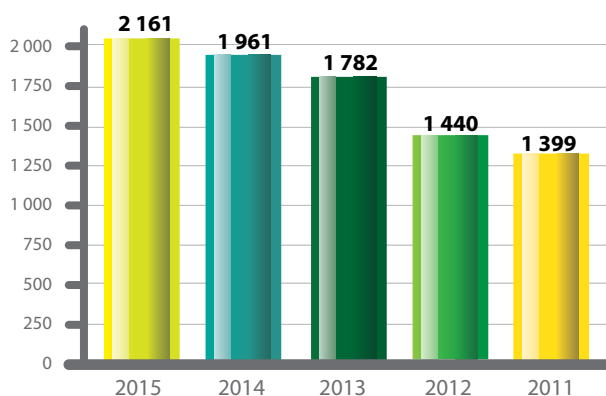


EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (R'M) (EBITDA)

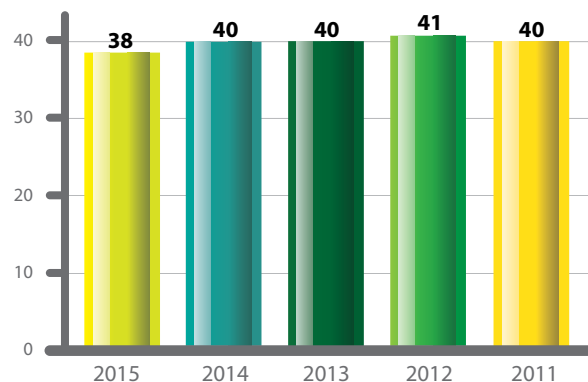


BALANCE SHEET

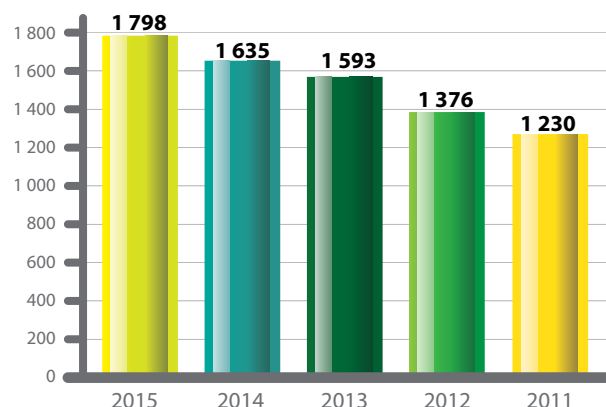
INTEREST-BEARING DEBT (R'M)



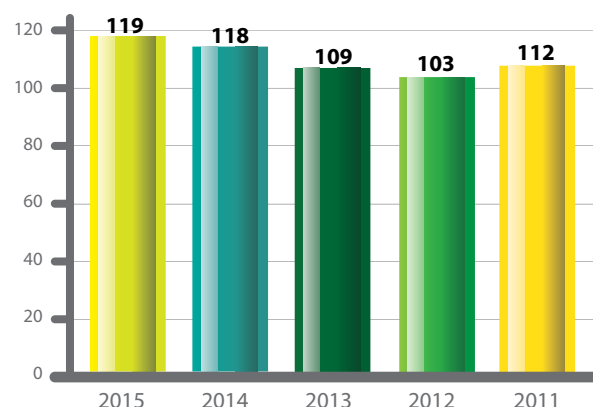
OWN CAPITAL RATIO (%)



TOTAL EQUITY (R'M)

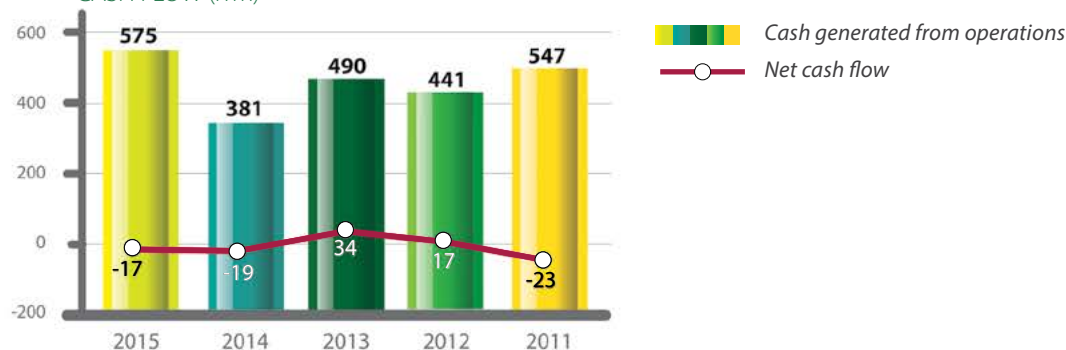


GEARING RATIO (%)



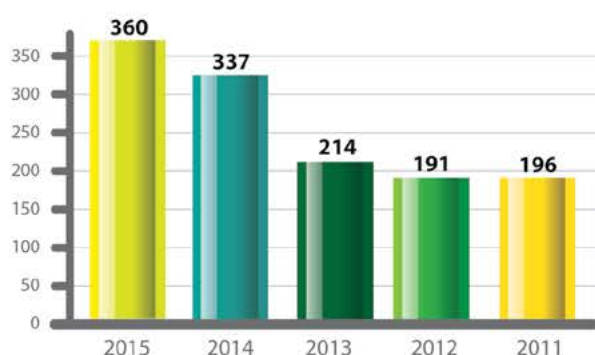
CASH FLOW STATEMENT

CASH GENERATED FROM OPERATIONS VS NET CASH FLOW (R'M)

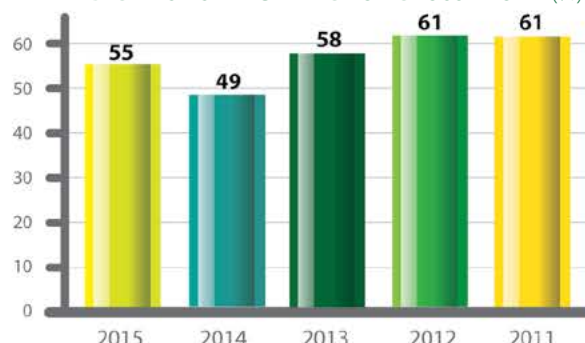


EFFICIENCY AND PRODUCTIVITY

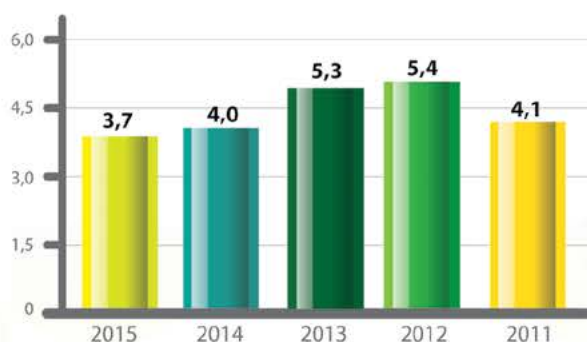
OPERATING PROFIT PER EMPLOYEE (R'000)



DISTRIBUTION, SALES, ADMINISTRATIVE EXPENSES AND GAINS AS PERCENTAGE OF GROSS PROFIT (%)



INTEREST COVER (TIMES)



EARNINGS BEFORE INTEREST AND TAX (EBIT)

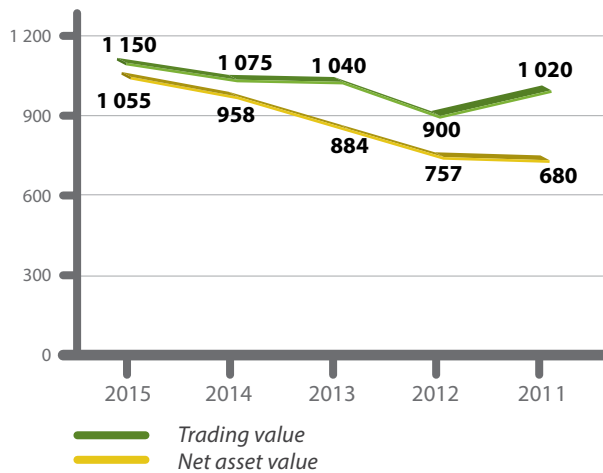


OPERATING PROFIT MARGIN (%)

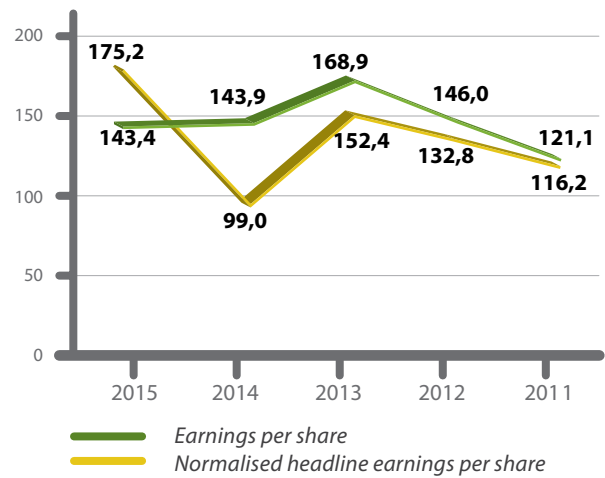


SHAREHOLDERS

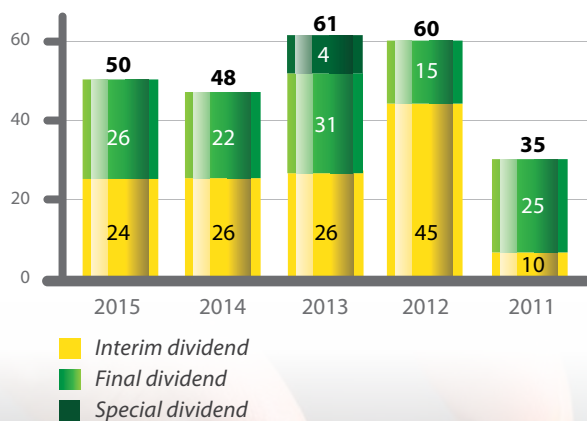
SHARE PRICE: TRADING VALUE
VS NET ASSET VALUE (C/SHARE)



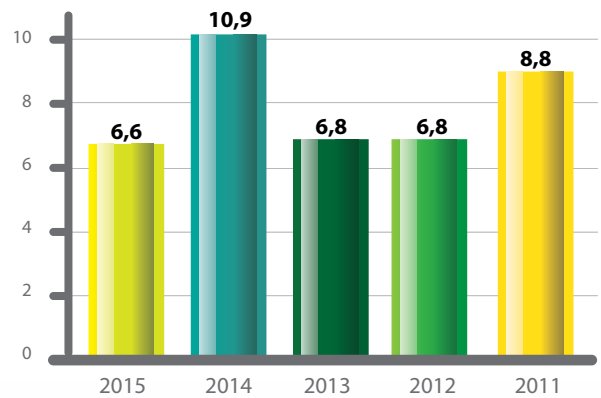
EARNINGS PER SHARE VS NORMALISED HEADLINE
EARNINGS PER SHARE (C/SHARE)



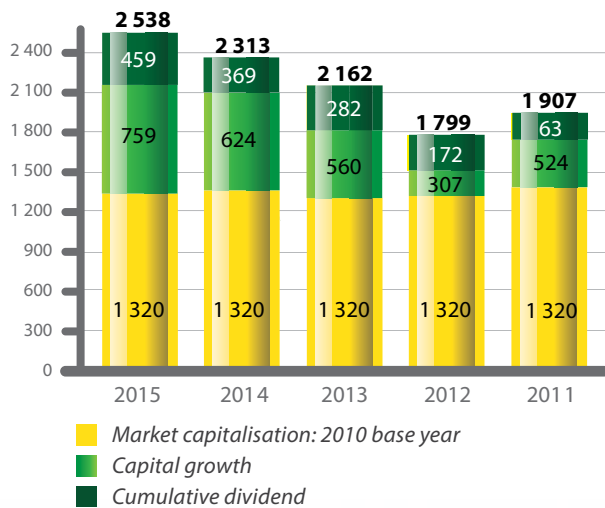
DIVIDEND (C/SHARE)



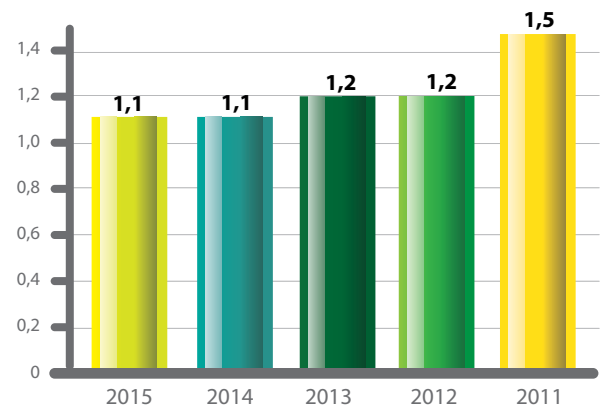
PRICE-EARNINGS RATIO (TIMES)



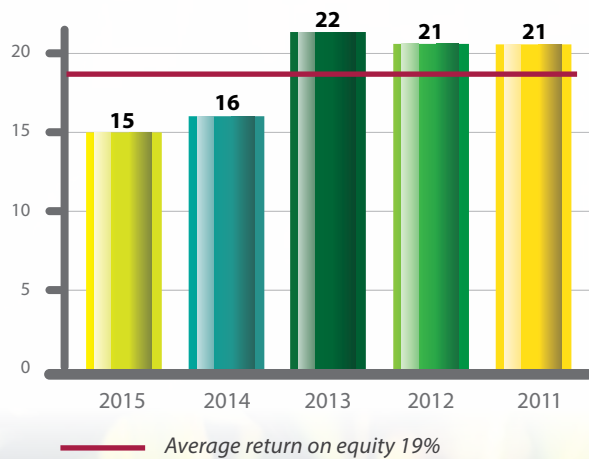
VALUE CREATION AND VALUE UNLOCKING FOR SHAREHOLDERS BY MEANS OF CAPITAL AND DIVIDENDS (R'M)



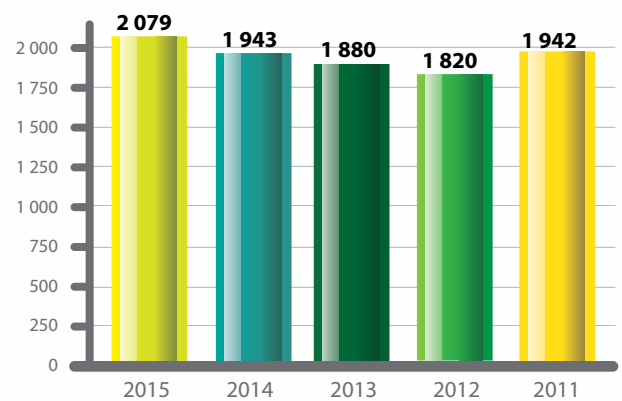
PRICE-BOOK RATIO (TIMES)



RETURN ON EQUITY - OPENING EQUITY (%)



MARKET CAPITALISATION - CLOSING PRICE (R'M)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2015

| | GROUP | | COMPANY | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 320 | 270 | 259 | 210 |
| Investment in subsidiaries | - | - | 49 | 49 |
| Investment in associates | - | 2 | - | - |
| Investment in joint ventures | 214 | 241 | 247 | 277 |
| Other financial assets | 4 | 4 | 4 | 4 |
| Loans and other receivables | 656 | 554 | 656 | 554 |
| Deferred tax asset | 20 | 6 | 15 | 1 |
| Total non-current assets | 1 214 | 1 077 | 1 230 | 1 095 |
| Current assets | | | | |
| Inventory | 932 | 431 | 703 | 350 |
| Trade and other receivables | 2 180 | 2 117 | 2 043 | 1 999 |
| Other loans receivable | 17 | 170 | 349 | 541 |
| Inventory held to satisfy firm sales | 323 | 278 | 338 | 255 |
| Derivative financial instrument | 68 | 25 | 67 | 1 |
| Cash and short-term deposits | 13 | 30 | 6 | - |
| Total current assets | 3 533 | 3 051 | 3 506 | 3 146 |
| TOTAL ASSETS | 4 747 | 4 128 | 4 736 | 4 241 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Issued capital | 1 | 1 | 1 | 1 |
| Share premium | 67 | 67 | 67 | 67 |
| Treasury shares | (126) | (121) | - | - |
| Reserves | 3 | 3 | 17 | 2 |
| Retained earnings | 1 836 | 1 672 | 1 766 | 1 640 |
| Own equity | 1 781 | 1 622 | 1 851 | 1 710 |
| Non-controlling interest | 17 | 13 | - | - |
| Total equity | 1 798 | 1 635 | 1 851 | 1 710 |
| Non-current liabilities | | | | |
| Interest-bearing loans | 1 002 | 652 | 1 000 | 650 |
| Incentive bonuses: Long-term portion | 5 | 10 | 5 | 10 |
| Total non-current liabilities | 1 007 | 662 | 1 005 | 660 |
| Current liabilities | | | | |
| Trade and other payables | 705 | 423 | 618 | 436 |
| Interest-bearing loans | 1 117 | 1 285 | 1 140 | 1 296 |
| Other loans payable | 42 | 24 | 42 | 26 |
| Derivative financial instruments | 18 | 72 | 18 | 72 |
| Tax payable | 7 | 5 | 9 | 4 |
| Incentive bonuses: Short-term portion | 49 | 19 | 49 | 19 |
| Bank overdraft | - | - | - | 15 |
| Provisions | 4 | 3 | 4 | 3 |
| Total current liabilities | 1 942 | 1 831 | 1 880 | 1 871 |
| Total liabilities | 2 949 | 2 493 | 2 885 | 2 531 |
| TOTAL EQUITY AND LIABILITIES | 4 747 | 4 128 | 4 736 | 4 241 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2015

| | GROUP | | COMPANY | |
|--|--------------|---------------|--------------|---------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| Services rendered | 474 | 248 | 535 | 253 |
| Finance income | 259 | 203 | 267 | 208 |
| Income from operating activities | 1 443 | 2 076 | 1 197 | 3 482 |
| Income from commodity trading | 6 579 | 8 949 | 5 890 | 7 271 |
| Revenue | 8 755 | 11 476 | 7 889 | 11 214 |
| Cost of sales | (7 576) | (10 609) | (6 762) | (10 398) |
| Gross profit | 1 179 | 867 | 1 127 | 816 |
| Other operating income | 1 | 1 | 8 | 105 |
| Distribution, sales, administrative expenses and gains | (647) | (381) | (640) | (307) |
| Operating profit | 533 | 487 | 495 | 614 |
| Finance cost | (137) | (124) | (139) | (120) |
| Share of profit from joint ventures | 7 | 13 | - | - |
| Profit before tax from continuing operations | 403 | 376 | 356 | 494 |
| Taxation | (106) | (79) | (76) | (86) |
| Profit for the year after tax from continuing operations | 297 | 297 | 280 | 408 |
| Loss after tax from discontinued operations and operations transferred to merger entity | (50) | (46) | (71) | (43) |
| Profit for the year | 247 | 251 | 209 | 365 |
| Other comprehensive income to be classified to profit or loss in subsequent periods, net of tax | (5) | 4 | 1 | 1 |
| Fair value adjustment available-for-sale financial asset | 1 | 1 | 1 | 1 |
| Exchange difference on translation of foreign operations | (6) | 3 | - | - |
| Total comprehensive income for the year, net of tax | 242 | 255 | 210 | 366 |
| Profit attributable to: | | | | |
| Equity holders of the parent | 243 | 248 | 209 | 365 |
| Non-controlling interest | 4 | 3 | - | - |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 238 | 252 | 210 | 366 |
| Non-controlling interest | 4 | 3 | - | - |

EARNINGS PER SHARE

| | 2015 cents/share | 2014 cents/share |
|--|---------------------|---------------------|
| Basic earnings for the year attributable to ordinary equity holders of the parents (cents) | 143,4 | 143,9 |
| Normalised headline earnings per share (cents) | 175,2 | 99,0 |
| Diluted earnings per share (cents) | 134,2 | 137,2 |
| Diluted normalised headline earnings per share (cents) | 164,0 | 94,4 |

DIVIDENDS FOR THE YEAR

| | 2015 cents/share | 2014 cents/share |
|---|---------------------|---------------------|
| Dividend per share paid during the year | 46 | 61 |
| Final dividend previous year | 22 | 31 |
| Special dividend | - | 4 |
| Interim dividend | 24 | 26 |
| Final dividend per share proposed | 26 | 22 |

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2015

| | Issued share capital R'm | Share premium R'm | Treasury shares R'm | Share- based payment reserve R'm | Changes in ownership R'm | Fair value adjust- ments R'm | Foreign currency translation reserve R'm | Retained earnings R'm | Non- controlling interest R'm | Total equity R'm |
|--|-----------------------------------|-------------------------|---------------------------|--|--------------------------------|---------------------------------------|--|-----------------------------|--|------------------------|
| GROUP | | | | | | | | | | |
| Balance as at 30 April 2013 | 1 | 67 | (19) | - | - | 1 | 3 | 1 530 | 10 | 1 593 |
| Total comprehensive income | - | - | - | - | - | 1 | 3 | 248 | 3 | 255 |
| Profit for the year | - | - | - | - | - | - | - | 248 | 3 | 251 |
| Other comprehensive income | - | - | - | - | - | 1 | 3 | - | - | 4 |
| Dividends | - | - | - | - | - | - | - | (106) | - | (106) |
| Treasury shares purchased | - | - | (102) | - | - | - | - | - | - | (102) |
| Shares issued to non-controlling shareholders | - | - | - | - | (5) | - | - | - | - | (5) |
| Balance as at 30 April 2014 | 1 | 67 | (121) | - | (5) | 2 | 6 | 1 672 | 13 | 1 635 |
| Total comprehensive income | - | - | - | - | - | 1 | (6) | 243 | 4 | 242 |
| Profit for the year | - | - | - | - | - | - | - | 243 | 4 | 247 |
| Other comprehensive income | - | - | - | - | - | 1 | (6) | - | - | (5) |
| Dividends | - | - | - | - | - | - | - | (79) | - | (79) |
| Treasury shares purchased | - | - | (5) | - | - | - | - | - | - | (5) |
| Shares purchased from non-controlling shareholders | - | - | - | - | (9) | - | - | - | - | (9) |
| Equity-settled share-based payment scheme | - | - | - | 14 | - | - | - | - | - | 14 |
| Balance as at 30 April 2015 | 1 | 67 | (126) | 14 | (14) | 3 | - | 1 836 | 17 | 1 798 |
| COMPANY | | | | | | | | | | |
| Balance as at 30 April 2013 | 1 | 67 | - | - | - | 1 | - | 1 385 | - | 1 454 |
| Total comprehensive income | - | - | - | - | - | 1 | - | 365 | - | 366 |
| Profit for the year | - | - | - | - | - | - | - | 365 | - | 365 |
| Other comprehensive income | - | - | - | - | - | 1 | - | - | - | 1 |
| Dividends | - | - | - | - | - | - | - | (110) | - | (110) |
| Balance as at 30 April 2014 | 1 | 67 | - | - | - | 2 | - | 1 640 | - | 1 710 |
| Total comprehensive income | - | - | - | - | - | 1 | - | 209 | - | 210 |
| Profit for the year | - | - | - | - | - | - | - | 209 | - | 209 |
| Other comprehensive income | - | - | - | - | - | 1 | - | - | - | 1 |
| Dividends | - | - | - | - | - | - | - | (83) | - | (83) |
| Equity-settled share-based payment scheme | - | - | - | 14 | - | - | - | - | - | 14 |
| Balance as at 30 April 2015 | 1 | 67 | - | 14 | - | 3 | - | 1 766 | - | 1 851 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2015

| | GROUP | | COMPANY | |
|--|-------------|--------------|-------------|--------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| Net cash flows (used in)/from operating activities | (65) | 79 | (97) | 317 |
| Cash from operating activities | 575 | 381 | 519 | 357 |
| Dividends received | 1 | 2 | - | 2 |
| Finance costs paid | (137) | (124) | (139) | (120) |
| Tax paid | (98) | (46) | (85) | (38) |
| Dividends paid | (79) | (106) | (83) | (110) |
| Changes in operating capital | (327) | (28) | (309) | 226 |
| Net cash flows from/(used in) investment activities | 53 | 4 | 118 | (365) |
| Purchase of property, plant and equipment | (89) | (56) | (88) | (54) |
| Proceeds from the disposal of property, plant and equipment | 4 | 3 | 4 | 3 |
| Proceeds from the sale of available-for-sale financial asset | - | 1 | - | 1 |
| Increase of investment in subsidiaries | - | - | (19) | - |
| Increase of investment in joint ventures | (2) | - | (2) | - |
| Dividends received from investment in joint ventures | 7 | - | 8 | - |
| Net cash received on formation of Hinterland | - | 94 | - | 94 |
| Increase in other loans payable to related parties | 18 | - | 16 | - |
| Decrease/(increase) in other loans receivable from related parties | 115 | (38) | 199 | (409) |
| Net cash flows before financing activities | (12) | 83 | 21 | (48) |
| Net cash flows (used in)/from financing activities | (5) | (102) | - | - |
| Treasury shares purchased | (5) | (102) | - | - |
| Repayment of interest-bearing loans: Long-term | (350) | - | (350) | - |
| Proceeds from interest-bearing loans: Long-term | 350 | - | 350 | - |
| Net (decrease)/increase in cash and cash equivalents | (17) | (19) | 21 | (48) |
| Cash and cash equivalents - beginning of the year | 30 | 49 | (15) | 33 |
| Cash and cash equivalents - end of the year | 13 | 30 | 6 | (15) |



SEGMENTAL REVIEW

SEGMENTAL INFORMATION

For management and control purposes, the Group is divided into business units based on their products, services and clients and consists of the following reportable segments:

| | |
|--|---|
| Financial Services <i>(Senwes Credit & Certisure Group)</i> | Credit extension to agricultural producers and grain buyers. Senwes Credit also renders agricultural services to its growing client base. Certisure includes commission received on short-term, crop and life insurance premiums and administration fees. |
| Input Supply <i>(Senwes Mechanisation & Hinterland Group)</i> | Sales at retail outlets, direct sales of farming input requirements and sales of mechanisation goods and spare parts. |
| Market Access <i>(Senwes Grainlink, Tradevantage & Bunge Senwes)</i> | Income received from the handling and storage of agricultural produce. Commission earned on grain marketing. Income received from the sale of own grain. |
| Corporate | Head office services, information technology, human resources, properties, central administration, fleet management, secretarial services, legal services, corporate marketing, risk management, internal audit, strategic development, group finance, corporate finance, treasury and directors. |

Income tax is managed on a Group basis and is not allocated to operating segments. Services rendered between related parties as reflected in operating segments are on an arm's length basis in a manner similar to transactions with third parties. Management monitors the operational results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated, based on operating profit or loss, and is measured consistently against operating profit or loss in the consolidated financial statements.

SEGMENTAL REVENUE AND RESULTS

| | GROUP | | | |
|---|-------------------|---------------|-------------------------|-------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| | SEGMENTAL REVENUE | | SEGMENTAL PROFIT/(LOSS) | |
| Financial services <i>(Senwes Credit & Certisure Group)</i> | 219 | 170 | 99 | 95 |
| Operating activities | 219 | 170 | 99 | 95 |
| Input supply <i>(Senwes Mechanisation & Hinterland Group)</i> | 1 463 | 1 552 | 89 | 226 |
| Operating activities | 1 466 | 1 581 | 89 | 80 |
| Intragroup sales | (3) | (29) | - | - |
| Profit from merger of retail business | - | - | - | 146 |
| Market access <i>(Senwes Grainlink, Tradevantage & Bunge Senwes)</i> | 6 985 | 9 889 | 210 | 85 |
| Operating activities | 10 798 | 11 478 | 210 | 85 |
| Intragroup sales | (3 813) | (1 589) | - | - |
| Normal operational activities | 8 667 | 11 611 | 398 | 406 |
| Corporate activities | 88 | 15 | (65) | (75) |
| Total revenue | 8 755 | 11 626 | - | - |
| Revenue from discontinued operations | - | (150) | - | - |
| Input supply | - | (144) | - | - |
| Market access | - | (6) | - | - |
| Revenue from continuing operations | 8 755 | 11 476 | - | - |
| Profit before tax from continuing and discontinued operations | | | 333 | 331 |
| Taxation | | | (86) | (80) |
| Profit for the year from continuing and discontinued operations | | | 247 | 251 |
| Loss after tax from discontinuing operations and operations transferred to merger entity | | | 50 | 46 |
| Input supply | | | - | (4) |
| Market access | | | 50 | 50 |
| Profit after tax from continuing operations | | | 297 | 297 |

NET SEGMENTAL ASSETS

| | GROUP | | | | | |
|--------------------------------------|--------------|--------------|----------------|----------------|--------------|-------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| | ASSETS | | LIABILITIES | | NET | |
| Financial services | 2 800 | 2 458 | (1 535) | (1 466) | 1 265 | 992 |
| Input supply * | 1 052 | 694 | (730) | (448) | 322 | 246 |
| Market access | 752 | 901 | (422) | (466) | 330 | 435 |
| Total operations | 4 604 | 4 053 | (2 687) | (2 380) | 1 917 | 1673 |
| Corporate | 123 | 69 | (262) | (113) | (139) | (44) |
| Total segmental assets/(liabilities) | 4 727 | 4 122 | (2 949) | (2 493) | 1 778 | 1629 |
| Deferred tax | 20 | 6 | - | - | 20 | 6 |
| Total | 4 747 | 4 128 | (2 949) | (2 493) | 1 798 | 1635 |

* Assets include the investment in Hinterland joint venture of R119 million (2014: R124 million)

SEGMENTAL DISCLOSABLE ITEMS

| | GROUP | | | | | |
|--------------------|---------------------|-------------|--------------|-------------|---------------------------|-------------|
| | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm | 2015 R'm | 2014 R'm |
| | CAPITAL EXPENDITURE | | DEPRECIATION | | NON-CASH TRANSACTIONS* | |
| Financial services | - | 2 | - | - | 14 | 9 |
| Input supply * | 21 | 4 | 6 | 5 | (3) | (2) |
| Market access | 51 | 36 | 20 | 20 | 51 | 51 |
| Corporate | 17 | 14 | 12 | 11 | - | (10) |
| Total | 89 | 56 | 38 | 36 | 62 | 48 |

*Non-cash transactions consist of provisions made

CF Kruger

CF Kruger
Financial Director
Klerksdorp
30 June 2015



Read the full Financial report
www.senwes.co/Financials2015



CORPORATE INFORMATION

ENQUIRIES REGARDING THIS REPORT

Corné Kruger (Financial Director)

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Email: corne.kruger@senwes.co.za

SENWES LTD

Registration number: 1997/005336/06

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2570

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2571

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080 464 7800

INVESTOR RELATIONS

Attention: The Company Secretary

Senwes Ltd

PO Box 31

Klerksdorp

2570

Telephone: 018 464 7104

Fax: 018 464 7121

AUDITORS

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Private Bag X14

Sandton

2146

FINANCING PARTNERS

Absa

Nedbank

Rand Merchant Bank

Standard Bank



Senwes 