WHAT WE DO – IS WHO WE ARE
The Ohlthaver & List Group (O&L) embraces its obligations as a corporate citizen towards the diverse spheres within which it operates, including its shareholders, employees, and the environment. At the same time, we are aiming to build and sustain a corporate reputation that all stakeholders require in order to form well-informed opinions of the Group and its activities.

Guided by our Purpose, the Group strives to build and sustain a corporate reputation that all stakeholders require in order to form well-informed opinions of the Group and its activities. Operational activities are analysed within the context of the food production, fishing, beverages, farming, retail trade, and environmental impacts arising from these activities. Operational activities are analysed within the context of the food production, fishing, beverages, farming, retail trade, information technology, property leasing and development, marine engineering, steel retailing and leisure and hospitality industries that Group has interests in, as well as the broader macroeconomic climate in which the Group operates.

The integrated Annual Report is intended to provide all stakeholders with relevant information regarding the value creation offered by the Group through its activities on an annual basis, as well as the economic, social and environmental impacts arising from these activities. Operational activities are analysed within the context of the food production, fishing, beverages, farming, retail trade, information technology, property leasing and development, marine engineering, steel retailing and leisure and hospitality industries that Group has interests in, as well as the broader macroeconomic climate in which the Group operates.

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The integrated Annual Report also discusses Ohlthaver & List’s risks and opportunities, as well as forward planning for sustainable growth. It represents a milestone along the road to the integrated and targeted reporting that all stakeholders require in order to form well-informed opinions of the Group and its activities.

The Report includes disclosures on both financial and non-financial aspects of the Group. Financial disclosures correspond with those of the Company’s Annual Financial Statements for the 2015 financial year, which was compiled in accordance with the requirements of the Companies Act of Namibia.

With regard to the availability of non-financial data, in instances where insufficient data exist to address various quantitative indicators included in the GRI G4 Guidelines, the Report focuses on relevant policies and practices that have been implemented within the Group and its subsidiaries - particularly those related to regulatory compliance in various areas. This is the Group’s first GRI Integrated Annual Report and no significant departures have been made from the scope, boundary or measurement methods applied in the Group’s Annual Report for 2014.

Maturity
It is the opinion of the Ohlthaver & List Board and senior management that the information presented in this integrated Annual Report is the most relevant, or material, to the Group and its various stakeholder groups.

Process for Identifying Content
In analysing the information to be included in the integrated Annual Report, the Board and management considered two primary questions: firstly, “Who is our reporting aimed at?” and secondly, “What decisions will they be able to make based on our reporting?”

In this context, it is the intention of Ohlthaver & List that this integrated Annual Report:
- informs and adds value for all stakeholders with a valid interest in the Group;
- considers all issues that can impact on the Group’s ability to create value for these stakeholders; and
- reports as comprehensively as possible on the known and potential impacts of these issues for the Group and its stakeholders.

In identifying the issues and information to be included in this Report, the Board considered the relative importance of each matter in terms of its known or potential effects on Ohlthaver & List’s ability to continue creating value for all stakeholders. These matters were then prioritised in terms of relevance to the intended users of the Report, so that non-essential information could be set aside. We feel that this is in line with the reporting principles for defining report content as defined by the GRI.

It is intended that the outcome of this process is an accurate and comprehensive Sustainability Report, unburdened with the peripheral data that tends to confuse rather than enlighten. Readers are welcome to request more detailed information on any particular aspect of the Report.

Further information regarding Ohlthaver & List’s material issues and associated stakeholder groups can be found in this Report, in the sections dealing with Materiality (page 251) and Stakeholder Engagement (page 25).
Assurance
Ohlthaver & List is confident that this report provides a comprehensive and balanced account of the company’s management of sustainability as well as its financial and ESG performance. The sustainability reporting principles and processes employed by Ohlthaver & List are aligned with those of the GRI G4 Reporting Standard and this report has been subjected to a process of independent third-party assurance. The assurance statement can be found on page 90.

Forward-looking Statements
While this Integrated Annual Report is intended as a retrospective review of Ohlthaver & List’s sustainability performance over its most recently completed financial year, it also contains certain forward-looking statements regarding the Group’s intended performance in these areas in the future.

Although Ohlthaver & List believes that the expectations and outcomes reflected in such forward-looking statements are reasonable, no assurance can be provided that such expectations will prove correct. Accordingly, future outcomes could differ materially from those set out in these forward-looking statements as a result of various other factors such as changes in economic and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in commodity prices and exchange rates, and business and operational risk management.

A discussion of the sustainability-related risks and opportunities facing Ohlthaver & List is included in the Corporate Governance section of this report, on page 56.

Contact Details
O&L Group of Companies
Alexander Forbes House
7th Floor, South Block
23-33 Fidel Castro Street
Windhoek
Namibia
Postal Address: P.O. Box 16
Windhoek
Namibia
Corporate Relations:
Tel: +264 61 2075111
Fax: +264 61 234021

WHO WE ARE
OHLTHAVER & LIST

As a truly African company employing 5 568 people in various sectors, the Ohlthaver & List Group is rooted in and committed to Africa and all her peoples. The Group emerged from the early Ohlthaver & List Bank commission partnership between Hermann Ohlthaver and Carl List in 1919, subsequently Ohlthaver & List Finance and Trading Corporation Limited (Olfitra) was established in Namibia on the 13th of May 1923. The Group’s Headquarters is located in Windhoek, Namibia.

Today, O&L is Namibia’s largest privately held group of companies, with revenues contributing about 4% to GDP, business interests in food production, fishing, beverages, farming, retail trade, information technology, property leasing and development, marine engineering, steel retailing and the leisure and hospitality industry.

The parent company of Olfitra is O&L Holdings (Proprietary) Limited and List Trust Company (Proprietary) Limited, with the controlling shareholder of the O&L Group being the Werner List Trust.

With annual revenues of over N$5 billion, O&L is a major contributor to state coffers and is in the position of representing a significant contributor to GDP in Namibia. Wherever it operates, this broad-based group is actively engaged in uplifting the lives of its people, its consumers and society generally. We at O&L are relentless in our pursuit of creating a sustainable future for all and therefore passionately embrace our Purpose: ‘Creating a Future, Enhancing Life’ in everything we do while actively pursuing our Vision, which is: ‘To be the most progressive and inspiring company’.
VISION 2019 BREAKTHROUGH ARCHITECTURE

PURPOSE
CREATING A FUTURE, ENHANCING LIFE

VALUES
Let’s Talk | Let’s do it | Hooked on results | Naturally today for tomorrow | We grow people | We do the right thing right | We all serve

The most progressive and inspiring company

2019 VISION
N$2 billion EBIT | 4,000 additional employment opportunities | Employer of choice | 20% reduction in carbon footprint

2019 STRATEGIC AREAS OF FOCUS

Everyone purposefully producing breakthrough everywhere

Amazing experiences, enduring impact

Sustainable execution in everything

Everyone is deeply connected to purpose, lives the values and is proud of what they do

Everyone is successful, thriving and making things happen in breakthrough mode

Everyone is valued, recognised and appreciated for the difference they make

STRATEGIC OUTCOMES

Consistent experiences, amazing relationships, lasting impact

Purity inspired, reliable quality, impacting the whole

Always there, simple and easy, the natural choice

Excellence in everything, executed with care

Sustaining growth, ever-expanding, securing the future

Bringing sustainability everywhere, impacting the world

Inspired by integrity, creating trust and confidence
OUR VALUES

Let’s talk
Open, honest, down-to-earth, from-the-heart communication

Let’s do it
Deliver on tasks with speed and quality

Hooked on results
Committed to delivering breakthrough outcomes

Naturally today for tomorrow
Caring about the future, caring about everyone

We grow people
Taking responsibility and providing opportunities for growth

We do the right thing right
Bringing thinking to everything

We all serve
Serving the purpose, owning the whole, everyone matters

VISION 2019
TO BE THE MOST PROGRESSIVE AND INSPIRING COMPANY
Established in 2012, Brandtribe is a joint venture between O&L (SA) and Techsys (CT). Brandtribe has created and manages two digital platforms: the Brandtribe SMS gateway and the Brandtribe e-CRM platform. The SMS gateway, only operational in Namibia, manages brand interactions with consumers via short codes. Brandtribe is a multi-channel consumer optimisation platform. It combines return on investment and underlying data to provide brands with a sustainable competitive advantage in the digital age. Brandtribe tracks the digital effectiveness of brands all in one place, from push messaging and pay per click (PPC) advertising to consumer interactions, allowing brands to quickly see what is working and what is not and most importantly, to identify why.

Broll and List Property Management Namib (Proprietary) Limited (Broll Namibia) is a strategic partnership between the O&L Group and the Broll Property Group of South Africa. It was established in 2003 and Broll Namibia has been managing O&L’s Property Portfolio since then. O&L’s Property Portfolio, which provides mainly prime retail and office space, now exceeds the N$1.5 billion value mark. Properties included in the O&L Property Portfolio include the Wernhil Park Shopping Centre, Standard Bank Centre/Town Square, Alexander Forbes House/Carl List Mall, Fruit & Veg City/Cashbuild complex and the Old Breweries Building which are all located in Windhoek as well as the Pick n Pay Centre in Walvis Bay.

Dimension Data Namibia (Proprietary) Limited was established in November 2006 as a business partnership between the O&L Group and Dimension Data Middle East and Africa. It has grown considerably since then and is currently one of Namibia’s most successful information technology (IT) solution providers. It services highly strategic Namibian clients, both within and outside the O&L Group and has a global footprint with great penetration in Africa.

Eros Air (Proprietary) Limited was founded in 1978 and provides express corporate transport and charter flights for medical and private purposes within southern Africa for the O&L Group and the general public.

Hangana Seafood (Proprietary) Limited, established in 1997, is the operating company for the white hake quota holders, namely Consortium Fisheries Limited and Kuiseb Fish Products (Proprietary) Limited. Hangana Seafood is committed to a leadership role in the Namibian fishing industry and has a wet-fish fleet of eight vessels.

The company’s land-frozen products are mainly exported to Australia, France, Germany, Italy, the Netherlands, Spain, the United States and the Southern African Development Community (SADC) region.

Kraatz Marine was established in 1947 and provides engineering and related services to the oil and gas, mining and general industrial sectors. These services include ship’s repair, rig repair, fabrication, machining, welding and construction.

Kraatz Steel operates from Walvis Bay and has been engaged in industrial steel supplies in Namibia since 1995. The business supplies steel, steel-related products and non-ferrous metals to marine engineering and construction companies, the mining sector (on land and offshore), fishing factories/vessels, oil and petroleum plants and the general public.

Established in 1920, Namibia Breweries Limited (NBL) is among the frontrunners in the beverage manufacturing sector in Namibia. The company leads the domestic beer market and has a significant share of the premium beer category in southern Africa. The total exports of NBL account for more than half of the total production output. Brewed by choice according to the Reinheitsgebot of 1516, NBL beer enjoys an outstanding reputation with regard to quality and purity, for which its brands have earned international recognition.

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The O&L Leisure Portfolio is made up of the 106-room Mokuti Etosha Lodge; the 46-room Midgard Country Estate; the boutique, 16-room Chobe Water Villas lodge; and the 125-room, 4-star Strand Hotel Swakopmund.

O&L Energy (Proprietary) Limited focuses on energy management. It also develops, designs, procures and implements renewable energy projects, especially large-scale solar power, solar water heating and bioenergy systems. O&L Energy and its international partners offer the highest German engineering and efficiency standards and the best workmanship and reliability. These result in maximum energy saving results, as well as important contributions to the improvement of our environment.

The O&L Leisure Portfolio is made up of the 106-room Mokuti Etosha Lodge, the 46-room Midgard Country Estate, the boutique, 16-room Chobe Water Villas lodge, and the 125-room, 4-star Strand Hotel Swakopmund.

Windhoek Schlachterei (Proprietary) Limited, acquired in the 1970s, is known for its processed meat products crafted in the European continental tradition. The company is the second-largest processed meat producer in the country, with a local market share of over 35%. Windhoek Schlachterei was fully integrated into Namibia Dairies in 2010 to consolidate and optimise its manufacturing, sales and distribution, marketing and administrative functions on its journey to becoming a sustainable operation.

Namibia Dairies (Proprietary) Limited was created in 1997, following the merger between Rietfontein Dairies and Bonmilk. Since then it has grown into Namibia’s primary dairy, juice and water manufacturing company, with a total annual production in excess of 58 million litres. The company is the country’s market leader, with a significant market share in all its product categories. It also operates one of the most modern dairy farms in the world, the !Aimab Superfarm, which is located in Marential in the Hardap Region, southern Namibia.

Leading Namibian retailer Model Pick n Pay is the direct descendant of Model Supermarkets. For over 30 years, Model Supermarkets traded as Model Woolworths until the expiry of the associated franchise agreement in 1997. A new franchise agreement was then entered into with Pick n Pay South Africa and the first Model Pick n Pay supermarket was subsequently inaugurated in Namibia. To build its brand, Model Pick n Pay has embarked on a strategy to extend its network of franchise stores throughout Namibia with 19 stores countrywide at present. The business attributes its success to the constant delivery of quality, variety, customer service and value for money.

A joint venture between O&L and a leading Cape Town advertising agency, The Jupiter Drawing Room, has now grown into a fully-fledged agency in the Namibian advertising realm. Weathermen & Co. is a below-, above-, on-, through- and beyond-the-line agency, born and raised in the digital age. It aims to be the main navigating vehicle for brands in a world where choices are vast and consumer needs, competition, the economy and the environment for brands are ever-changing. They see themselves as the weathermen: the rainmakers for both their clients and the advertising industry as a whole.

About Ohlthaver & List
DIRECTORATE AND ADMINISTRATION

EXECUTIVE DIRECTORS

S Thieme
Executive Chairman
Appointed to the Board in 2001
Elected Chairman of the Board on 17 April 2002

P Grüttemeyer
Chief Executive Officer
Appointed to the Board on 1 October 2005

G Hanke
Group Financial Director
Appointed to the Board on 16 November 2004

C Shilongo
Chief Corporate Relations Officer
Appointed to the Board on 9 July 2014

B Mukuahima
Group Human Capital Director
Appointed to the Board on 1 May 2006

E Ender (German)
Appointed to the Board on 23 June 2008

HH Müseler
Appointed to the Board on 20 March 2014

Governor LV McLeod-Katjirua
Appointed to the Board on 2 April 2012

NON-EXECUTIVE DIRECTORS

UM Stritter
Vice-Chairman
Appointed to the Board in 1994
Elected Vice-Chairman on 17 April 2003

C-L List
Appointed to the Board in 1980

EP Shiimi
Appointed to the Board on 1 August 2007

Reverend WS Hanse
Appointed to the Board on 2 April 2012

BOARD COMMITTEES

Audit Committee
HH Müseler, Chairman
EP Shiimi
P Grüttemeyer

Remuneration Committee
EP Shiimi, Chairman
P Grüttemeyer

ADMINISTRATION

Company Registration Number 331
(Incorporated in Namibia)

Secretary
Ohlthaver & List Centre (Pty) Ltd
Postal address:
PO Box 16
Windhoek

Business address and registered office
7th floor – South Block
Alexander Forbes House
25-35 Fidel Castro Street
Windhoek

Auditors
Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
PO Box 47
Windhoek

Attorneys
Engling, Stritter & Partners
PO Box 45
Windhoek
OUR OPERATING STRUCTURE

During the period under review, the Board comprised five Executive Directors and seven Non-executive Directors. The names and appointment dates of each of the Directors are set out on page 18.

The roles of the Chairperson and the Chief Executive Officer are separate in order to ensure a balance of power and authority, such that no one individual has unrestricted powers of decision-making. The Board is responsible for the strategic direction of the Group matters reserved for the Board and its committees are defined to ensure that the Directors retain full and effective control over the Group with specific regard to strategic, financial, organisational and compliance matters. All members of the Board have a fiduciary responsibility to represent the best interests of the Group and all of its stakeholders. All Directors have the appropriate expertise to fulfil their duties and enjoy significant influence at meetings. This ensures a balance of authority and precludes any one Director from exercising unfettered decision-making.

Procedures for appointment are formal, transparent, and for the full Board’s consideration although shareholders are ultimately responsible for the composition of the Board. The procedures involve evaluating the existing balance of skills and experience within the Group and include a process of assessing the Group’s needs.

A formal Induction Framework has been adopted through the Director’s Governance Policy and is being implemented. This serves to familiarise incoming Directors with the Company’s operations, its business environment, strategies, Director’s duties and the sustainability issues relevant to its business. A Board Evaluation Programme has been developed and is being implemented through the Company Secretary and the Audit Committee Chairman.

Generally, Directors have no fixed term of appointment but retire by rotation. At each of the Group’s Annual General Meetings, at least one third of the Directors retire, these being the Directors who have served the longest since their last election. If they are available, they are considered for reappointment.

The Board of Directors is chaired by an Executive Chairperson, due to the vast experience and in-depth knowledge he has of O&L businesses, the incumbent has retained the position of Chairman over the reporting period.

An evaluation of the independence of Non-executive Directors resulted in the following assessment:

**NON-EXECUTIVE DIRECTORS | INDEPENDENCE**

<table>
<thead>
<tr>
<th>Name</th>
<th>Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-L List</td>
<td>Independent</td>
</tr>
<tr>
<td>EP Shiimi</td>
<td>Shareholder representative</td>
</tr>
<tr>
<td>F Ender</td>
<td>Shareholder representative</td>
</tr>
<tr>
<td>HH Museler</td>
<td>Independent</td>
</tr>
<tr>
<td>-Katjirua</td>
<td>Shareholder representative</td>
</tr>
</tbody>
</table>

The Board acknowledges that the majority of Non-executive Directors are not independent due to the O&L Group of Companies being majority owned by two entities (Werner List Trust and O&L Holdings).

**CODE OF CONDUCT AND BUSINESS ETHICS POLICY**

A formal Code of Ethics and Business Conduct is in place to set out standards of integrity in dealing with suppliers, customers, business partners, stakeholders, government and society generally. Every employee is required to subscribe to the Code and strict adherence to it is a condition of employment.

Compliance with the Code is monitored and employees are encouraged to report any suspected contravention of the Code or perceived unethical behaviour.

The Group also introduced a Tip-Offs Anonymous line whereby employees, suppliers and customers can anonymously report unethical activities. This line is operated by a company operating independently of O&L.

**STAKEHOLDER ENGAGEMENT**

At O&L, we recognise that engaging with our stakeholders is very important as this will impact our business directly and indirectly. Our Purpose: ‘Creating a future, enhancing life’ is directed towards stakeholders within and beyond our business operations. We recognise that proactively engaging with our stakeholders is key to creating value. Our approach to stakeholder engagement is determined by the principles of influence and dependency on the Group. A stakeholder-inclusive approach is followed by the Board to ensure that appropriate dialogue between the Company and stakeholders is maintained. We realise that all our stakeholders must be treated equitably and therefore everyone strives to achieve an appropriate balance between the interests of all our stakeholders in the best interest of the Company.

The process of identifying our key stakeholders begins by gathering important members of our organisation – people who understand the business and its impacts. These individuals are then invited to identify principal stakeholders and their suggestions are then discussed in order that a stakeholder identification matrix can be created to plot the impacts of the business on the various stakeholder groups and vice versa. In this way we can identify the key stakeholders for our business and develop engagement actions appropriately.

**O&L STAKEHOLDER MATRIX**

<table>
<thead>
<tr>
<th>Identified stakeholder groups</th>
<th>(key stakeholders marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Employees / unions</td>
</tr>
<tr>
<td>B</td>
<td>Shareholders</td>
</tr>
<tr>
<td>C</td>
<td>Equity owners</td>
</tr>
<tr>
<td>D</td>
<td>Consumers / customers</td>
</tr>
<tr>
<td>E</td>
<td>Government / regulators</td>
</tr>
<tr>
<td>F</td>
<td>Pension fund</td>
</tr>
<tr>
<td>G</td>
<td>Suppliers (including monopolies)</td>
</tr>
<tr>
<td>H</td>
<td>Civil society / NGOs</td>
</tr>
<tr>
<td>I</td>
<td>Competitors</td>
</tr>
</tbody>
</table>

**Importance of the stakeholder group to the company**

**Importance of the stakeholder group to the company**

**Importance of the stakeholder group to the company**

**Importance of the stakeholder group to the company**

**Importance of the stakeholder group to the company**
As a critical stakeholder group, employees enjoy regular and constant interaction through various employee engagement initiatives. Our human capital departments actively engage our employees through face-to-face communication, social media, e-mails, road shows, surveys, intranet, social events, training sessions, performance reviews, leadership conferences, staff meetings and internal publications in order to align employees with the Group’s strategies, Vision and Purpose, as well as to achieve our strategic goal of remaining the employer of choice in our fields of operation. In caring for its employees, the Group continues to invest in training and development through various means − which are not just the prerogative of development initiatives (such as the O&L World). In addition to our proactive communication with all stakeholders through various channels ranging from traditional media to digital platforms, O&L also engages with its shareholders through the quarterly List Trust, O&L Holdings and OiPtra board meetings, as well as its AGM (and on other occasions when necessary). Namibia Breweries Limited also has an AGM and various communication channels through which it interacts with shareholders. The Group’s financial results are also available on the O&L website and are shared widely through various stakeholder engagements. In this way, we keep shareholders informed on our aggressive growth journey and seek their approval for the major investment decisions required. 

MATERIALITY PROCESS

Ohlthaver & List faces an array of issues related to the operation of our businesses and how they impact society. To ensure that we are focused on the most important issues, in the reporting period we conducted a Materiality Analysis, which examined the potential impact of specific sustainability issues from both a stakeholder and a company perspective. A materiality workshop process was used to identify issues that were then ranked in terms of importance. We assembled a group of appropriate executive stakeholders for the Group – people who have knowledge of the organisation and of the issues that impact and influence stakeholders. Each issue was then discussed, agreed upon and plotted on a matrix that showed ‘level of concern’ and ‘affect’ on its two axes. The outcome of this materiality process was used to ensure that the most relevant and material indicators were included in this Sustainability Report.
Key Material Aspects Identified in the Process

- Regulatory environment (external to organisation)
- Training, levels, environmental levels, export duties and many other pieces of legislation
- All of our operations are impacted to a greater or lesser extent where relevant, by the cost of doing business. Major impacts are anticipated on our brewing, dairy and retail operations due to the upcoming environmental legislation. The regulatory environment of the dairy industry also has a significant impact on our operations.
- Growth and expansion (internal and external to organisation)
- Our fishing, brewing, dairy and retail operations are all impacted by growth and expansion issues.
- Water (external to organisation)
- Drought is a national crisis that impacts all of our operations, but especially the beer and soft drink and dairy companies.
- Energy (internal and external to organisation)
- All of our operations are impacted by the uncertain electricity supplies in Namibia and South Africa and the probability of load shedding.
- Skills - shortage and retention (internal to organisation)
- People with specific dairy-related skills and logistics areas while a lack of brewers, skill sets that impact all operations on a general financial or compliance level.
- Cost of doing business (incl. taxes, levies, excise duties etc.) (external to organisation): (OpCos) in some manner, whether on a growth and expansion.
- Energy (internal and external to organisation):
- Beer and soft drink and dairy companies.
- Water (external to organisation):
- Financial or compliance level.
- Regulatory environment (external to organisation)
- Companies Act of Namibia
- The Corporate Governance Code of Namibia (NamCode)
- Training levies, environmental levies, export duties and many other pieces of legislation
- Namibian Employers’ Federation (NIEF)
- Namibian Environmental & Wildlife Society (NIEWS)
- Dairy Producers’ Association (DPA)
- Namibia Fishermen’s Association (NFPA)
- Hospitality Association of Namibia (HAN)
- Self-regulating Alcohol Industry Forum (GAP)

O&L MATERIALITY MATRIX

The effectiveness of our management approach to these material aspects has not been included in this report due to uncertainty about the accuracy of our research. The Group intends, however, to include this information in next year’s Sustainability Report.

MEMBERSHIPS AND ASSOCIATIONS

Ohlthaver & List is a member of a number of industry associations and forums related to the activities of the Group’s companies:
- Team Namibia
- Namibia Chamber of Commerce and Industry (NCCI)
- Namibian Employers’ Federation (NIEF)
- Namibian Manufacturers Association (NMAA)
- Namibia Environmental & Wildlife Society (NIEWS)
- Dairy Producers’ Association (DPA)
- Namibia Fishermen’s Association (NFPA)
- Hospitality Association of Namibia (HAN)
- Self-regulating Alcohol Industry Forum (GAP)

AWARDS RECEIVED

The O&L Group of Companies was named the overall SADC region winner in the Large Business category in the 2011, 2012, 2013 and 2014 Deloitte Best Company To Work For surveys. The O&L Group further holds the No. 1 position as the Deloitte Best Company to Work For in Namibia in the Large Business category (2012, 2013 and 2014).

SUPPLY CHAIN FRAMEWORK

Within the various operating companies (OpCos) of the O&L Group of Companies, supply chain management (SCM) encompasses the planning and management of all activities relating to sourcing and procurement, conversion of raw materials into finished goods and logistics. Importantly, it also includes coordination and collaboration with channel partners: suppliers, intermediaries, third-party service providers and customers. In essence, SCM integrates supply and demand management within and across companies and their stakeholders. Within the O&L Group of Companies, SCM is seen as an integrating function with primary responsibility for linking the major business functions and business processes within the relevant OpCos and across their relevant value chains. The management of the supply chain includes all of the logistics management activities noted above as well as manufacturing operations and it drives coordination of processes and activities with and across marketing, sales, product design, finance and information technology.

In line with O&L’s value system and strategic intent, the management of the supply chain is to be conducted under the following framework:

- Critical Information Systems relevant to the management of the supply chain are maintained by the O&L OpCos. These might include enterprise resource planning (ERP)/material requirements planning (MRP) solutions; forecasting and planning tools such as Futurmaster and Forecast Pro; warehouse management systems; and routing and scheduling systems etc.
- Should service providers be able to offer their own solutions, the ownership of the data must vest within the O&L OpCos to enable flexibility to engage into regular request for quotation (RFQ) request for quotation (RFQ) or tender processes.
- Use of service providers: in order to manage supply chains effectively and efficiently, the use of specialised service providers is supported. The identification of potential service providers lies at the discretion of the relevant OpCos but should be guided by the following criteria:
  - Cost efficiency;
  - Innovation;
  - Sustainability (focused on the sustainable use of natural, human and financial resources);
- “Local content” and empowerment of SMEs; and
- Reliability and anticipated service levels.

OpCos are obliged to manage service providers by means of signed contracts and service level agreements, as well as regular and frequent service reviews.

Contractual engagements with service providers should be limited to three years, thereafter the provision of services should be tendered/offered in the open market.

• The management of supply chain functions should be conducted in line with the ISO 9001:2008 quality standard.

Material impacts on the Supply Chain
A number of the Group’s material aspects impact our supply chain. The regulatory environment adds costs to our material and service providers that are then passed on to O&L and ultimately the consumer. The whole of our supply chain is impacted by the energy crisis currently affecting Namibia and South Africa as well as the national general skills shortage.

Upcoming environmental levies on non-returnable plastic bags and containers are expected to impact the cost of packaging material for our suppliers. The dairy regulatory environment and the cost of electricity will also have their impacts. The increase in cost of sewage and effluent treatment only impacts our supply chain at the local level but some of our suppliers are reliant on single suppliers, including parastatals, resulting in non-competitive pricing and a monopolistic environment that also increases the cost of doing business.

Our supply chain is also dependant on growth, with limitations to expansion having a material impact. Quotas, distance from the market and market saturation in Europe limit the growth of our fisheries. The local market for our breweries is limited and dependant on national growth, thus requiring a focus on South Africa and other export markets. Existing production capacities and low-cost imported dairy products (which erode local market share) limit the growth of our dairies and threaten local production. The extremely competitive, limited and saturated local market limits the growth of our retail operations, making us dependant on national growth.
Developing countries faced a series of tough challenges in 2015, including the looming prospect of higher borrowing costs in a new era of low prices for oil and other key commodities. According to the World Bank’s 2015 Global Economic Prospects report, this will result in a fourth consecutive year of disappointing economic growth as developing countries have been projected to grow by 4.4% in 2015, with a likely rise to 5.2% in 2016 and 5.4% in 2017.

Although developing countries were an engine of global growth following the financial crisis, they now face a more difficult economic environment. The World Bank believes that countries that invest in people’s education and health, improve the business environment and create jobs through upgrades in infrastructure and industry will emerge much stronger in the years ahead. These kinds of investments will help hundreds of millions of people lift themselves out of poverty.*

The International Monetary Fund also projects that sub-Saharan Africa’s economic growth to slow down in 2015 to below the 4.4% annual average growth rate of the past two decades. Slower expansion of economic activity largely reflects the impact of the fall in oil prices and subdued demand and economic activity in emerging markets which will weigh on the region’s average growth rate of the past two decades. Slower expansion of economic activity largely reflects the impact of the fall in oil prices and subdued demand and economic activity in emerging markets which will weigh on the region’s average growth rate as well.*

In maintaining our track record of consistent economic growth, the emergence of global value chains (GVCs) is perceived as an opportunity for Namibia - especially in view of our abundant natural resources - as there is an urgent need to implement innovative measures to enable the country to make the most of its comparative and competitive advantages, including policies to reduce the high cost of doing business, removing various bottlenecks in infrastructure and investing in skills as part of a broader diversification strategy. The past financial year marks 12 months of major transformations, including changes to the political environment which have been very positive indeed. Many initiatives undertaken by government to improve the socio-economic wellbeing have created an optimistic atmosphere of hope, while on the economic front we have experienced less turmoil than in previous years.

The world’s largest economies have been projected to grow by 3.2% in 2015, with the US and China respectively expanding at 2.5% and 6.9% (this will result in lower global GDP growth). The Euro area is also expected to grow by 1.6% in 2015, after a weak 0.5% growth in 2014. Although high oil prices remain a major headwind, commodity prices and foreign investment are expected to provide less economic support, subdued demand and economic activity in emerging markets which will weigh on the region’s economic growth as well.*

In the forthcoming year, thereafter the situation will start to reverse, namely with the渔场行业情况将开始改善，特别是与Pick n Pay的复苏。同样，一些投资于O&L集团的成功转向，虽然立即到来，但我们相信这在未来几年将对业绩产生重大影响。当采取金融绩效的考虑时，我们必须始终记住一个不断投资的Put of Investments such as O&L Group is always impacted by very well performing businesses but also those that go through a development phase. A great example here is the Pick n Pay portfolio, which embarked on a major investment programme in building new stores and revamping existing stores, that will continue into the new year. The return on these stores has not been immediately forthcoming but we believe that they will deliver in the coming years. Equally, some great improvements will be offset by investment in the forthcoming year, thereafter the situation will start to reverse, namely with the Leisure Portfolio becoming profitable within two to three years.

The fishing industry was impacted by international fish prices as well as diminished fishing quotas. Other principal challenges to come will include the successful opening of Chobe Water Villas and the Strand Hotel Swakopmund by our operating company O&L Leisure, while a further test will be the successful turnaround of Pick n Pay in order to resume previous profit levels with both new and revamped stores.

Although the above factors have had an impact on the return for shareholders, we believe that the future looks bright. As employer of choice, we have made significant progress in the latter half of the financial year by increasing our total number of employees to 3,568. In addition to its contributions to the economy and to enhancing the lives of its people through its role as an employer of choice, O&L has also continued to enhance the lives of the communities in which we operate through our Corporate Social Investment Portfolio which supports, inter alia, health, education and environmental protection. O&L embraces its obligations as a responsible and caring corporate citizen - which is why it not only manages its environmental and social impacts and invests heavily in mitigating its effects on externalities, but also continues to contribute significantly to enhancing the lives of the people within local communities.
On the external front, the rise in interest rates we have experienced will continue although we are confident that the increase will not be as steep as was experienced in the past. There is also a great opportunity to get the mass housing initiative back on track with the appropriate governance structures in place.

New ventures are envisaged through our Energy initiative as well as other potential new undertakings. We are in the process of further enhancing our human capital by moving away from key performance indicator (KPI) management to breakthrough stand management – which is a forward-looking approach, not a retrospective one. Major product innovations and site renovations are underway and many processes have been further streamlined. All of this, we believe, is building the foundation for our 2019 Breakthrough Plan.

Good governance remains the foundation upon which our Board and committee structure is based. While the Board empowers management to execute O&L’s strategies and holds it accountable for delivering against them, the Board also needs to provide responsible leadership to our leadership team that enables it to achieve a sustainable economic, social and environmental performance. As Executive Chairman and CEO, responsible for the leadership of the Board and for fostering a culture of openness and constructive debate that allows for all views to be heard, we are pleased that the year under review indicated Board members’ satisfaction of the positive ethical tone of the Company and our approach – which is more focused on creating a value-based culture as opposed to a compliance driven one.

We are more than confident that O&L will have a great 2016. The number of projects which are in infancy can only grow and start contributing to the bottom line. Equally, changes in how we will manage performance management in the future, coupled with sound leadership interventions, can only contribute significantly to the bottom line too. Overall, we believe that the foundation of the earnings before interest and tax (EBIT) trajectory projected to 2019 will be seen for the first time.

On behalf of the Board of Directors, we would like to extend our heartfelt gratitude to all our employees, shareholders, investors, the Government of the Republic of Namibia, our business partners, associates, customers and consumers for the remarkable contribution they have made in 2015 towards our Purpose, Vision and Objectives. May 2016 be a year of great success!

Sven Thieme
Executive Chairman

Peter Grüttemeyer
Chief Executive Officer

Sources: World Bank’s 2015 Global Economic Prospects report and International Monetary Fund
BEER AND SOFT DRINKS

Namibia Breweries Limited

During 2014 – 2015, Namibia Breweries Limited (NBL) delivered yet another commendable financial performance. Revenue grew by 5% from the previous financial year to N$2,484 million for the period under review. In comparison with the previous financial year, operating profit for the year ending 30 June 2015 increased by 12.2% to N$507 million. NBL exceeded total budgeted volumes by 5%; this was mainly driven by an increase in domestic beer sales and volumes supplied to our joint venture, SHH Drinks in South Africa.

Our brands are enjoyed around the globe. We currently export worldwide to countries such as the United Kingdom, Germany and Australia as well as to African countries, including Tanzania, Botswana, Zambia, Mozambique, Zimbabwe and Swaziland.

In its effort to staying true to the innovative spirit of the Vigo brand and to reinforcing brand affinity, Vigo Kiwano was launched by NBL to Namibian customers and consumers in non-returnable bottles and cans in June 2015 as the third variant in the range. This product has a uniquely refreshing taste, offering consumers an exotic alternative to the two existing Vigo flavours.

A new look for the Molokane tonic and soda water variants was unveiled in a 330ml slender can, aimed at creating renewed interest in consumers for this high-quality NBL mixer range.

The introduction of the 330ml Windhoek Draught can in Mozambique was motivated by customers’ preference for smaller serving sizes and will provide customers and consumers alike with more choice in this premium offering.

Windhoek Draught also saw the launch of the 360° marketing communication campaign ‘For Real’, which was aired across the SADC region. The brand also saw a renovation of its primary, secondary and tertiary packaging to maintain its relevance to its target consumers. Windhoek Draught hosted the Nigerian R&B duo P-Square for their first appearance on Namibian soil.

The Team Namibia product endorsement was rolled out across back labels of the Windhoek Lager, Windhoek Draught and Tafel Lager brands to celebrate our national pride and NBL’s commitment to Namibia’s growth as a nation. The Team Namibia logo featured on Namibia Breweries’ products highlights our contribution to the local economy and helps to show consumers how they can support the economic and social development of our nation through the single purchase of a local product.

NBL’s Employee Engagement and Communications initiatives are designed to ensure that employees are committed to the organisation’s goals and values, motivated to contribute to NBL’s success and are able at the same time to enhance their own sense of wellbeing. Employee engagement and communications were accomplished through the continuation of successful and thriving platforms such as open forum meetings; business engagement forums; leadership/shop steward meetings; union leadership engagement forums and the Affirmative Action Consultative Committee meetings. Our Mwenyopaleka Value Programme continued through various initiatives such as the Value Star Programme, the Mwenyopaleka Road Show and the monthly NBL newsletter.

As an industry leader, NBL plays a leading role in communicating the ‘responsible drinking’ message and tackling alcohol abuse. NBL has made significant investments over the years through alcohol harm-reduction programmes, such as DRINKiQ, which aim to equip people with important facts to promote the responsible use of alcohol in our society.

Through continuous innovation and sustainable operations, NBL aims to continue to produce the quality consumers have come to know and love and overcome the challenges facing our industry. We are confident that the next financial year will deliver further volume growth as we will continue to build sustainable consumer confidence and thus prompt renewed brand interest.
Namibia Dairies (Proprietary) Limited

The vision of Namibia Dairies is to be recognised as a vertically integrated, independent dairy servicing the value chain from farm to fridge.

During the year under review, Namibia Dairies focused on four critical success factors to achieve its strategic initiatives and business goals:
- Financial stability;
- Sustainable sources of growth;
- Service excellence; and
- Our people.

Namibia Dairies, including processed meat sales from Windhoek Schlachterei, reported revenue of N$588 million for the year under review, compared to N$497 million during the 2014 financial year. The year-on-year increase in turnover of 18% is due to increased selling prices as well as increased local demand gained by government’s support of local industry. On 16 October 2013, the Ministry of Trade and Industry implemented quantitative measurements on milk and other dairy products imported into Namibia, in line with the government’s ‘Growth at Home’ strategy to promote both Namibian food and employment security. Unfortunately these quantitative measurements were put aside by a court decision early into the financial year under review.

Despite increasing pressure on manufacturing costs at the dairy and meat processing plants, as well as increasing feeding costs at the !Aimab Superfarm, total operations resulted in an operating profit of N$48 million in the 2015 financial year. This reflects a great financial turnaround when compared to the breakeven situation back in the 2013 financial year. This N$48 million includes a gain of N$7 million from the sale of the Aqua Splash brand.

The continued success of the Nammilk and Rietfontein trademarks resulted in good sales volume growth for a number of our products. Like-for-like sales volumes in Namibia grew by 9% on the previous reporting period.

The continued focus on the QDVP4 (quality, distribution, visibility, price, promotion, persuasion and partnerships) Sales Excellence Programme ensured benefits such as high-quality sales execution, improved sales performance, improved merchandising standards and greater consumer acceptance and recognition.

The !Aimab Superfarm now houses 1,420 cows in milk. The herd comprises just over 3,000 animals and produces 65% of Namibia Dairies’ raw milk requirements, which meets 50% of Namibia’s fresh and UHT milk demand. The high cost of production, led by very high feeding costs, remains the biggest challenge to the !Aimab Superfarm and is the main reason that it remains in a marginal operating loss position.

All technical quality audits – comprising regulatory, supplier and compliance audits – were passed. This confirms that the quality management and food-safety systems at Namibia Dairies are of good standard. We have also further optimised our systems and processes to enhance effectiveness and efficiency and will continue to drive our continuous improvement philosophy.

Windhoek Schlachterei (Proprietary) Limited

In its sixth year under the wing of Namibia Dairies, Windhoek Schlachterei again showed a solid performance and is contributing positively to the operating profit of Namibia Dairies. Like-for-like sales volumes in Namibia grew by 14% on the previous reporting period, driven by a strong increase in our proudly African and promising ‘Proudly Namibian’ King Polony brand.
Hangana Seafood (Proprietary) Limited

Hangana continues to aim towards being ‘The most progressive and inspiring company’ by 2019 as well as becoming a world-class seafood company.

The strategic focus areas for our 2019 Vision are:

Increased focus on current business/system improvements, i.e:
- Installing new-design trawl doors and nets on vessels;
- Optimising the implementation of the TPM (Total Productive Management) system;
- Optimal utilisation of Innova System (integrated production software system); and
- Market diversification

Implementation of trading strategy:
- Registration of a Hangana Branch in SA;
- Appointment of a Commercial Manager in SA; and
- Development and implementation of a Global Trading Strategy

Development of properties:
- Conducting an environmental impact assessment (EIA) to build a new concrete jetty of Phase 1 of the Service Hub Development.

Own freezer vessel operations:
- Investigating the viability of purchasing our own freezer trawlers or jointly owning freezer trawlers with the other joint venture parties.

Value-adding:
- In the process of preparing feasibility studies exploring coating and crumbing options; and
- In the process of appointing a Food Technologist to develop new products

Aquaculture:
- Investigating a possible aqua farming joint venture.

Even though it was a challenging year for Hangana (as well as for the fishing industry generally), our concentrated focus on strategic areas resulted in a respectable turnover and operating profit. Turnover declined from N$502.1 million to N$443.8 million (-11.6%) over the reporting period, mainly as a result of an increase in fuel prices, high labour costs, unexpected vessel breakdowns and higher utility costs, amongst other factors.

As part of our commitment and responsibility towards our Purpose: ‘Creating a future, enhancing life’ and creating an additional 4,000 employment opportunities by 2019, Hangana has started exploring other opportunities and possible joint ventures in various aquaculture fields that could potentially improve the social welfare of communities within Namibia by creating jobs and other business opportunities.
The following initiatives have also contributed to the sustainability of the company:

- Continuous investment in fleet efficiencies, such as new trawl doors and new net designs.
- Upgrading our factory operating systems; improving production efficiencies, flow of raw material and stock control.
- Implementing Total Productive Manufacturing (TPM), which will focus on the following four pillars: teamwork, continuous business improvement; visual management (measuring performance target through visual means); and 5S (a process developed to establish basic discipline and order in the work place). The TPM system will also grow and develop our own employees through Train the Trainer programmes, which will result in all of our employees receiving training inputs over the next 18 months.
- Building on and improving the vision and cooperative spirit of our 1,292 employees.
- Maintaining a fully integrated Quality Management System including Hazard Analysis and Critical Control Points (HACCP), ISO 22000 and British Retail Accreditation.
- Building a “preferred customer” base with the emphasis on market diversification.
- Continually focusing on product quality and customer service.
- Improving productivity by optimising our relationship with our employees through communication and incentives.
- Introducing various operational excellence initiatives to further reduce operational costs.
- Working towards achieving world-class in quality in everything we do.

Hangana will continue to invest in the industry while focusing on value adding, innovation and further job creation.
This Division’s stated objective remains to be the preferred and most trusted retail group in Namibia. As a consumer-centric organization, the Division has made continued efforts in achieving this goal by focusing on exceptional customer service, quality product ranges, a world-class shopping experience, community-based social investment initiatives and expanding our footprint in Namibia.

These focus areas have been supported by significant investment in our human capital as revised management structures, initiatives on leadership enhancement and engagement sessions have provided the required levels of support to our employees.

The outcome has been a turnover of N$1.54bn, representing a growth of 12%, or N$165 million in the reporting year. The increase in turnover was mainly driven by an above-inflation increase in average basket size (9%) as well as increases in customer counts (3%) and units sold (5%).

The highest growth rates achieved were in the northern regions, at over 50%.

These turnovers for the Division were achieved despite significant competitor activity in certain regions, the closure of the inefficient Khomasdal store in F14 and negative year-on-year growth at our premium Auas Valley store due to a comprehensive refurbishment aimed at creating a premium retail destination.

During the period under review we have made significant investments in our operations to increase our countrywide footprint and upgrade existing stores. This investment has seen the refurbishments of the Auas Valley and Oshakati stores as well as the opening of two brand new stores at Grootfontein (December 2014) and Mega Centre in Windhoek (April 2015). Furthermore, as another first for the Division, we have opened two standalone Pick n Pay clothing stores (Auas Valley and Mega Centre). The Auas Valley refurbishment also included the addition of a Wiesenhof coffee outlet – for which we have obtained the first franchise in Namibia.

The year under review saw our new concept store in Okongo opened June 2014; operating for a full 12-month period and following certain initial difficulties it is now showing improving turnover and profitability trends. In addition, the investment in our new Tsumeb store (opened May 2014) is bearing fruit as this store has delivered average growth rates in excess of 35% over the previous financial year.

Enhanced promotional activity during the year saw a substantial increase in promotions and advertising (including the annual Independence Day and Easter campaigns) as well as our prominent ‘Win a House’ competition where the lucky winner walked away with a home loan worth N$500,000.

During the period, refurbishments were undertaken at a number of stores. During this refurbishment period, trading levels were negatively impacted resulting in reduced sales volumes and profits. Additionally a number of new stores have been opened. These new stores often incur significant opening expenses and have a ‘settling in period’ during which profits are subdued. The preceding factors have had an impact on overall performance. The Division generated an EBIT of N$21.6 million up to 30 June 2015. This represents a decrease of 51.2% against the previous financial period.
The performance and profitability were further impacted by the following key factors:

- Gross profits 10.4% below prior year were impacted positively by the turnover growth and an increase in units sold, customer counts and basket sizes;
- Total shrinkage at a world-class 0.66%;
- Additional rebate income received from the franchisor;
- Efficiencies achieved through a focus on in-store execution and management; and
- Our 50% joint venture with Natural Value Foods (NVF) has contributed a profit of N$944,000 which is 39% above than the previous financial year. This result includes significant expenses borne in getting the Otavi farm operational. The farm itself belongs to the WUM farming division and is leased out to NVF who are utilising the farm for agricultural purposes. Crops grown on the farm are sold for profit through Model Pick n Pay.

PROPERTIES

Broll & List Property Management (Namibia) (Proprietary) Limited
Central Properties (Proprietary) Limited
O&L Properties (A Division of Wum Properties Limited)
Wernhil Park (Proprietary) Limited

Although the period under review has been extremely challenging, the O&L Group's Investment Portfolio has yet again shown an overall strong performance and produced exceptional results in line with the target set for the financial year.

The past 18 months have seen substantial development in the central parts of Namibia. These developments were focused mainly on the retail sector and included malls in Windhoek, Okahandja and Rehoboth. With the majority of the O&L Group's Property Portfolio being retail related and located in Windhoek, the increase in development activity within central Namibia, as well as the reduced spending power per Angolan shopper compounded by the reduced numbers of Angolan shoppers, impacted not only the O&L-owned retail properties but the entire Namibian retail landscape.
The O&L Property Portfolio has shown great resilience however; although faced with substantial competition, the growth in value of O&L’s core investments Portfolio – which includes Wernhil Park, Alexander Forbes House and the Standard Bank Centre – exceeded 10.5%, with operational EBIT increasing by 6% year-on-year.

The planning stage of the expansion to the Wernhil Park Shopping Centre has gained significant momentum and the development received in-principle approval from the City of Windhoek during May 2015. Development is scheduled to commence during the first quarter of 2016. Building work at the development called 77 on Independence – which comprises 165 residential units as well as a retail component on the ground floor – commenced during June 2014 has been progressing well and the property is targeted for completion during June 2016.

In addition to the strong performance of O&L’s investment Portfolio, Broll Namibia – the Property Management Company of the O&L’s Investment Portfolio and a subsidiary of the Property Management Company of the O&L’s Investment Portfolio, Broll Namibia – In addition to the strong performance of O&L’s Investment Portfolio, Broll Namibia – commenced during June 2014 has been progressing well and the property is headed for a retail component on the ground floor which comprises 165 residential units as well as operation and maintenance of:

- engineering, procurement and construction, as well as operation and maintenance of:
- project development, project management,
- the strategic focus for O&L Energy lies in the development and implementation of energy-saving solutions with a special Energy Management System and Energy Auditing System and Energy Auditing activity within the O&L Group. It also started an Energy-Saving Lights Programme for all O&L companies and external clients.

Together with Namibia Dairies and an external engineering partner, O&L Energy is developing a biogas plant at the Superfarm in Mariental, which will be owned by Mariental BioEnergy. Construction of this plant is in progress.

In addition, O&L Energy also started an Energy-Saving Lights Programme with customers outside the O&L Group. It also started an Energy-Saving Lights Programme for all O&L companies and external clients.

Broll Namibia remains extremely proud of the growth in its property value under management as well as the overall O&L Property Portfolio results achieved during the 2014-2015 financial year.

Total EBIT of N$261 million (2014: N$145 million) – was achieved in the period under review and exceeded our budgeted numbers by 24%.

The Grove Mall is the largest single retail property in Namibia and this achievement has further increased Broll Namibia’s Property Portfolio under Management to over N$ 3.8 billion.

The Property Portfolio managed by Broll Namibia has shown exceptional growth over the past five years and has exceeded its budgeted earnings before interest and tax by N$50 million, or 24%. This was achieved although operational performance was challenged by increased competition and lower consumer spending, trading densities and foot traffic during the period under review.

The overall portfolio generated revenue (excluding deferred rentals) of N$159 million in the year under review compared to N$128 million in the previous financial year, with an operational EBIT of N$105 million (2014: N$99 million).

The Wernhil Park Shopping Centre continued to show a solid operational performance with no vacancies, strong turnover rentals and high-foot traffic numbers – which increased by 7.58% year-on-year. Retailer demand for premises in Wernhil Park remains high and such demand will be accommodated on completion of Phase 4 development. Wernhil Park’s EBIT (including valuation gains) was 19% over the projected budgeted figure with a value growth of 10.5% compared to the previous financial year.

The Standard Bank Centre also substantially exceeded its valuation gain budget, showing a 12% increase from the previous year on its property value. Alexander Forbes House achieved a 9% year-on-year growth in property value. Both increases exceeded the valuation budget. Standard Bank Centre’s retail component, Town Square, showed exceptional turnover rentals for the period under review, with most vacant properties having been let before the end of the financial year. The N$4.5 million upgrade planned for Town Square’s retail component will be completed by the first quarter of 2016.

Both the Old Breweries and the Fruit & Veg City/Cashbuild sites are still being held for a possible future mixed-use development.

Cashbuild erven earmarked for incorporation into the expansion of Wernhil Park Phase 4 while the Old Breweries property has been identified for a possible future mixed-use development.

O&L Energy (Proprietary) Limited
O&L Energy set up a network of international and local suppliers and business partners, intensified its marketing activities in Namibia and South Africa and developed various large-scale projects during the year under review. A strategic partner for large-scale solar power plants was also brought on board.

The strategic focus for O&L Energy lies in the project development, project management, engineering and procurement and construction, as well as operation and maintenance of:
- Large-scale solar power systems;
- Large-scale solar heating systems; and
- Bio-energy plants.

O&L Energy also developed and started implementing energy-saving solutions with a special Energy Management System and Energy Auditing activity within the O&L Group and then expanded these services to customers outside the O&L Group. It also started an Energy-Saving Lights Programme for all O&L companies and external clients.

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The year under review saw O&L Leisure (Proprietary) Limited maximise the potential of Mokuti Etosha Lodge and the Midgard Country Estate while pursuing the construction of the Strand Hotel Swakopmund and Chobe Water Villas.

During the year under review, the following achievements were realised:

- Mokuti Etosha Lodge increased its occupancy from 42.1% in 2014 to 51.8% in 2015, while also increasing its average room rate from N$813 to N$899. This enabled Mokuti to generate an EBIT of N$4.3 million vs. a loss of N$0.2 million in the previous year.

- Midgard Country Estate increased its occupancy from 53.8% in F14 to 59.6% in 2015, while also increasing its average room rate from N$604 to N$698. This enabled Midgard to generate an EBIT of N$0.7 million vs. a loss of N$1.5 million in the previous year.

A key achievement worth highlighting is that Mokuti has moved from #16 in the ‘Specialty Lodging in Etosha National Park’ category on TripAdvisor® to #4. Mokuti continues to benefit from foreign and local tourists seeking thrilling wildlife encounters at Etosha, while Midgard primarily hosts conferences during the week and leisure visitors at weekends.

Furthermore, the revitalisation projects at both lodges continued during the year under review, thereby adding value and enhancing the reputation of our brands.

Both the Strand Hotel Swakopmund and Chobe Water Villas projects are on target for opening during October 2015 and 2016 respectively. These two additional hotels in the portfolio will create 270 additional employment opportunities in line with the Group’s Purpose of ‘Creating a future, enhancing life’. The achievements of 2015 lay a good foundation for O&L Leisure’s journey towards F19.
Built on a historic and iconic site, with extensive unique and creative entertainment areas – such as restaurants, bars, a delicatessen, a lobby lounge, sea-facing terraces and a beach take-away – the Strand Hotel Swakopmund is bound to become a destination in itself for the residents of the beach town and for visitors from around the world when it opens in October 2015.

The under-construction boutique 16-room Chobe Water Villas – an exclusive and intimate wildlife lodge – is located at the eastern tip of the famous Caprivi Strip, in the recently re-named Zambezi Region of Namibia. The lodge is situated in the 150 km² Kasika Conservancy, in a secluded position directly on the banks of the Chobe River and near to the town of Kasane in Botswana. This location affords unobstructed views towards the world-renowned Chobe National Park and also overlooks the Sedudu Island, which boasts the greatest density of wildlife species of any river system in the world, including elephant, lion, buffalo, hippo, crocodile, as many as eight species of antelope and 460 species of birds.

ADVERTISING

Weathermen & Co. (Proprietary) Limited

Through the 2015 financial year (its second year of operations) Weathermen & Co. established itself as one of the leading advertising agencies in Namibia. Solid strategic creative campaigns launched in its start-up year introduced the agency to clients who entrusted the agency with their brands and ignited an increasing interest from other potential clients. The agency has had steady growth on all fronts, which puts it in a fantastic position to seize the tremendous opportunities ahead.

Emphasis was placed on the following strategic focus areas throughout the year:

- Improving the creative product and service to clients by attracting talented staff. Increasing efficiencies of agency processes and systems via the investment in new hardware, software and telecommunications systems;
- Maintaining the current client base and the acquisition of new clients;
- Innovating and evolving the agency’s service offering to clients; and
- Maintaining and building a diversified supplier base and leveraging shareholder positions and expertise in the market.

Achievements throughout the year:

- Servicing a stable and strong local client base and acquiring new clients, such as Pupkewitz Megabuild, Total Namibia, United Africa Group (Plaza Casino) and Pasta La Vita;
- Growing the permanent staff complement from five to nine, with 100% staff retention;
- Moving to new premises to position the agency for successful growth;
- Being nominated as a category finalist in the South African advertising awards, the Loeries and being awarded ‘Ad of the Week’ for the Tafel Lager ‘Moments’ TV commercial by leading South African marketing blog marklives.com;
- Increasing revenue to N$24.4 million from N$17.8 million in the 2014 financial year; and
- Achieving an EBIT performance representing a 271% growth in EBIT compared to the 2014 financial year.
Engineering

Kraatz Marine (Proprietary) Limited

Kraatz Marine delivered an excellent set of results before provisions for bad debts for the period under review, being significantly better than those of the previous period. However at the time of this report, management have decided to create a bad debt provision of N$6.6 million for a single customer. A payment plan has been received from this customer and management is vigorously following on this plan with the customer. Profitability was positively affected by high activity levels during the year with a 75% increase in billable hours, particularly in the Industrial Division, where target billable hours were exceeded by 33%.

Dry-docking revenue remained flat due to the downturn in the oil and gas industry as a result of the significant reduction in the oil price. Significant growth was experienced in the Industrial Division however, driven primarily by the high activity levels generated by several projects at Uranium mines.

Revenue for the financial period under review increased to N$107 million from N$62 million in 2014, while operating loss increased further from N$2.2 million in 2014 to N$5.5m in 2015. Margins reduced to 23% in 2015 compared to 33% in 2014.

Dry-docking revenue remained a challenge for the Marine & Offshore Division, the downturn in the oil and gas industries had a negative impact on revenue in the last quarter with a significant reduction in activity levels experienced. Dry dock projects were successfully completed for two significant customers and generated revenue of N$16.8m. A conversion project amounting to N$3.7m was also successfully delivered in line with world-class standards. In order to achieve sustainable growth in revenue we succeeded in expanding our client base by adding new businesses – including Damen Shipyard, Bumi Armada and Posh Fleet Services – to our client portfolio, which generated revenues of N$12m collectively. Another significant milestone for the Marine & Offshore Division during the period under review was the signing of a 3-year maintenance agreement by the Ministry of Defence for work on their navy vessels. This division continued to provide ship-repair services to our sister company, Hangana Seafood, which accounted for 9% of our total ship-repair revenue.

The Industrial Division experienced a significant increase in activity levels during the period under review. Revenue of N$3.4m was generated by the new regional office in Tsumeb and revenue of N$1.5m was generated by the regional office in Windhoek.

Activity levels at our mining clients increased considerably during the period under review, with the award of our first three-year leach tank maintenance contract, with an estimated annual value of N$15.6 million, as well as various other maintenance projects. The total revenue of N$36m generated from our mining clients accounted for 70% of revenue in the Industrial Division and 51% of revenue in the business overall.

A new business unit, Specialised Engineering Services (SES), was established in 2015. SES is a multifaceted business unit focusing on machining services, hydraulic services, laser alignment and line boring. This business unit will service the marine and offshore, fishing, mining and general engineering sectors.

Access to the right mix of skills, on both a permanent and limited duration basis, remains a challenge that we hope to address through our Learn to Weld programme, which was launched in the last quarter. Taking welding education to the next level is part and parcel of exploring new ways to bring quality vocational training to underserved communities and six students were enrolled after more than 300 applications were received. The objective of the programme is to annually provide a minimum of 18 young Namibians who do not have a permanent job with an additional skill that they can either use to get a permanent or higher-paying job or even to start their own business. Enrolment in the programme is free of charge and training runs over a 5-month period, covering the basics of welding theory and practice.

Capital investments amounting to N$5.7 million including the property of N$2.1m in Tsumeb were geared at further improving operational efficiencies and replacing outdated and ageing equipment.

Kraatz Marine is well positioned to react to emerging market opportunities in the future. Access to bigger dry dock facilities remains a key challenge, although strategies are in place to address this challenge in due course.
ASSOCIATE AND JOINT VENTURE

Brandtribe (Proprietary) Limited

The Brandtribe joint venture recorded its first year of positive earnings before interest in this reporting period, with strong revenue growth of N$3.1 million to N$5.5 million (78% increase vs. the prior year), while keeping a lid on operational expenses, which were in line with the previous year.

Our key focus areas for the year under review were:

• Increase revenue – as already stated, revenue increased from N$3.1 million to N$5.5 million. This increase was driven by an increase in SMS revenue in Namibia and increased adoption of the Brandtribe platform in South Africa.

• Positioning - based on customer feedback we reviewed how Brandtribe was positioned in an industry that is still very much in its infancy. Following this positioning work, we developed easy-to-understand marketing material highlighting key features and benefits relevant to potential customers.

• Route to market - this has proven to be the biggest barrier to entering the market in a meaningful way. When it comes to data, companies have many layers across multiple departments that might be involved in decision-making, which increases the complexity and time it takes to get Brandtribe approved as a service provider.

Dimension Data Namibia (Proprietary) Limited

During the year under review, Dimension Data delivered exceptional revenue growth of 74% compared to the previous financial period in the Next Generation Data Centre and Networking integration businesses.

In particular, we built the Data Centre for the City of Windhoek and furnished the O&L Data Centre at Namibia Breweries with new equipment.

This year Dimension Data recruited six students of training through the Exponential Training (XT) programme in order to develop their IT skills. This programme has been running for the past nine years and has delivered 21 successful graduates to date.

Our objectives for the period under review were:

• To deliver world-class enterprise services;
• To continue to drive annuity and service-level revenue; and
• To continue to build stronger vendor and contractor relationships.

The Group equity accounted a profit after tax of N$5.8 million from Dimension Data for the year under review, compared with a profit after tax of N$5.4 million in 2014. Included in the 2014 number was a recovery of bad debts to the value of N$651,000.
CORPORATE GOVERNANCE

PRINCIPLES OF CORPORATE GOVERNANCE

The Directors of the O&L Group of companies are committed to maintaining high standards of corporate governance, which they see as fundamental to discharging their stewardship responsibilities. All the Group's businesses share this commitment and the adoption of and adherence to, sound corporate governance policies have become a business imperative for the Group.

The Board strives to provide the right leadership and a strategic oversight and control environment to produce and sustain value delivery to all its shareholders. The Board continues to instil a culture of openness, accountability and integrity, which is reflected in its commitment to best practices. The Group is proud of its ethical and transparent management of the business, not only in following accepted corporate practices for risk management, but also in providing strong assurance to its shareholders and other stakeholders by living the Group’s ethics.

GOVERNANCE AND COMPLIANCE OVERVIEW

During this review period, the Board has gone to great lengths to further align the Company with the principles and practices contained in the NamCode.

THE O&L BOARD OF DIRECTORS

Sven Thieme, Namibian (47)
Group Executive Chairman
Appointed: April 2002
Joined O&L in 1998, elected as Chairman in 2002, previously a chartered accountant in Luxembourg.
Qualifications: CA
Director of various O&L companies within the Group, Chairman of the Werner List Trust External. President of the NCCI, Chairman of the WCC, Chairman of NBF, Member of the National Planning Commission

Peter Cruizemeyer, Namibian (61)
Chief Executive Officer
Appointed: October 2005
Qualifications: CA
Director of various O&L companies within the Group. External Chairman of NASAIP, Trustee of the Gorangap Trust

Günter Hanke, Namibian (59)
Group Financial Director
Appointed: November 2004
Joined the Ohlthaver & List Group of Companies in March 2004 as Group Financial Director responsible for formulating and executing strategy as part of the Executive Team. He has held various senior executive positions over the past 25 years. He is also currently the Chairman of the Dimension Data Namibia. Director of various O&L companies within the Group.
Qualifications: BCom (Accounting) at University Pretoria with completed articles. He obtained the senior management programme certificate with the University of Stellenbosch Business School. He is a CPA (SA) and has attended various other leadership and business courses

Berthold Mukuhimba, Namibian (56)
Group Human Capital Director
Appointed: May 2006
Qualifications: BA, Certificate in R. MBA
Directorship: Director of Offitra Trustee: O&L Pension Fund
External Trusteehip Chairman HealthWorks (formerly, NARCOA); Alternate Trustee, Namibia Business School.
Has accumulated over 25 years’ experience in strategic HR management in the higher education, telecommunications and private sectors.

Odeon ML Shilongo, Namibian (51)
Executive Director
Appointed: July 2014
Qualifications: Advanced Diploma in Business Administration
Professional Membership: MABE, MCIM, FSBP, ACIRM
O&L Group Directorship: Offitra and O&L Digital
External Directorship: Offshore Development Company (Pty) Ltd, Namibia Competition Commission, Team Namibia, Namibia Trade Forum, Wilderness Safari Namibia (Pty) Ltd.

Hans-Harold Muzele, Namibian (60)
Appointed: Offitra Board. 2009 as Alternate Director; Full Director from March 2014
Qualifications: CA (NAM), MBA (Stellenbosch), Post-Graduate Diploma: Compliance and Board Governance (US)
Directorship: Offitra Board member and Audit Committee Chair
External directorships: Bidvest Namibia, Sanlam Namibia, Capricorn Asset Management
Trusteehip: Benchmark Retirement Fund Chair

Ernst Ender, German (69)
Non-Executive Director, joined the O&L Group in 1980
Qualifications: Banking (1971 Germany)
Directorship: Director of List Trust Company, OLFITRA, NBL, NBLIH, NBL and trustee of the Werner List Trust

Carl-Ludwig List, Namibian (67)
Non-Executive Director, joined the O&L Group in 1980
Qualifications: Banking (1971 Germany)
Directorship: Director of List Trust Company (OLFITRA), NBL, NBLIH, NBL and trustee of the Werner List Trust

Laura McLeod Katjirua, Namibian (56)
Qualifications: Diploma in Development Studies and Management. Diploma in Basic Education
Joined the O&L Group in 2012
Director of various O&L companies within the Group. External Regional Governor of Khomas Region, Other directorships: SealPower (FiHco), National Heritage Council of Namibia (NHCN),

Prins Elaalam Shimi, Namibian (70)
Qualifications: Grade 12, Certificate in Education

Sustainability
Responsibilities of the Board
The Board’s role is to exercise stewardship of the Group within a framework of prudent and effective controls that enable risks to be assessed and managed. The Board sets the Group’s strategic aims, reviews whether the necessary financial and human resources are in place for it to meet its objectives and monitors management performance. The Board is kept informed about major developments affecting the Group through quarterly Business Performance Reviews. The Board also holds at least one strategy session each year, at which high-level strategic matters are debated.

The Board has overall authority for the conduct of the Group’s business. There are also a number of matters that have been specifically reserved for the Board to decide upon, which number of matters that have been specifically

• Monitoring and managing the relationships between the Group and its regulators;
• Reviewing and implementing effective systems of delegation and internal control, and carrying out an annual review of the effectiveness of such systems;
• Identifying and continually reviewing key risks, as well as their mitigation by management, against a background of economic, environmental and social issues;
• Reviewing and approving of Group strategy and the setting of long-term objectives and/or changes in strategic direction;
• Monitoring the overall performance of the Group in relation to its objectives, plans and targets, as well as monitoring the implementation of projects and decisions;
• Ensuring that the company has an effective and independent Audit Committee;
• Establishing systems of delegation and internal control, and carrying out an annual review of the effectiveness of such systems;
• Identifying and continually reviewing key risks, as well as their mitigation by management, against a background of economic, environmental and social issues;
• Monitoring and managing the relationships between the Group and its regulators;

Communication with the Board
Communication with all stakeholders embodies the principles of balanced reporting, comprehensibility, openness and valuing substance over form. The Board is aware of the importance of communicating the Group’s activities to stakeholders in a balanced and comprehensive manner and strives to present clearly any matters material to a proper appreciation of the Group’s position. The interests and concerns of the Group’s stakeholders are addressed by communicating information as it becomes known.

Business Performance Review Meetings
Monthly business performance review meetings are held with each individual operation. Full, in-depth business performance review meetings are held quarterly, with shorter performance update meetings being held in the other months. The purpose of the full business performance review meetings is to conduct an in-depth review of a specific operation’s performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility and IT. These meetings are attended by the Group Leadership Team and the senior leadership team of the individual operation. The purpose of the performance update meetings is to focus on and discuss key issues affecting the individual operation, as well as its financial results and forecasts. These meetings are attended by the Chairperson, the Managing Director and the Financial Director/Manager of the individual operation.

Group Operational Meetings
The purpose of these meetings is to review and evaluate the Group’s performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility and IT. The meetings provide a platform for identifying opportunities and synergies within the Group and for discussing issues requiring the Group’s attention. These meetings, which are held twice a year, are attended by the Group Leadership Team, senior managers from the D&L Centre and the managing directors and financial directors/managers of the OpCos.

AUDIT AND RISK COMMITTEES
Accounting, Auditing and Reporting
This Integrated Annual Report focuses on material developments and issues and provides pertinent, related performance indicators. We define a material development or issue as one that affects our ability to remain commercially viable and socially relevant to the communities in which we operate.

The Board places strong emphasis on achieving the highest levels of financial management, accounting and reporting to stakeholders. The Directors are responsible for preparing the Annual Financial Statements (and other information presented as part of these statements) in a manner that fairly presents the state of affairs, the results of operations and the cash flows of the Group.

The Group employs a comprehensive financial reporting and evaluation system, with the performance of each operating business unit being monitored against both budget and prior-period performance through regular meetings.
The external auditors are responsible for carrying out an independent examination of the Annual Financial Statements in accordance with the International Standards on Auditing (ISAs). The external auditors also declare whether or not the Annual Financial Statements are fairly presented and whether or not they comply with International Financial Reporting Standards (IFRSs).

The Group’s own Audit Committee evaluates the independence and effectiveness of the external auditors and considers whether any non-audit services rendered by such auditors substantially impair their independence. If this is found to be the case, appropriate corrective action is taken with regard to those services.

The independent auditor’s report is set out on page 104 herein.

Internal Audit and Control

The internal audit function’s key responsibilities include: evaluating the Company’s governance processes (including ethics), undertaking an objective assessment of the effectiveness of risk management and the internal control framework; systematically analysing and evaluating business processes and associated controls; and providing sources of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities.

The internal audit function reports to the Audit Committee at every meeting and has the cooperation and support of both Board and management.

Nothing has come to the attention of the Directors to indicate any material breakdown in the functioning of these controls, procedures and systems during the year under review.

BOARDS COMMITTEES

While the Board remains accountable to the Group and is responsible for the Group’s performance and affairs, it delegates to management and Board committees certain functions to assist it with properly discharging these duties. Appropriate structures for such delegations are in place and are accompanied by monitoring and reporting systems.

Each Board committee acts within agreed written terms of reference. The Chairperson of each Board committee delivers a report at each scheduled Board meeting and minutes of Board committee meetings are provided to the Board.

All Directors, as well as the Chairperson of each Board committee in particular, are requested to attend AGMs to answer questions raised by shareholders. The various Board committees currently operating are set out below.

The current CEO is a member of the Audit and the Remuneration committees, as a consequence of the specific knowledge and experience he possesses. Over time however, these committees will be structured to exclude the CEO and to have majority Non-executive Directors.

Audit Committee

During the financial year under review, the Audit Committee comprised three Directors. Two of them were Non-executive - being Mr HH Müeler (Chairman) and Mr EP Shiimi - while one of them was Executive, being Mr P Güttermeyer.

The Audit Committee’s Terms of Reference are set out in an Audit Committee Charter. The Audit Committee is mandated by the Board to review the financial statements, the appropriateness of the Group’s accounting and disclosure policies, compliance with IFRSs and the effectiveness of internal controls; in keeping with this policy, Deloitte & Touche (Namibia) was appointed as the Group’s external auditors, whilst Ernst & Young fulfilled the role of internal auditor, as stated previously.

Both the external and internal auditors have unrestricted access to the Audit Committee and attend all meetings to report on their findings and to discuss matters relating to accounting, auditing, risk identification, measurement and mitigation, internal controls, and financial reporting. The Audit Committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities.

The Audit Committee should satisfy itself as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of the senior members of management responsible for the financial function. This evaluation is to be performed annually.

The Audit Committee is also responsible for overseeing the content and disclosure of the Integrated Report and has been tasked by the Board to assist in overseeing the integrity of the Integrated Report. The Audit Committee has complied with its legal, regulatory or other responsibilities and has recommended the Integrated Report to the Board for approval.

The Audit Committee meets at least twice a year, preferably prior to the Board’s approval of the interim results and after the annual external audit has been completed prior to the Board’s approval of the Annual Financial Statements. Meetings held during the financial year under review and attendance by Audit Committee members were as follows:

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<thead>
<tr>
<th>Members</th>
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<tbody>
<tr>
<td>24/9/2014</td>
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<tr>
<td>P Müeler</td>
</tr>
<tr>
<td>EP Shiimi</td>
</tr>
<tr>
<td>P Güttermeyer</td>
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</tbody>
</table>

Appointments to the Audit Committee are made by the Board and take into account a potential candidate’s education and/or business experience within the Audit Committee’s scope of activities. Members are appointed for a 3-year term, with the initial term for at least one member being two years and for at least one other member being one year.
The purpose of the Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risks inherent in the Group’s business, as well as the control processes with respect to such risks, the assessment and review of credit, market, liquidity, reputation, operational, fraud, strategic, technology, data-security and business-continuity risks; and the monitoring of the Group’s overall risk profile, including significant risks faced by individual companies within the Group and the Group as a whole.

Membership comprises people in the following roles:
- Executive Chairperson;
- Chief Executive Officer (Chairperson of the Risk Committee);
- Group Financial Director;
- Group Human Capital Director;
- Group Risk Manager;
- Chairpersons of OpCos’ risk committees; and
- Company Secretary.

In appointing members to the Risk Committee, a potential candidate’s education and/or business experience within the committee’s scope of activities are taken into account. The Risk Committee is a subcommittee of the Audit Committee and gives feedback at Audit Committee meetings.

Whilst the membership of the Risk Committee would normally comprise Non-executive Directors, in its current form the membership is made up of the persons as listed above. The Audit Committee achieves oversight of the Risk Committee through the Chairmanship being fulfilled by the CEO (also a member of the Audit Committee) and the optional attendance of H Müseler, the Chairman of the Audit Committee, who is an independent non-executive Director and of the internal auditors Ernst & Young. The Risk Committee met twice in the last financial year.

Remuneration Committee
The Remuneration Committee consists of two Directors: Mr EP Shinji and Mr P Güttner Meyer (CEO) and its responsibility is to review the remuneration of the Group’s Executive Leadership, as well as performance bonuses and Directors’ fees. The remuneration of senior executives is based on their performance within their area of responsibility and is calculated using key indicators of operational and financial performance, among other factors. The Board’s remuneration philosophy dictates that rewards to executives are balanced against the interests of the Group and its shareholders. The Remuneration Committee is also empowered by the Board to set the short- and long-term remuneration of Executive Directors.

More generally, the Committee is responsible for the assessment and approval of a broad remuneration strategy for the Group, which is documented in a Remuneration Policy and is at liberty to solicit the assistance of outside consultants with specialised skills and expertise to formulate and maintain an equitable compensation structure. The Committee’s Terms of Reference are set out in a Remuneration Committee Charter.

There were no Remuneration Committee meetings held during the period under review since the committee is only obliged to meet when it is deemed necessary for it to do so.

The Board appoints the members of the Remuneration Committee, taking into consideration potential candidates’ education and/or business experience within the committee’s scope of activities. Members are appointed for a 3-year term, with the initial term for at least one member being two years and for at least one other member being one year.

The Remuneration Committee does not recommend disclosure of individual Director’s fees. These fees are paid by subsidiaries and not by the holding company.

Professional Advice
All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring compliance with procedures, as well as applicable statutes and regulations. All Directors also have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations, thus enabling the Board to function effectively.

The Company Secretary ensures that Board charters and various terms of reference are regularly reviewed and complied with and ensures that all minutes are circulated to the relevant Directors. A Board evaluation process has been adopted through the Directors’ Governance Policy and is being implemented.

Board nominations are considered through the Remuneration Committee and recommendations on appointments are made to the Board for adoption.

Conflicts of Interest
Directors are required to inform the Board immediately with respect to actual or potential conflicts of interest they may have in relation to particular aspects of a business. Directors are obliged to recuse themselves from discussions or decisions on matters in which they have a conflict of interest.

During the financial year ended 30 June 2015, none of the Directors had any interest in contracts or arrangements entered into by the Group or its subsidiaries.

Compliance with Laws, Rules, Codes and Standards
The Board acknowledges the responsibility of ensuring that the Group is compliant with laws, rules, codes and standards. The Board has ensured that an effective Compliance Framework has been established and implemented. This Compliance Framework is designed in such a way that the relevant laws, rules, codes and standards are identified, compliance monitored, and any non-compliance rectified.

The compliance function has been delegated to each OpCo, while the Audit Committee - through the Group’s Risk Committee - has an assurance programme in place to confirm that compliance to laws, rules, codes and standards is applied within the business.

During the reporting period, no fines or sanctions for non-compliance with laws and regulations were initiated against the Group and no legal action for anti-competitive behaviour was instigated.

Risk Management Practices
The Board is ultimately responsible for managing the Group’s risk and setting its risk appetite. The Risk Management System is designed to manage rather than eliminate the risk of failure in order to achieve business objectives. The system includes having ongoing processes in place to identify, assess, manage, monitor and report on the significant risks faced by individual companies in the Group and by the Group as a whole.

A Risk and Opportunity Assessment is conducted on an annual basis at the OpCos to ensure that management remains aware of these issues throughout the Group. The assessment process identifies the critical business, operational, financial and compliance exposures facing the individual operations, as well as the adequacy and effectiveness of control factors at all levels.
Materiality levels are set for each business unit level and vary according to the nature, scope and size of the business concerned. In setting these levels, due consideration is given not only to financial impact but also to the potential threat to the integrity of the business as a going concern, its reputation and the well-being of employees and other stakeholders.

Each OpCo in the Group has its own risk committee that identifies major risks from the risk assessments outlined above and ranks these in a risk matrix. The Group has formalised risk management process, which is documented in the Group’s Risk Management Policy. The Group risk matrix is compiled from the risk matrices of the individual OpCos.

The risk matrix is used as a tool to assist management in recognising all material risks to which the Group is exposed and ensuring that the required risk management culture, practices, policies, resources and systems are progressively implemented and function effectively. The risk committees of the various OpCos report to the Group’s Risk Committee.

The systematic risk assessment process ensures that risks and risk controls are not only adequately identified, evaluated and managed at the appropriate level in each OpCo but also that their impact on the Group as a whole is taken into consideration.

In the current period under review the Group did not expose itself to any undue, unexpected or unusual risks that caused it to suffer material losses.

The Board of Directors is of the opinion that the risk matrix is an appropriate tool for risk identification and assessment. The matrix is very detailed and specific, and is therefore not disclosed in this Sustainability Report in order to ensure that no confidential information and thus undue advantage is provided to our competitors.

The systematic risk assessment process ensures that risks and risk controls are not only adequately identified, evaluated and managed at the appropriate level in each OpCo but also that their impact on the Group as a whole is taken into consideration.

During the reporting period, the Group adopted a centralised risk management structure in order to ensure specialised focus on targeted risk management areas such as enterprise risk, occupational health and safety, environmental management and security. Through this centralised structure, operational risk management across the Group has also been standardised and enhanced.

The Group has entrenched its anti-corruption policies and procedures during the reporting period through its Annual Declaration Programme, communication of its Code of Ethics and the implementation of a commercial crime audit at all of its OpCos. The Group has also invested in a 24-hour Tip-offs Anonymous hotline, which is available to everyone so that they can report any unethical behaviour by Group employees.

During the reporting period, one minor case of fraudulent action was identified and handed over to Nampol for further investigation, which is in line with the zero tolerance on fraud stance of the Group.

Succession Planning

The Group benefits from having an extensive pool of people with diverse experience and competence at senior management level. The Board is confident that it is able to identify suitable short- and long-term replacements from within the Group when the need arises.

In taking succession planning to the next level, the Group introduced a Talent on the Move Programme whereby forthcoming vacancies in critical positions are widely publicised. Employees are encouraged to submit their names for consideration so that their capacities can be developed to fit these positions once they become available. Two objectives are aimed at here: employees take charge of their own career development and the Company has a database of talented individuals who are ready to move into higher positions.

Governance of Information Technology

The Board, assisted by the Risk and Audit committees, is responsible for the governance of information technology (IT) of the entire Group. The Board recognises that it is essential to manage the transactions, information and knowledge necessary to initiate and sustain a company. The Board therefore developed an IT Internal Control Framework, which has been adopted and implemented. The external auditors provide assurance on this IT Internal Control Framework when conducting their annual audit.

During 2014 and 2015, this external review did not result in any significant or material findings.

Internal Audit Includes Procedures on IT in its Internal Audit Programme.

The Board is aware that IT legal risk arises from the possession, ownership and operational use of technology that may result in the company becoming a party to legal proceedings. Furthermore, the Board is aware of the need for IT risks form part of the Group’s risk management activities and considerations. The Board recognises that IT legal risk arises from the possession, ownership and operational use of technology that may result in the company becoming a party to legal proceedings. Furthermore, the Board is aware of the need for compliance with applicable laws, rules, codes and standards that are affected by IT and the Board therefore ensures that IT-related laws, rules, codes and standards are considered.

The Board, through various processes, ensures that the information generated and stored by the IT system is kept secure, private, confidential and available to users in a timely manner and in a suitable format.

These processes are implemented, documented and maintained on the Process Model. The Process Model includes the following:

- Business continuity
- Change control
- Acceptable IT policies and procedures;
- Security policies and procedures; and
- IT security standards.

Dispute Resolution

The Board recognises the importance of resolving disputes with all stakeholders as effectively, efficiently and expeditiously as possible and it has therefore implemented a Dispute Resolution Methodology. The Directors thus make use of the Labour Act – which has a provision for alternative dispute resolution that is distinct from the Compulsory Dispute Resolution Mechanism channelled through the office of the Labour Commissioner.
RISKS FROM CLIMATE CHANGE

Ohlthaver & List is aware of the very real threat that climate change poses to our operations in the highly arid country of Namibia.

Water scarcity and drought are of particular concern to the Group. As water is one of our most material issues, the rising costs of this scarce resource are predicted to pose a financial challenge to operations — especially the water shortage in Windhoek that is already reaching crisis levels. To address this challenge, the Group is considering a number of options outlined in the Environmental Sustainability section of this Report, including desalination, making use of underground water sources and moving production sites in severely impacted areas to other regions.

Due to Namibia’s arid landscape and its legislation against GMO crops being used as feed, the Group already has concerns relating to the cost of feed for our dairy cows and the price of barley as a raw material for some of our processes. Importing these raw materials from overseas markets is a costly endeavour. As a material issue for the Group, the cost of doing business is a risk that could increase greatly with climate change. The company is attempting to manage this through long-term purchase agreements with fixed pricing and constant supplier performance evaluation, as well as by growing our own animal feed and constantly monitoring the prices and costing for our dairies.

ECONOMIC, SOCIAL & ENVIRONMENTAL SUSTAINABILITY

LOCAL HIRING AND PROCUREMENT

The O&L Group is committed to contributing to communities by, among other things, hiring and procuring locally wherever possible. We therefore give preference to Namibian businesses and small- and medium-scale enterprises; 84% of senior management are Namibian citizens.

During the year under review, local procurement spending constituted 48% of all spending on goods and services, compared to 45% the previous year. The majority of imported commodities comprise barley malt and hops for the brewing industry, as well as packaging material for the brewing and dairy industries.

In July 2014, a strike in the metal industry affected Namibia Breweries Ltd (NBL) as their key supplier, Bevcan, experienced production shortfalls during this period that led to stock-outs and a delay in the supply of beverage cans.

LOCAL PROCUREMENT SPENDING AS % OF TOTAL SPEND

<table>
<thead>
<tr>
<th>Company</th>
<th>2013/14 Local Spend</th>
<th>2014/15 Local Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia Breweries Limited</td>
<td>55%</td>
<td>54%</td>
</tr>
<tr>
<td>Namibia Dairies</td>
<td>53%</td>
<td>54%</td>
</tr>
<tr>
<td>Model Pick n Pay</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Hangana Seafood</td>
<td>83%</td>
<td>88%</td>
</tr>
<tr>
<td>O&amp;L Centre</td>
<td>60%</td>
<td>44%</td>
</tr>
<tr>
<td>Krautz Marine</td>
<td>91%</td>
<td>94%</td>
</tr>
<tr>
<td>Krautz Steel</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>O&amp;L Energy</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>Weathermen &amp; Co.</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>Total</td>
<td>45%</td>
<td>48%</td>
</tr>
</tbody>
</table>

In order to manage the risk that limitations to growth pose for our operations, the Group sells goods and services at competitive market prices, exports certain products and services due to limited domestic market opportunities and supports local communities and suppliers in order to encourage local growth. We have also diversified our Group Portfolio in order to maximise our potential for growth.
The O&L Group subscribes to the principle of equal opportunities for all and gives preference to Namibian citizens when filling vacant positions across the Group. Furthermore, the Group strongly supports the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998) and files the required Affirmative Action report with the Office of the Employment Equity Commission on an annual basis.

The above table indicates that as at 30 June 2015 85.8% of senior management are Namibian citizens and hired from within the country.

The Group recorded an increase of formerly disadvantaged women. Of this, 118 employees were appointed or promoted to semi-skilled level, 51 to Specialised/Skilled/Senior Supervisory and 36 to skilled job categories. The Group increased the number of formerly disadvantaged employees by 394, for the period in review. 32 racially disadvantaged employees left the employment of the Group of which 4 were permanent at unskilled level and 28 were temporary employees.

The Group aims to create a feasible and flexible strategy that addresses work-related employment barriers and the expectations of employees in the designated groups, namely racially disadvantaged, women and persons with disabilities. At the same time, the Group recognizes the shortage of skills in Namibia as well as the ambitions and aspirations of current and future non-designated employees.
In implementing its Affirmative Action Plan, the Group does not intend to unfairly discriminate against any employee who does not belong to a designated group as defined in the Affirmative Action (Employment) Act. The Group's Affirmative Action Plan ensures that equity is achieved within the organization in line with the plans.

The Talent on the Move Program that was recently launched by the Group aims to address succession management for key positions in order to accelerate the development of employees who show potential in their specific lines of work and who are willing to avail themselves for development.

The Group recognizes that, for some specialized roles, competent designated incumbents may only be available in the long term, but we nonetheless undertake to ensure that there will be a learning path to achieve this goal.

In accordance with the Affirmative Action (Employment) Act, should the need arise the Group will facilitate the mentoring and development of every Namibian employed with a non-Namibian as an understudy. The understudy employees are also part of the Talent on the Move Program.

Remuneration
The Group's remuneration policy makes provision for benefits:

• Pension: Employee 7% & Employer 11%: Grade 1-9.
• Medical Aid (50% Company Contr.): Grade 1-9 voluntarily.
• Transport Allowance: Grade 1 - 7A.
• Funeral Scheme: Grade 1 - 5.
• Acting Allowance Grade 1 - 7B.
• Car Allowance, Housing Allowance: Packaged employees.
• Incentive Bonus: Grade 6A - 9.
• Annual Bonus 13th cheque: Grades 1 - 5.
• Annual bonus based on performance: Grade 6 - 9.
• Purchases Discount: Grade 1 - 9.

Temporary employees qualify for a subsidized transport allowance, 13th cheque, productivity bonus, funeral scheme, vitality HIV/AIDS cover and purchases discounts at our retail subsidiary.

A minimum wage is difficult to benchmark in the absence of national minimum wage. The Group operates in diverse sectors and in the absence of a national minimum wage it is difficult to do a meaningful comparison at national level. At sector level, however, the O&L remuneration philosophy is to position wages at market midpoint and the Group is confident that its average minimum remuneration is in excess of sector benchmarks.

Employee Relations
51.2% employees below supervisory and management employees are covered by collective bargaining agreements.

Retrenchments, transfers and organizational changes are done in accordance with contracts of employment. Minimum is one month notice.

All employees are subject to the Health and Safety Policy of the company as this is a legal requirement and is not negotiable.

There have been no incidents of discrimination, no infringement in freedom of association and collective bargaining, no child or forced labour during the reporting period. Grievances were filed by employees at Midgard Country Estate and Mokuti Etosha Lodge concerning management style and the introduction of an employee handbook that regulates rules for staff accommodation. The grievances were addressed through various meetings and amicably resolved. No operations were subject to human rights reviews or impact assessments.
Employee Turnover
O&L measures and monitors employee turnover on a quarterly basis. In addition, we conduct exit interviews with all employees who leave the Group. The objective of exit interviews is to understand employees’ reasons for leaving and, if possible, implement remedial measures where necessary to reduce loss of further personnel. A total of 755 employees exited the group during the reporting period. The table below indicates the various employee turnover categories.

The total employee turnover rate for the Group amounts to 15.9% of staff (17.7% during the previous financial year), 10.2% less than the previous year, based on permanent employees as at financial year end. This is internally regarded as a reasonable turnover rate given the fact that it covers various categories of job termination apart from resignations, which accounted for 55% of the staff turnover. Reasons given for resignation were mostly related to employees taking up a better job offer or leaving to further their career or studies.

TRAINING
Leadership and People Development
O&L World, an internal leadership development intervention, continues to grow in success and its current focus is on:

• Introduction of course attendants to Breakthrough Thinking methodology which equip delegates with the tools to realize the power of thinking. This assists to unleash potential and inspire creativity and innovation, leading to achieving stretched business targets.
• Course delegates are further equipped with skills and tools on what it means to take a Stand, also how to implement the Stand.
• Realization of the internal unlimited potential each one of us has.
• Introduction to the O&L Purpose, Vision, metrics, Values and Breakthrough Leadership Model.
• Introduction to O&L Breakthrough Plan 2019.
• Introduction to the Group Portfolio profile and Heritage.
• Course attendants are further taught good listening and networking techniques (Being There for someone).
• Understanding how their roles are connected to the greater O&L Purpose and Breakthrough Plan 2019.
• Introduction to the concept of Files (subjective evaluation of other people and situations, sometimes leading to wrong conclusions).
• Managing corridor talks and grapevines in organizations thus eliminating obstacles in focusing employees and achieving optimum business results.

A total of 422 employees attended the 8 O&L World sessions during the year under review.

The Breakthrough Management Skills (BMS) programme which is aimed at consolidating the leadership and management skills of existing managers has seen another 72 successful employees through its programme. The BMS programme’s main focus is on breakthrough leadership competencies, strategy execution and emotional intelligence.

The Leadership Foundation Programme (LFP) is aimed at introducing supervisors and junior managers to the basic skills of leadership and focusses on role clarification, time management and self-improvement opportunities. The LFP has seen another 106 employees complete the programme.

The return on investment (ROI) planning projects of the BMS and LFP, which assist employees to implement their newly-acquired skills in a form of a project, play a crucial part in these two programmes and continuous improvement monitoring and evaluation have been developed to track and quantify the results better.

‘We Grow People’ Umbrella Development Initiatives
Hangana Seafood continues to invest in its people skills through various means, including its Adult Literacy Programme and various job attachments.

During the financial year under review 50 employees, of whom 40 were women, enrolled in the Adult Literacy Programme. This programme has driven improved levels of literacy among Hangana’s low-skilled employees.

Furthermore, the Quality and Engineering departments at Hangana Seafood continued to offer job attachments to students from tertiary education institutions, with the aim of enhancing their practical skills, experience and exposure to the world of work. The Quality Department has given 160 employees complete the programme.

The return on investment (ROI) planning projects of the BMS and LFP, which assist employees to implement their newly-acquired skills in a form of a project, play a crucial part in these two programmes and continuous improvement monitoring and evaluation have been developed to track and quantify the results better.

Sustainability
Mining and Technology (NIMT) to host student job attachments. The Engineering Department has offered 7 job attachment opportunities to students in various fields including millwrighting, bricklaying, plumbing, water care (idealisation plant), fitting and refrigeration. 2 out of the 7 students have been offered permanent employment upon completion of their job attachments.

Lastly, Hangana has introduced a programme known as Total Productive Manufacturing Management (TPM) through which supervisors and employees will undergo intensive training aimed at eliminating waste and improving efficiencies and productivity. This initiative is based on four key pillars: teamwork, visual management (performance measurement & visual display), 5S (system to establish basic discipline and order in the workplace to create an environment that is an essential foundation for other best practices to prosper and for people to be really effective) and focused improvement.

Kraatz Marine has launched a Learn to Weld and focused improvement. This initiative is based on four key pillars: teamwork, visual management (performance measurement & visual display), 5S (system to establish basic discipline and order in the workplace to create an environment that is an essential foundation for other best practices to prosper and for people to be really effective) and focused improvement.

Kraatz Marine and the Polytechnic of Namibia signed a Memorandum of Agreement and will provide 2 Polytechnic students per year with an opportunity to understand the real-life challenges of their chosen profession in the industry – the necessary technical as well as workplace skills – in order that they will be job ready at the completion of their studies. The Namibia Institute of Mining and Technology (NIMT) collaboration is also proving to be successful and another 14 students from NIMT have taken up their job attachments for a period of 6 months for level 1 & 2 intakes and 12 months for level 3 intakes. Kraatz Marine therefore currently supports 14-16 students throughout a single financial year.

Namibia Breweries Ltd financed the following talent-development support during this time.

- 2 Polytechnic students per year with an opportunity to understand the real-life challenges of their chosen profession in the hospitality industry through working in all the different departments. As from July 2015, another 6 interns from the Okakarara Vocational Training Centre and 1 intern from Germany joined O&L Leisure for a 6-month internship programme at Midgard Country Estate, Mokuti Etosha Lodge and the O&L Leisure Head Office where they were exposed to the hospitality industry through working in all the different departments.

- As part of Model Pick n Pay’s initiative to provide 2 Polytechnic students per year with an opportunity to understand the real-life challenges of their chosen profession in the hospitality industry through working in all the different departments. As from July 2015, another 6 interns from the Okakarara Vocational Training Centre and 1 intern from Germany joined O&L Leisure for a 6-month internship programme at Midgard Country Estate and Mokuti Etosha Lodge.

- As part of Model Pick n Pay’s initiative to grow competent future leaders, the Division has been implementing an intensive training programme for its trainee managers. The 11 trainee managers have all completed their 9 months theoretical training with the Polytechnic of Namibia and are still undergoing intensive practical training at various stores that will prepare them for their different managerial positions. This first intake is set to complete their programme before the end of August 2015. In addition to this, Model Pick n Pay continues to provide practical experience for students studying at different catering schools across the country with a view to employing them in the different service areas on completion of their courses. Pick n Pay recently also finalised designing a training programme for its store supervisors.

Generic Training Interventions

During the year under review, 1,954 employees attended various generic training interventions. The most attended beside the regularly scheduled O&L World, IMS, LFP, O&L group induction and DRN@OQ events, were the generic training such as: SAP IT system training, effective communication, performance management, disciplinary hearings, disciplinary hearing the role of the initiator and chairperson and managing personal finances.

A total of 9,510 training hours were recorded during the reporting period (an average of more than 7 hours per employee) while a total of 151,243,646 was spent on the generic training interventions during this time.

**TOTAL SPENT ON GENERIC TRAINING, 2014 - 2015**

<table>
<thead>
<tr>
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<th>2015 (N$)</th>
<th>2016 (N$)</th>
</tr>
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<td>1 134 152</td>
<td>390</td>
</tr>
<tr>
<td>Kraatz Marine</td>
<td>422 418</td>
<td>0</td>
</tr>
<tr>
<td>Kraatz Steel</td>
<td>590</td>
<td>0</td>
</tr>
<tr>
<td>Model Pick n Pay</td>
<td>905 708</td>
<td>757 781</td>
</tr>
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<td>Namibia Breweries</td>
<td>8 651 965</td>
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<td>1 700 968</td>
</tr>
<tr>
<td>Hangana Seafood</td>
<td>557 781</td>
<td>701 621</td>
</tr>
<tr>
<td>O&amp;L Leisure</td>
<td>2 046 175</td>
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<td>Total</td>
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</table>

**Sustainability**

Launched in 2004, the main objective of the Mwenyopaleka Programme is to instil the Group’s Purpose, Values and Mission (as well as the associated behaviours) in the heart and mind of each employee in the Group. Over the past few years, the Mwenyopaleka Programme has allowed the Group to promote and communicate these objectives to a large number of its employees. In 2015 the Mwenyopaleka road shows were hosted for the 11th time in six towns countrywide and approximately 4,201 employees attended the Mwenyopaleka®15, a digital world theme, which gave them more insight into our refreshed Vision 2019 Metrics.

The Employee Engagement initiative, which was introduced in 2015 as part of our Vision 2019 communication strategy, continues to empower our people by developing their personal connection to our Vision. Purpose and Values, leveraging the corporate brand by building a sense of belonging and ambassadorship in employees, and creating a breakthrough environment for all O&L staff members.

The Employee Engagement initiative is a principal means by which we facilitate our connection with employees and its activities include: communication and leadership development; utilising electronic newsletters; the Touch 5 000 Campaign (an initiative whereby leadership engages all 5000 group employees); O&L Values posters, regular engagement sessions with all employees; road shows; the Value Star Recognition Programme; SMS communication, internal publications which go out to all employees to acknowledge the role that their achievements and contributions play towards the Group becoming ‘The most progressive and inspiring company’ by 2019.

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</table>
OCCUPATIONAL HEALTH AND SAFETY

During the period under review, the Group conducted an in-house audit in respect of the implementation of its Group Risk Control Standards. These standards are based on international best practices in the occupational health and safety field. Since its introduction in 2009, implementation of the Group Risk Control Standards has had a very positive impact in terms of the management of occupational health and safety, including compliance with relevant legal requirements, the investigation of incidents and the response to corrective actions. During the annual audit, the O&L Group achieved an average compliance rate of 90% against the Group Risk Control Standards for the third successive year.

The Group launched Project Occupational Health & Safety during the 2013 reporting period. The aim of the project is to ensure that a world-class Occupational Health and Safety system is implemented across the O&L Group. During this project, focus was placed on legal compliance with the Labour Act and relevant occupational health and safety regulations; health and safety awareness among staff; incident reporting and investigation; and implementation of corrective actions in order to ensure that similar incidents do not recur. Due to the success achieved across the Group through Project Occupational Health & Safety, the programme was entrenched during the reporting period thereby ensuring that 100% of our staff has representation through the various occupational health and safety committees established in the various Group subsidiaries. An improved incident-reporting process was also introduced.

The Group is proud to report that in its efforts to create and maintain a safe work environment, the Group’s Disabling Injury Frequency Rate (DIFR, or lost-time injuries per 200,000 hours worked) has stabilised below the target DIFR rate of 1.0 over the past three reporting years, although the DIFR increased slightly from 0.6 to 0.74 over this reporting year, mainly due to improved incident reporting. The DIFR is made up of 57 disabling/loss time injuries (injuries where the injured party missed the shift after the incident due to the injury).

Notwithstanding the success that the Group achieved in lowering the DIFR since 2009, the Group remains committed to maintaining the focus on occupational health and safety during the 2016 financial year.

EMPLOYEE WELLNESS PROGRAMME

The Employee Wellness Programme originated with the vision of sustaining and enhancing employee wellbeing. The programme aims to improve employee and workplace effectiveness through the identification, prevention and resolution of personal and productivity issues – thus enhancing employees’ positive work experience by creating a great workplace culture where people who are healthy and happy can experience job satisfaction.

Absenteeism

The analysis of absenteeism data during the year under review shows an absenteeism rate of 1.84% compared to 1.95% in 2014. This shows a decrease of 5.6% and it is still below our 2% target absenteeism rate. The Employee Wellness Programme continues to support various ill-health prevention and intervention activities such as health education and awareness, psycho-social support services (i.e., case management and referrals) and training. These activities all aim at addressing employee health and wellbeing issues with the purpose of reducing employee absenteeism.

CORPORATE SOCIAL INVESTMENT

Creating a Future, Enhancing Life

The Ohlthaver & List Group embraces its obligations as a responsible corporate citizen and therefore the Group’s Corporate Social Responsibility (CSR) Strategy supports our Group Purpose – ‘Creating a Future, Enhancing Life’ – in improving and uplifting the lives of the people in the Namibian communities in which it operates.

We support initiatives that are sustainable, enhance the lives of community members, conserve our natural resources and engage our employees – while simultaneously building our corporate reputation and enhancing relationships with our stakeholders. The O&L culture embraces diversity across our businesses and beyond and has thus enabled us to establish excellent long-term relationships with our Corporate Social Investment (CSI) partners and other stakeholders in areas of particular relevance to our industries, as well as in areas of national importance, thereby ensuring that we support the upliftment of all members of Namibian society.

During the period under review, a total of almost N$3 million was spent on CSI, excluding indirect costs such as the CSI function’s, man hours, travelling and accommodation etc.
O&L gives support to community enhancement initiatives including:

Education and youth development

Literacy is essential to eradicate poverty in developing countries and to support sustainable development. Without literacy skills – the ability to read, to write, to solve problems and to access and use technology – generations of Namibians will struggle to engage fully with the world around them and will fail to reach their full potential as parents, guardians, community members and future leaders of our country. O&L believes that education builds a prosperous nation and that our government should not be responsible for this development on its own but that this is better achieved through collective efforts and wide ownership:

• O&L has developed an Adult Basic Education Development (ABED) training programme to give our employees the opportunity to improve their literacy skills. The Adult Education Division offers support in both theory and practice to improve the lives of Namibians.  Besides these initiatives aimed at enhancing the lives of Namibians generally, the Group also looks after the wellbeing of its own employees by investing in wellness initiatives benefitting 5,570 employees across the Group.

• As the youth are the foundation of a better future, our various OpCos have been engaged for many years in enhancing the lives of orphaned and vulnerable children (OVCs) through investment and support to various children’s homes. For the past 11 years, O&L has hosted a memorable, fun-filled Christmas Day event for OVCs in Khomas Region (Windhoek) and for the past 6 years it has hosted a similar event in the Erongo Region (Walvis Bay). The children are treated to face painting, jumping castles, slip ‘n slides, a giant carousel and a special appearance by Santa, who delivers a special gift to each child. These gifts are sponsored by the O&L employees who decorate gift boxes filled with basic necessities, stationery and some luxury items and who also give their time in spending the day with the children.

Health

During the year under review, O&L supported initiatives that advance the health of fellow citizens, such as those relating to cancer awareness, prevention and treatment and combating the spread of HIV/AIDS, all major public health issues that affect a significant number of Namibians. Besides these initiatives aimed at enhancing the lives of Namibians generally, the Group also looks after the wellbeing of its own employees by investing in wellness initiatives benefitting 5,570 employees across the Group.

While all our OpCos participate in the above O&L-led CSI initiatives, the following list summarises key initiatives led by various individual OpCos within the O&L Group.

BROLL and LET PROPERTY MANAGEMENT NAMIBIA-BROLL

• BROLL provides office space for the Hifikepunye Pohamba Foundation, a charity founded by the former President of the Republic of Namibia to advance the education of marginalised children.

• During the year under review, BROLL supported joint Group initiatives such as the O&L OVCs’ Christmas Party, the Shoe Box project to benefit orphans and vulnerable children and the Palmwag Anti-poaching Trust, which seeks to address the national issue of rhino poaching in Namibia.

DIMENSION DATA

• During the year under review, Dimension Data once again launched its Exponential Training (XT) programme, through which six candidates were selected to complete the 24-month development course. The programme provides students with the opportunity to be trained within the Microsoft or Cisco framework, while giving them exposure to a world-class working environment. The Dimension Data XT programme develops young talented Namibians and provides them with job opportunities to improve their prospects for the future.

• Dimension Data commemorated World Food Day, which is celebrated each year in October. This is a joint effort of the company and its employees and this year the Children’s Life Change Centre – which cares for close to 50 OVCs – benefited from a donation of healthy food items and some voluntary support from our staff.

• Dimension Data encourages its employees to take part in social upliftment initiatives by making one paid leave day in each calendar year available to its employees to assist a charity organisation or good cause of their choice.

HANGANA SEAFOOD

• Hangana continued to support JI’s Care Centre, an EUC-Therapy Day Care facility for children with physical and mental challenges and those with learning difficulties through donations of warm, handmade winter blankets and food items – including a regular supply of Hangana fish products.

• Hangana continues to make a difference in Erongo Region communities: it donated fish to various social welfare organisations such as the Coles Hope Kindergarten, Walvis Bay Kids Haven Children’s Home and Tutaleni Kindergarten and Primary School, to mention but a few.

• Hangana once again took the lead in organising the annual O&L OVC Christmas Party at the coast while also supporting various other social causes such as the Walvis Bay Mayoral Relief Fund and the Cancer Association of Namibia (CAN), as well as the Save the Rhino Trust Fund.

KRAZT MARINE/STIEL

• During the year under review, Kraatz invested more than N$500,000 in the procurement of a welding simulator and other equipment to provide young Namibians with welding education and skills development. Kraatz launched the Learn to Weld programme whereby six students were enrolled to learn the basics of welding, both theory and practical, while also receiving life-skills training. This programme provides young people with new skills so that they can improve their own lives while making a positive contribution within their communities and by so doing contribute to poverty alleviation in our country.

• Kraatz once again made a N$50,000 donation towards the Workers Empowerment Fund. This fund has been in existence for a number of years and is managed by a committee consisting of Kraatz employees guided by our Group purpose ‘Creating a Future, enhancing Life’. Each year the committee members make a difference in their community by giving support to a good cause: this year the fund supported the Kuidibmond Old Age Home to bring relief to the elderly men and women living there.

• Kraatz also supported the Coastal Raiders hockey team with the purchase of two hockey goal posts. This initiative aims to create a platform for the youth to participate in the game of indoor hockey and in doing so to enhance their physical and mental wellbeing while also developing self-discipline and encouraging team work.
NAMIBIA BREWERIES LIMITED (NBL)  
Local procurement  
• Like the rest of the O&G Group, NBL is committed to hiring and procuring locally wherever possible; therefore, as all O&G OpCos do, NBL gives preference to local businesses and small- and medium-scale enterprises. NBL has, however, taken the further initiative of seeking to establish a local barley industry and commenced with its first field trials in 2010. As it has now been determined that barley can be grown in Namibia, NBL and its stakeholders are taking the next steps towards the establishment of large-scale barley production in Namibia. This will enable NBL to procure barley locally through establishing an entirely new industry in Namibia. In so doing NBL will further support socio-economic development locally.

Caring for our community  
Health  
• A public-private partnership between NBL, the Ministry of Health and Social Services and GIZ launched a pilot project in March 2014 to assess the impact such a collaboration would have in supporting Namibias fight against the spread of HIV/AIDS. The year-long Condom Distribution Pilot Project proved to be extremely successful and facilitated the delivery of 1,357 million SMILE condoms primarily in Ohangwena Region through NBL’s distribution network. Applying the John Stover measure, it is estimated that approximately 2,700 new HIV infections were prevented as a result of this initiative in the reporting year. Following the success of the Condom Distribution Pilot Project, a staggered roll-out will ensure the project is extended to other regions of Namibia so as to broaden its impact.
• For the past five years, NBL has supported the Mister Sister Mobile Health Service initiative - a mobile clinic service administered by PharmAccess and sponsored by the Heinrich Böll Foundation. Mister Sister has significantly enhanced access to primary healthcare services and health education in rural and remote populations in the Khomas, Otjozondjupa and Oshana regions. The Mister Sister initiative also conducted numerous education sessions with patients and drove awareness through direct engagement and SMS messages covering topics such as maternal child and infant care, family planning, diabetes, high blood pressure and hygiene, to mention only a few.
• NBL’s long-standing support to the Cancer Association of Namibia (CAN) is another example of our commitment to enhancing the health of Namibians. Cancer is a major public health disease, one that affects a significant number of Namibians. This is why NBL supports the Dr All May Oncology Clinic in the treatment of cancer patients, as well as the Cancer Association of Namibia’s awareness-raising programme to promote early detection and treatment.
• Through its Vigo brand, NBL supports the Blood Transfusion Service of Namibia with their campaigns that aim to ensure that an adequate amount of donated blood is available for operations, cancer patients, accident victims, etc. while NBL also continued to support the Nampharm Foundation Trust in assisting Namibian children needing facial reconstructive surgery.

Education  
• NBL, continued with their support to the School of the Visually Impaired, the School of the Hearing Impaired, as well as Windhoek’s Moereson School for the intellectually impaired and Die Lebensschule (Rehoboth), a school for children and teenagers with mental and learning challenges.

Promoting responsible drinking  
• At NBL we believe that efforts to reduce the misuse of alcohol are most effective when all stakeholders, inclusive of government, the community and the industry, work together in addressing common goals – which is why we have fostered numerous partnerships in our quest to reduce alcohol-related harm and promote only the responsible use of alcoholic beverages. In addition to establishing an industry-wide commitment to responsible trade and alcohol harm reduction among all players, NBL has also continued to make significant investments in alcohol harm-reduction programmes of its own.
• During the year under review and in ‘Taking responsibility’ to the next level, NBL launched the Stay Cool, Enjoy Responsibility campaign to instil a sense of responsibility amongst consumers of alcohol by appealing for moderation and consideration around their roles – be it as a leader, role model, parent, caretaker/guardian and/or employee – while enjoying the benefits that are derived from a society in which people act responsibly. Thus while our campaign was born out of a need to address alcohol-related harm, it also incorporated numerous other social issues raised by our stakeholders.
• The DRIKoKo training programme was again a key driver in engaging employees of the O&G Group and external stakeholders on the issue of responsible drinking. During the period under review, more than 800 individuals attended the DRIKoKo programme during which they were familiarised with the facts about alcohol consumption and participated in extensive dialogue in order to equip them with appropriate skills as ambassadors for responsible drinking.
• To date, more than 2,500 individuals – including opinion leaders, decision-makers, community elders, members of law enforcement agencies and social workers – have attended the DRIKoKo programme.
• In addressing drinking and driving, which is considered to be one of a number of contributors to road fatalities, we continuously seek ways to address road safety through collaboration with our strategic partners – the Namibian Police (Nampol), the Motor Vehicle Accident Fund (MVA Fund), the National Road Safety Council (NRSC), the Roads Authority (IRA) and other stakeholders such as the West Coast Safety Initiative and the Private Sector Road Safety Forum – to raise awareness, increase law enforcement and enhance compliance to the rule of the road. These efforts were also complemented by our Stay Cool, Enjoy Responsibility campaign and the DRIKoKo programme, which also address drink-driving.
• Having been instrumental in the establishment of the Self-regulating Alcohol Industry Forum (SAIF) in 2007, NBL prides itself with the impact SAIF has had over the years in ensuring voluntary compliance by all major liquor industry players to world-class standards in self-regulation and in leading targeted interventions that address alcohol-related harm.
The Alcohol Traders Programme (ATP) was yet again one of the SAF highlights during the year under review as it provided basic business skills and responsible server training to approximately 320 shebeen owners. Another SAF highlight was the Underage Drinking Programme, hosted in partnership with Physically Active Youth (PAY), which commenced in June 2014 and engaged youths from disadvantaged communities on the dangers of underage drinking while introducing them to healthy alternative recreational activities and equipping them with various life skills. Interviews with the beneficiaries confirmed that through this intervention there had been a marked change in attitude and behaviour and a concomitant development of a stronger ability to resist social pressures.

NAMIBIA DAIRIES
• During the year under review, Namibia Dairies supported Die Lebensschule in Rehoboth, an institution that enhances the education and health of children with physical and mental challenges, by giving them special hand-made blankets for winter as well as healthy Namibia Dairies products.
• Namibia Dairies continued to support schools and homes for OVCs − such as Stampriet Primary School, Nabasib Primary School in Maltahohe, Baby Haven and Dr Zephania Kameeta Pre-Primary and Day-Care Centre, by sponsoring our healthy Namamilk Fresh Farm dairy products (Oshikandela, Omaere, long-life/ UHT milk, Oshitaka and buttermilk) that are a good source of calcium.

O&L LEISURE
• O&L Leisure supported the SOS Children’s Village with a weekend retreat at Midgard Country Estate.

WEATHERMEN & CO.
• Despite being a business still in its infancy, Weathermen & Co. embraced the O&L philosophy of continuously seeking new and innovative ways of adding value in a manner that benefits the business, our people, our country and the African continent generally. We therefore support the TEDxWindhoek workshop and networks, which bring people together to ‘think big’ by sharing breakthrough ideas for a thriving future.
We as a Group believe that environmental stewardship is something which goes beyond environmental policies and a commitment to sustainable environmental practices. We believe that it is important to protect the environment in which we operate and to look after the natural resources of our beautiful country for the generations to come. We therefore embrace a multi-stakeholder approach in promoting sustainable environmental practices in and beyond our business. In order to raise awareness on water sustainability, the annual O&L Environmental Week focused on water awareness during a campaign, whereby our employees, being a stakeholder group, were encouraged to implement water saving practices in their personal environment. This campaign was further entrenched through the Group’s packaging material scope is extremely diverse and complex and the exact usage has not been determined.

**ENVIRONMENTAL SUSTAINABILITY**

We as a Group believe that environmental stewardship is something which goes beyond environmental policies and a commitment to sustainable environmental practices. We believe that it is important to protect the environment in which we operate and to look after the natural resources of our beautiful country for the generations to come. We therefore embrace a multi-stakeholder approach in promoting sustainable environmental practices in and beyond our business. In order to raise awareness on water sustainability, the annual O&L Environmental Week focused on water awareness during a campaign, whereby our employees, being a stakeholder group, were encouraged to implement water saving practices in their personal environment. This campaign was further entrenched through the Group’s packaging material scope is extremely diverse and complex and the exact usage has not been determined.

**Raw Material Processed**

<table>
<thead>
<tr>
<th>Raw Material Processed</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malted Barley for Brewing</td>
<td>34,975</td>
<td>30,662</td>
<td>51,025</td>
</tr>
<tr>
<td>Fish landed</td>
<td>12,915</td>
<td>10,003</td>
<td></td>
</tr>
<tr>
<td>Fish Processed</td>
<td>15,402</td>
<td>11,176</td>
<td></td>
</tr>
<tr>
<td>Milk intake - Own production ex Windhoek</td>
<td>15,756</td>
<td>15,515</td>
<td>15,157</td>
</tr>
<tr>
<td>Milk - other producers</td>
<td>7,853</td>
<td>8,925</td>
<td></td>
</tr>
<tr>
<td>Milk Powder converted</td>
<td>490</td>
<td>676</td>
<td></td>
</tr>
<tr>
<td>Concentrates/pulp converted</td>
<td>1,044</td>
<td>1,289</td>
<td></td>
</tr>
</tbody>
</table>

The Group’s packaging material scope is extremely diverse and complex and the exact usage has not been determined.

**Environmental Precaution**

The O&L Group takes a precautionary approach when assessing possible risks that a project may cause significant and irreversible damage to the environment. In cases where risks are identified, measures are taken to avoid the risk and, if a feasible alternative is not available, to actively mitigate the risks so as to reduce them to an acceptable level. Where the O&L Group is involved in a project, the aim is to avoid, where possible, or at least minimize any negative environmental impact arising from the project.

**Energy and Water Consumption**

Electricity, fuel and water are key requirements in the O&L Group’s production and conversion processes. The O&L Group has taken note of electricity supply shortages in the country and appropriate mitigation actions have been taken to address the possibility of load shedding. These include the installation of adequate standby generating capacity, the use of solar energy, the replacing of less energy efficient lighting, the introducing of more energy efficient refrigeration systems, the improvement and optimisation of production processes as well as engaging with relevant stakeholders on load shedding policies and plans to minimise the impact of any interruption in supplies of electricity.

Water supplies in the central and coastal regions of Namibia have dropped to critically low levels as a result of the ongoing drought. The O&L Group has assessed the impact of these water shortages in especially the central region where the beer and soft drink and milk/ juice businesses operate, culminating in actions being undertaken to mitigate the problem. One of the possible mitigation actions includes the consideration of relocating the businesses to other more water secure regions, as well as directly accessing underground water sources.

**WATER, FUEL AND ELECTRICITY CONSUMPTION**

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity kWh</td>
<td>64,527,269</td>
<td>68,129,942</td>
<td>61,685,576</td>
</tr>
<tr>
<td>Fuel for heating litre</td>
<td>3,113,925</td>
<td>4,146,172</td>
<td>4,185,152</td>
</tr>
<tr>
<td>Fuel for fish meal furnaces litre</td>
<td>300,596</td>
<td>557,128</td>
<td>484,704</td>
</tr>
<tr>
<td>Fuel for fishing vessels litre</td>
<td>7,412,881</td>
<td>7,258,918</td>
<td>4,795,058</td>
</tr>
<tr>
<td>Fuel for secondary transport and other applications litre</td>
<td>1,610,250</td>
<td>1,977,406</td>
<td>1,705,625</td>
</tr>
<tr>
<td>Water municipal (potable) m³</td>
<td>1,766,717</td>
<td>1,913,168</td>
<td>1,476,856</td>
</tr>
<tr>
<td>Water desalinated m³</td>
<td>4,192</td>
<td>103,029</td>
<td>97,740</td>
</tr>
<tr>
<td>Water for agronomy m³</td>
<td>4,135,000</td>
<td>4,169,126</td>
<td>5,664,258</td>
</tr>
<tr>
<td>Water from boreholes (estimated) m³</td>
<td>80,000</td>
<td>90,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

The coastal desalination plant at the O&L Group’s fishing operations already provides 50% of water requirements with the remainder obtained from municipal sources.

**Energy and Water Intensity and Efficiencies**

Energy and water efficiencies have improved significantly in some operations over the reporting period, mostly due to increased volumes in some sectors, energy and water saving initiatives and process optimisation. Electricity efficiency in the fishing and beer and soft drink sectors has decreased as a result of decreased production volumes. The O&L Group is confident that efficiencies are well within industry benchmarks and in most cases exceed those benchmarks.
Some selected energy and water efficiencies are reflected in the following table:

WATER, FUEL AND ELECTRICITY CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hangana Seafood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishing vessels fuel efficiency kWh/ton landed</td>
<td>868</td>
<td>575</td>
<td>479</td>
</tr>
<tr>
<td>Water Utilisation m3/ton processed</td>
<td>17.6</td>
<td>16.3</td>
<td>17.2</td>
</tr>
<tr>
<td>Namibia Breweries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity efficiency kWh/lti packaged</td>
<td>8.30</td>
<td>8.96</td>
<td>9.24</td>
</tr>
<tr>
<td>Water utilisation l/lti packaged</td>
<td>4.65</td>
<td>4.91</td>
<td>4.76</td>
</tr>
<tr>
<td>Heating efficiency M.J./lti packaged</td>
<td>6.86</td>
<td>6.92</td>
<td>6.49</td>
</tr>
<tr>
<td>Namibia Dairies (production facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity utilisation kWh/litre product produced</td>
<td>0.092</td>
<td>0.078</td>
<td>0.072</td>
</tr>
<tr>
<td>Water utilisation l/litre product produced</td>
<td>2.49</td>
<td>2.30</td>
<td>2.77</td>
</tr>
<tr>
<td>Heating efficiency M.J./l product produced</td>
<td>0.015</td>
<td>0.017</td>
<td>0.016</td>
</tr>
<tr>
<td>O&amp;L Leisure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity efficiency kWh/guest night</td>
<td>48.2</td>
<td>56.3</td>
<td>53.5</td>
</tr>
<tr>
<td>Model Pick n Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity efficiency kWh/product sold</td>
<td>0.205</td>
<td>0.181</td>
<td>0.183</td>
</tr>
</tbody>
</table>

Carbon Footprint

The O&L Group is cognisant of the impact its activities have on the environment and, in particular, how these activities contribute to climate change. As per the O&L Group Vision Metrics, a carbon footprint reduction target of 20% by 2019 has been set.

The O&L Group’s carbon footprint is predominated by electricity consumption in its manufacturing and retail operations, heavy furnace oil (HFO) used in generating heat in the beer and soft drinks sector and fuel consumption in the fishing sector.

The table below reflects the carbon footprint (Scope 1 and 2 elements of the Greenhouse Gas Protocol of the O&L Group (tons CO2e Units)):

CARBON FOOTPRINT CONTRIBUTORS (tons CO2e)

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>64 527</td>
<td>65 150</td>
<td>61 684</td>
</tr>
<tr>
<td>Fuel for fishing vessels</td>
<td>21 791</td>
<td>16 491</td>
<td>10 930</td>
</tr>
<tr>
<td>HFO for heating</td>
<td>15 637</td>
<td>11 078</td>
<td>11 027</td>
</tr>
<tr>
<td>Methane</td>
<td>2 942</td>
<td>2 910</td>
<td>2 940</td>
</tr>
<tr>
<td>Other fuels/gases</td>
<td>5 147</td>
<td>5 405</td>
<td>5 178</td>
</tr>
<tr>
<td>Total</td>
<td>108 045</td>
<td>99 063</td>
<td>91 668</td>
</tr>
</tbody>
</table>

The O&L Group’s carbon footprint has decreased by a significant 15.2% when compared to the 2012/13 base year, as a result of a decrease in fuel and electricity consumption in the fishing sector due to reduced fishing quotas and significant improvements in catch rates and a reduction in HFO for the beer and soft drinks sector (due to lower volumes). There have also been significant improvements in efficiencies in other operations.
Waste Management and Recycling Programmes

The O&L Group’s ongoing drive to instil a culture of recycling and environmental consciousness at the workplace now results in that the majority of solid waste at all major business is recycled.

Reputable waste management contractors have been appointed to handle solid waste, which comprises of mostly packaging materials in the beer and soft drink and milk/juice and fishing sectors. Most of the solid waste, such as glass, cans, cartons and plastics, are collected for recycling purposes. Exact volumes of solid waste generated and recycled are not readily available.

Efforts have also been made to utilise organic waste. For example, spent grain at NBL is used as cattle fodder at the Namib Superfarm and organic dairy waste is utilised as pig fodder. At Hangana Seafood, fish offal is processed into fishmeal.

Effluent charges in the Windhoek area have increased almost threefold during the year under review after the implementation of a new waste water treatment plant by the local authority. Effluent charges are based on 60-85% of municipal supplied water volumes and do not take into account the effluent pre-treatment activities undertaken at Namibia Breweries Limited’s main processing plant in order to improve the quality of the water prior to discharge.

Effluent charges in the Windhoek area have increased almost threefold during the year under review after the implementation of a new waste water treatment plant by the local authority. Effluent charges are based on 60-85% of municipal supplied water volumes and do not take into account the effluent pre-treatment activities undertaken at Namibia Breweries Limited’s main processing plant in order to improve the quality of the water prior to discharge.

Caring for our environment

During the year under review the O&L Group supported the Annual Ondangwa Town Council Clean-up Campaign which aims to educate local residents on waste minimization and sustainable environmental practices.

NBL embraces its responsibility towards the environment in- and beyond- their operations. As such, in addition to continuously innovating and investing into new technologies and practices to reduce their environmental impact, NBL also supports numerous campaigns to create public awareness of good environmental practices. This has seen NBL sponsoring numerous community awareness and clean-up campaigns such as Project Shine which has for the last 8 years successfully engaged the Erongo community by empowering and educating learners and community groups which earn revenue through their voluntary clean-up work.

For the second consecutive year, the O&L Group joined the rest of the world in celebrating World Environment Day in June through a major awareness campaign within and beyond the operating companies. This year the main theme was water conservation, in line with our own sustainability agenda, as well as in support of the water authorities’ efforts to conserve water, a critically scarce resource in Namibia.

Namibia Breweries Limited

NBL champions the establishment of the Recycle Namibia Forum (RNF) in 2009. The Vision of the RNF is to “make Namibia the country in Africa that achieves the highest success in promoting the 3R’s of Reducing, Reusing and Recycling”. The RNF encourages numerous corporates and NGO’s to work together to achieve this audacious Vision. Under the chairmanship of NBL, the RNF has continued to lead various successful initiatives, such as the 2014/2015 Schools Recycling Competition that supported the RNF’s Vision and saw the collection of 185 tons of recyclables by schools participating in this environmental initiative.

Namibia Breweries Limited

NBL continued to assist partners such as Namibia Wildlife Resorts with transportation of recyclables such as paper, glass, plastic and tins from Okaukuejo and Namutoni rest camps to Windhoek for processing.

Namibia Breweries Limited

NBL continues to assist partners such as Namibia Wildlife Resorts with transportation of recyclables such as paper, glass, plastic and tins from Okaukuejo and Namutoni rest camps to Windhoek for processing.
The Board, management and other stakeholders of Ohlthaver & List: Sustainability Consulting was commissioned by Ohlthaver & List thereafter O&L to provide Independent Third Party Assurance over the company’s 2015 Integrated Annual Report, covering the period 1 July 2014 to 30 June 2015. This assurance engagement was undertaken by Akilsair Schorn, the Managing Director of Sustainability Consulting. Mr Schorn has completed the Certified Sustainability Assurance Practitioner (CSAP) course and possesses close to ten years of experience in the measurement of corporate financial and environmental, social and governance (ESG) performance, including extensive experience in the field of integrated and sustainability reporting.

ASSURANCE STATEMENT

The assurance engagement was conducted with due consideration of the inherent limitations related to the collection, collation, sampling and analysis of various types of non-financial data included in the O&L Integrated Annual Report. In the execution of this assurance assignment, it was the responsibility of O&L to provide Sustainability Consulting with appropriate levels of access to relevant information, systems, sites and individuals required to fulfil these objectives.

Assurance approach and limitations

The process applied in developing this assurance statement is based on the AA1000AS (2008) principles of Inclusivity, Materiality and Responsiveness, the GRI G4 Reporting Standard and all other relevant best practices in the field of sustainability reporting and assurance. In this regard, Sustainability Consulting’s approach to the assurance engagement included the following:

• A review of sustainability measurement and reporting procedures in place at the O&L Head Office, in order to determine the context and content of sustainability management by the company.
• A review of the processes applied by the company in the determination of material aspects and key stakeholder groups.
• A review of the processes applied by the company to management of these Material Aspects, in accordance with the GRI G4 reporting standard and the identification of key stakeholders.
• An in-depth review of the accuracy, consistency, completeness and reliability of sample drawn from the information and/or data collected, collated and reported on by O&L in its 2015 Integrated Annual Report, at the company’s Head Office and from selected sites of Namibian Breweries and Namibia Dairy, for the following indicators:
  - Governance processes
  - Risk Management
  - Regulatory Compliance
  - Human Capital
  - Employee Turnover
  - Leadership and People Development
  - Occupational Health & Safety
  - Environmental Indicators
  - Energy and Water Consumption
  - Energy and Water Intensity and Efficiencies
  - Procurement
  - Supply Chain Framework

Corporate Social Investment

• Promotion of responsible alcohol consumption
• Education, training and skills development-related initiatives

The assurance process was limited to the disclosures made in the O&L Integrated Annual Report for 2015 and to reviewing the relevant policies and procedures related to the indicators described above. It did not extend to engagement with any stakeholders other than relevant company employees and management representatives responsible for the indicators under review.

Findings

Overall, the assurance process determined that, in general, O&L’s sustainability reporting and assurance processes appear to effectively reflect the AA1000AS (2008) principles of inclusivity, materiality and responsiveness. The company’s systems for the data collection, collation and reporting of sustainability data are well-developed and support the effective management of sustainability-related issues.

• All of the tested site-specific data was found to be reasonably accurate and/or reliable.
• O&L’s reporting processes appear to effectively reflect the AA1000AS (2008) principles of inclusivity, materiality and responsiveness.
• The report appears to adequately meet the G4 Reporting Standard for a “Core” Level Report, with adequate responses provided for all Standard Disclosures, as well as for Disclosures on Management Approaches to Material Aspects.

Conclusions and recommendations

Based on the information reviewed during this engagement, Sustainability Consulting is confident that this report provides a comprehensive and balanced account of O&L’s management of its identified Material Aspects and key stakeholder groups, as well as its financial and ESG-related sustainability performance, for the period under review.

Overall, the assurance process determined that the G4 Reporting Standard for a “Core” Level Report, with adequate responses provided for all Standard Disclosures, as well as for Disclosures on Management Approaches to Material Aspects.

Conclusions and recommendations

Based on the information reviewed during this engagement, Sustainability Consulting is confident that this report provides a comprehensive and balanced account of O&L’s management of its identified Material Aspects and key stakeholder groups, as well as its financial and ESG-related sustainability performance, for the period under review.

The data reviewed is generated by a systematic process and accurately represents the company’s ability to manage and report on all aspects of its sustainability performance, while conforming to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness.
Furthermore, in spite of the fact that 2015 represents the first instance of O&L reporting according to the GRI G4 Reporting Standard, the report appears to comply with all requirements for G4 “Core” Level Report.

At the same time, the following areas have been identified as requiring further consideration or actions:

- The opportunity exists for O&L to enhance its level of disclosure regarding its management approaches to Material Aspects, particularly with regard to the reporting boundary for these Aspects, in terms of whether this boundary lies within or externally to the company.
- Furthermore, it appears that some opportunity exists for improved disclosure in the area of stakeholder engagement, in terms of the issues raised by stakeholders and the actions taken by the company to address these, as well as in terms of the effective linkage of stakeholder groups with the company’s Material Aspects.
- In terms of future activities related to assurance of O&L’s sustainability reporting activities, it is recommended that the company considers undertaking such assurance activities in line with accepted reporting standards such as the AA1000AS or the ISAE3000 Accounting Standard.

For additional information regarding the processes and documentation related to this assurance engagement, please e-mail alistair@sustainabilityconsulting.co.za

Alistair Schorn
Johannesburg
17 August 2015

O&L’s new Strand Hotel, Swakopmund
## GROUP VALUE ADDED STATEMENT

### WEALTH CREATED

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value added by operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>5,306,276</td>
<td>4,928,643</td>
</tr>
<tr>
<td>Paid to suppliers for materials and services</td>
<td>(2,838,313)</td>
<td>(2,723,003)</td>
</tr>
<tr>
<td><strong>Value added by investing activities</strong></td>
<td>2,467,963</td>
<td>2,205,640</td>
</tr>
<tr>
<td>Interest income</td>
<td>26,932</td>
<td>16,809</td>
</tr>
<tr>
<td>Fair value gains on investment property</td>
<td>169,044</td>
<td>158,835</td>
</tr>
<tr>
<td>Income/(loss) from equity accounted investments</td>
<td>(121,863)</td>
<td>(116,489)</td>
</tr>
<tr>
<td><strong>Total Wealth Created</strong></td>
<td>2,542,075</td>
<td>2,264,795</td>
</tr>
</tbody>
</table>

### WEALTH DISTRIBUTED

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Pay Employees</td>
<td>815,233</td>
<td>711,723</td>
</tr>
<tr>
<td>Salaries, wages, medical and other benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Pay Providers of Capital</td>
<td>147,801</td>
<td>144,249</td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Pay Government</td>
<td>154,821</td>
<td>90,508</td>
</tr>
<tr>
<td>Income tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional amounts collected on behalf of central and local government</td>
<td>794,026</td>
<td>674,627</td>
</tr>
<tr>
<td><strong>Total Wealth Distributed</strong></td>
<td>2,542,075</td>
<td>2,264,795</td>
</tr>
</tbody>
</table>

### Value Retained

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the year attributable to owners of the parent</strong></td>
<td>229,881</td>
<td>231,438</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>180,991</td>
<td>144,823</td>
</tr>
<tr>
<td><strong>Total Wealth Distributed</strong></td>
<td>2,542,075</td>
<td>2,264,795</td>
</tr>
</tbody>
</table>

### Value Invested

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation, amortisation and impairments</td>
<td>205,595</td>
<td>187,966</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>52,726</td>
<td>79,465</td>
</tr>
<tr>
<td><strong>To be retained in the business for expansion and future wealth creation:</strong></td>
<td>258,321</td>
<td>267,431</td>
</tr>
</tbody>
</table>

### Additional Amounts Collected on Behalf of Central and Local Government

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quota Levies</td>
<td>4,625</td>
<td>5,226</td>
</tr>
<tr>
<td>Rates and taxes paid on properties</td>
<td>10,445</td>
<td>9,140</td>
</tr>
<tr>
<td>Customs and excise duties</td>
<td>605,367</td>
<td>557,749</td>
</tr>
<tr>
<td>Net Value Added Tax paid</td>
<td>71,561</td>
<td>10,051</td>
</tr>
<tr>
<td>Pay as you earn tax (PAYE) deducted from remuneration paid</td>
<td>89,976</td>
<td>77,549</td>
</tr>
<tr>
<td>Non-resident shareholders’ tax (NRST) deducted from dividends paid</td>
<td>5,791</td>
<td>4,826</td>
</tr>
<tr>
<td>Withholding tax on services</td>
<td>6,261</td>
<td>10,286</td>
</tr>
<tr>
<td><strong>Additional amounts collected on behalf of central and local government</strong></td>
<td>794,026</td>
<td>674,627</td>
</tr>
</tbody>
</table>
    # SEVEN YEAR REVIEW

## Consolidated Statements of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,306,276</td>
<td>4,928,643</td>
<td>4,585,661</td>
<td>4,133,899</td>
<td>3,546,975</td>
<td>3,356,004</td>
<td>3,119,358</td>
</tr>
<tr>
<td>Operating profit after fair value adjustments and gain on biological assets and agricultural produce</td>
<td>820,789</td>
<td>790,159</td>
<td>788,234</td>
<td>628,523</td>
<td>594,523</td>
<td>360,749</td>
<td>332,423</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(147,801)</td>
<td>(144,249)</td>
<td>(142,985)</td>
<td>(134,087)</td>
<td>(103,062)</td>
<td>(89,957)</td>
<td>(82,255)</td>
</tr>
<tr>
<td>Share-based payment expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,949)</td>
<td>-</td>
</tr>
<tr>
<td>Equity losses from joint ventures and associates (ongoing operations)</td>
<td>(120,501)</td>
<td>(116,489)</td>
<td>(107,085)</td>
<td>(90,515)</td>
<td>(69,549)</td>
<td>(88,046)</td>
<td>(38,967)</td>
</tr>
<tr>
<td>Equity losses from joint ventures and associates (deferred tax asset write down)</td>
<td>-</td>
<td>-</td>
<td>(188,089)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income from investments</td>
<td>26,932</td>
<td>16,809</td>
<td>21,609</td>
<td>24,829</td>
<td>25,889</td>
<td>21,687</td>
<td>23,515</td>
</tr>
<tr>
<td>Income from investments</td>
<td>579,419</td>
<td>546,230</td>
<td>571,684</td>
<td>428,750</td>
<td>445,801</td>
<td>494,284</td>
<td>434,916</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>410,872</td>
<td>341,476</td>
<td>292,932</td>
<td>249,074</td>
<td>267,415</td>
<td>178,652</td>
<td>164,179</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>379,419</td>
<td>546,230</td>
<td>571,684</td>
<td>428,750</td>
<td>445,801</td>
<td>494,284</td>
<td>434,916</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>410,872</td>
<td>341,476</td>
<td>292,932</td>
<td>249,074</td>
<td>267,415</td>
<td>178,652</td>
<td>164,179</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td>8,632</td>
<td>151,169</td>
<td>59,585</td>
<td>154,262</td>
<td>128,967</td>
<td>54,849</td>
<td>32,226</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>419,504</td>
<td>527,410</td>
<td>291,425</td>
<td>451,258</td>
<td>470,465</td>
<td>96,134</td>
<td>164,179</td>
</tr>
</tbody>
</table>

## Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>2,927,207</td>
<td>2,696,792</td>
<td>2,305,890</td>
<td>2,215,497</td>
<td>1,925,782</td>
<td>1,676,672</td>
<td>1,534,137</td>
</tr>
<tr>
<td>Investment property</td>
<td>1,589,504</td>
<td>1,429,946</td>
<td>1,150,316</td>
<td>1,093,564</td>
<td>980,758</td>
<td>737,877</td>
<td>235,144</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>25,108</td>
<td>21,960</td>
<td>18,965</td>
<td>25,701</td>
<td>20,270</td>
<td>6,015</td>
<td>6,070</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>76,331</td>
<td>63,511</td>
<td>21,265</td>
<td>29,964</td>
<td>29,826</td>
<td>3,988</td>
<td>16,257</td>
</tr>
<tr>
<td>Non-current investments</td>
<td>87,646</td>
<td>85,998</td>
<td>55,952</td>
<td>55,276</td>
<td>53,955</td>
<td>54,467</td>
<td>52,021</td>
</tr>
<tr>
<td>Non-current derivative financial instruments</td>
<td>4,804</td>
<td>4,763</td>
<td>4,746</td>
<td>4,237</td>
<td>4,057</td>
<td>4,682</td>
<td>2,792</td>
</tr>
<tr>
<td>Non-current related parties</td>
<td>2,558</td>
<td>2,300</td>
<td>87,565</td>
<td>24,051</td>
<td>63,951</td>
<td>54,321</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>1,341,657</td>
<td>1,166,259</td>
<td>1,226,587</td>
<td>1,035,102</td>
<td>975,571</td>
<td>925,807</td>
<td>990,998</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td>4,900</td>
<td>4,757</td>
<td>17,479</td>
<td>5,956</td>
<td>1,780</td>
<td>4,529</td>
<td>4,505</td>
</tr>
<tr>
<td>Total assets</td>
<td>6,140,472</td>
<td>5,439,065</td>
<td>5,026,557</td>
<td>4,704,507</td>
<td>4,126,835</td>
<td>3,265,623</td>
<td>2,946,266</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>2,276,510</td>
<td>2,029,247</td>
<td>1,683,570</td>
<td>1,444,549</td>
<td>1,185,477</td>
<td>801,586</td>
<td>764,070</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>886,737</td>
<td>807,271</td>
<td>715,938</td>
<td>746,114</td>
<td>655,256</td>
<td>541,201</td>
<td>405,478</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>417,065</td>
<td>395,752</td>
<td>294,562</td>
<td>252,747</td>
<td>238,695</td>
<td>299,092</td>
<td>280,069</td>
</tr>
<tr>
<td>Non-current interest-bearing borrowings</td>
<td>1,209,798</td>
<td>1,012,978</td>
<td>1,003,985</td>
<td>1,036,622</td>
<td>1,075,684</td>
<td>669,860</td>
<td>425,245</td>
</tr>
<tr>
<td>Deferred income</td>
<td>7,938</td>
<td>4,900</td>
<td>-</td>
<td>-</td>
<td>155</td>
<td>18,076</td>
<td>-</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>43,790</td>
<td>45,280</td>
<td>41,584</td>
<td>57,977</td>
<td>32,062</td>
<td>51,703</td>
<td>35,965</td>
</tr>
<tr>
<td>Non-current trade and other payables</td>
<td>4,784</td>
<td>5,562</td>
<td>5,449</td>
<td>2,825</td>
<td>2,495</td>
<td>2,110</td>
<td>45,789</td>
</tr>
<tr>
<td>Non-current related parties</td>
<td>28,273</td>
<td>10,936</td>
<td>12,506</td>
<td>14,499</td>
<td>9,189</td>
<td>4,529</td>
<td>4,505</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,265,787</td>
<td>1,142,608</td>
<td>1,270,985</td>
<td>894,793</td>
<td>959,879</td>
<td>919,996</td>
<td>893,576</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>6,140,472</td>
<td>5,439,065</td>
<td>5,026,557</td>
<td>4,704,507</td>
<td>4,126,835</td>
<td>3,265,623</td>
<td>2,946,266</td>
</tr>
</tbody>
</table>
The information below should be read in conjunction with the annual financial statements for the year ended 30 June 2015, as set out on the accompanying USB Flash drive.

**GROUP OPERATING PERFORMANCE**

**Salient features**

The salient features for the year under review are as follows:

- **Revenue**
  - Operating profit: N$51 million, a increase of 7.7% compared to the prior year. This is mainly attributable to revenue growth for the retail segment (12.0%), fresh produce segment (including Namibia Dairies) (17.6%) and the properties segment (9.8%). Fishing offset these gains with a decline in revenue (-12.1%), mainly attributable to lower sales when compared to the previous year.

- **Operating profit after fair value adjustments**
  - N$92 million, an increase of 3.9% compared to prior year and year-over-year adjusted for the property division.

- **Revenues**
  - Group revenue increased by 7.7% compared to the prior year and fair value adjustments increased by 7.7% compared to the prior year.

- **Costs**
  - Operating profit increased by 3.2% compared to the prior year.

- **Growth in revenues and operating profit was mainly supported by the property sector, fishing, fresh produce and beer and soft drinks business segments.** The strong growth in these segments offset the impact from the reduced profitability from our other segments, which includes our leisure portfolio. The leisure portfolio has achieved considerable improvement in its revenues but has simultaneously incurred material pre-opening expenses for the two new exciting establishments being constructed, namely Sankosamund Brand Hotel and Chobe Water Villas.

- **Fishing**
  - Our fishing division contributed N$44 million to operating profit, an increase of 18% for the year under review.

- **Retail**
  - Retail delivered a mixed performance during the year under review, contributing N$21 million to operating profit in 2015, compared with N$44 million for 2014. Revenues grew by 12% in 2015 compared to the prior year and margins remain on target, however below the line costs related to the revamping of existing stores and the opening of new stores has impacted profits unfavourably in the current year.

- **Property division**
  - The property division contributed N$108 million (2014: N$99 million) to operating profit before fair value adjustments during the 2015 financial year. Our flagship property Wernhil Park, continued to deliver strong operational performance on all levels, including trading densities, foot traffic counts and low vacancy levels.

- **Evaluation**
  - Our fishing division contributed N$44 million to operating profit in the year under review, whilst down from prior year, the profit is well up on historical performance. The favourable factors, such as the exchange rate were not sufficient to offset the impact of lower export demand and increased pressure on hard currency prices compared to prior year.

- **Retail**
  - Our flagship property Wernhil Park, continued to deliver strong operational performance on all levels, including trading densities, foot traffic counts and low vacancy levels.

- **Our flagship property Wernhil Park, continued to deliver strong operational performance on all levels, including trading densities, foot traffic counts and low vacancy levels.** The industrial side continued to show solid growth. Operating profit was maintained, with the full recovery target for this segment not materialised, but should materialise in the future.

- **Knritz Marine**
  - The full recovery target for this segment not materialised, but should materialise in the future.

- **Reports**
  - With the increase in revenues and sales volumes, this segment has delivered a solid operating profit of N$48 million versus N$25 million of the previous year.

**REPORTED RESULTS**

- **Revenues**
  - Group revenue increased by 7.7% compared to the prior year. This is mainly attributable to revenue growth for the retail segment (12.0%), fresh produce segment (including Namibia Dairies) (17.6%) and the properties segment (9.8%). Fishing offset these gains with a decline in revenue (-12.1%), mainly attributable to lower sales when compared to the previous year.

- **Operating profit**
  - N$51 million, an increase of 7.7% compared to the prior year. This is mainly attributable to revenue growth for the retail segment (12.0%), fresh produce segment (including Namibia Dairies) (17.6%) and the properties segment (9.8%). Fishing offset these gains with a decline in revenue (-12.1%), mainly attributable to lower sales when compared to the previous year.

- **Operating profit after fair value adjustments**
  - N$92 million, an increase of 3.9% compared to prior year and year-over-year adjusted for the property division.

- **Revenue**
  - Group revenue increased by 7.7% compared to the prior year.

- **Costs**
  - Operating profit increased by 3.2% compared to the prior year.

- **Growth in revenues and operating profit was mainly supported by the property sector, fishing, fresh produce and beer and soft drinks business segments.** The strong growth in these segments offset the impact from the reduced profitability from our other segments, which includes our leisure portfolio. The leisure portfolio has achieved considerable improvement in its revenues but has simultaneously incurred material pre-opening expenses for the two new exciting establishments being constructed, namely Sankosamund Brand Hotel and Chobe Water Villas.

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- **Retail**
  - Our flagship property Wernhil Park, continued to deliver strong operational performance on all levels, including trading densities, foot traffic counts and low vacancy levels.

- **Our flagship property Wernhil Park, continued to deliver strong operational performance on all levels, including trading densities, foot traffic counts and low vacancy levels.** The industrial side continued to show solid growth. Operating profit was maintained, with the full recovery target for this segment not materialised, but should materialise in the future.

- **Knritz Marine**
  - The full recovery target for this segment not materialised, but should materialise in the future.

- **Reports**
  - With the increase in revenues and sales volumes, this segment has delivered a solid operating profit of N$48 million versus N$25 million of the previous year.

**The lower growth in revenues of our beer and soft drinks division, is in line with our strategy and expectations. During the previous financial year there was an agreed reduction in volumes to be packaged and supplied to the South African market as the Sedibeng Brewery in South Africa was to incrementally increase volumes. The full impact of this agreed volume reduction has not yet materialised, but should materialise in the future. Revenues grew by N$116 million to N$2 429 million and operating profit increased by N$54 million to N$505 million during the year under review, a commendable achievement in light of the above. **

- **Krait Marine**
  - Krait Marine delivered revenues and operating margins that were materially similar to the prior year. The slump in the oil industry has had a negative effect on the ship repair side of the business. The industrial side continued to show solid growth. Operating profit was however negatively affected by a single debtor which management has decided to provide for. However full recovery will be pursued.

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FINANCIAL REVIEW

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### Reports

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The Leisure portfolio performed well and saw increased revenues of N$15 million to N$60 million compared to the prior year. Operating losses before the impact of pre-opening expenses for the two new establishments being constructed have reduced significantly. Some pre-opening costs for the two new establishments will be carried over into the new financial year and management anticipates that the Leisure portfolio will become profitable in the next two to three years.

SHARE OF PROFITS AND LOSSES FROM ASSOCIATE AND JOINT VENTURES

The Group equity accounted for a profit of N$2.8 million (2014: N$3.4 million) from Dimension Data Namibia, a profit of N$0.8m from Mobi-Pay and N$0.5m from Natural Value Foods. The Group also equity accounted a loss of N$124.6 million (2014: N$3.4 million) from Dimension DHN Drinks (Proprietary) Limited, which brought the 2015 total of N$147.0 million down to N$62.9 million for the 2015 financial year.

The 2015 period total of N$454.6 million for investments represents an increase of N$51.7 million in comparison with the previous financial year. Namibia Breweries inventory increased by N$51.7 million in comparison with the previous reporting year. The decrease can be mainly ascribed to a decrease of N$84.2 million from DHN Drinks (Proprietary) Limited, which brought the 2014 total of N$182.4 million.

CASH FLOW

Cash flow from operating activities increased losses by N$324.7 million in the previous reporting period to N$68.5 million for the year under review. The overall increase is a result of equity injections made into joint ventures while higher acquisitions of property, plant and equipment were made in the year under review.

The Company declared a dividend of 102c per share on 25 September 2015 (2014: 68c) in respect of the year ended 30 June 2015.
Responsibility of Directors

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited and its subsidiaries and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Group’s independent external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 104 and 105 herein.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements; to adequately safeguard, verify and maintain the accountability of assets; and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review. The annual financial statements are prepared on a going-concern basis. Nothing has come to the attention of the Directors to indicate that the Company and the Group will not remain a going concern for the foreseeable future.

These financial statements were approved by the Board of Directors on 25 September 2015 and signed on its behalf by:

Sven Thieme
Executive Chairman

Peter Grüttemeyer
Chief Executive Officer

APPROVAL OF FINANCIAL STATEMENTS
To the Shareholders of Ohlthaver & List Finance and Trading Corporation Limited

We have audited the consolidated and separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited, set out on the accompanying USB and the Directors’ Report on page 106, which comprise the statements of financial position as at 30 June 2015, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended and notes which comprise a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Consolidated and Separate Financial Statements

The company’s Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the Companies Act of Namibia and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Ohlthaver & List Finance and Trading Corporation Limited as at 30 June 2015 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.
Nature of Business
The Group is engaged in diversified business activities. Details of the Group’s activities are set out on the inside cover of this report.

Financial Results
The consolidated profit attributable to owners of the parent for the year ended 30 June 2015 was N$228,5 million (2014: N231,4 million). The results of the Company and the Group are fully set out on the accompanying USB Flash Drive.

Dividends
An ordinary dividend of 102c per share was declared in respect of the year under review (2014: 68c per share).

Capital Expenditure
Capital expenditure on property, plant and equipment during the year amounted to N$446,5 million (2014: N$380,3 million), of which N$ 432,0 million (2014: N$348,0 million) was in respect of plant, equipment and operating assets and N$ 14,5 million (2014: N$32,3 million) for land and buildings. Capital expenditure on investment property of N$ 2,9 million (2014: N$4,4 million) was incurred during the year under review.

Subsequent Events
No adjusting events have occurred between the reporting date and the date of this report which are material in their effect on the affairs of the Group.

Going Concern
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Share Capital
There were no changes in the Company’s authorised or issued share capital during the year under review. Full details of the Company’s authorised and issued share capital at 30 June 2015 are set out in Note 19 to the financial statements.

Holding Company
The Company’s immediate holding company is Ohlthaver & List Holdings (Proprietary) Limited. List Trust Company (Proprietary) Limited is the holding company of Ohlthaver & List Holdings (Proprietary) Limited, while The Werner List Trust is the majority shareholder of List Trust Company (Proprietary) Limited.

Subsidiaries
Details of the Company’s investment in subsidiaries are set out in Note 6 of the annual financial statements.

REPORT OF THE DIRECTORS

GROUP REFERENCE INFORMATION

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MODEL PICK N PAY
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WEATHERMEN & CO
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NAMIBIA BREWERIES LIMITED
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Production and editing: Ohlthaver & List Centre with the assistance of GSA Campbell
Notice is hereby given that the 67th Annual General Meeting of the shareholders of the Company will be held in the Werner List Boardroom, Ohlthaver & List Centre, Windhoek, on Friday, 4 December 2015 at 08h30 for the following purposes:

1) To receive and consider and, if approved, adopt the Annual Financial Statements and the Report of the Auditors for the year ended 30 June 2015 as submitted, and to confirm all matters and things undertaken and discharged by the Directors on behalf of the Company.

2) To elect Directors in the place of Messrs L McLeod-Katjirua, UM Stritter, E Ender, who retire by rotation in accordance with the Company’s Articles of Association but, being eligible, offer themselves for re-election.

3) To confirm the appointment of Directors since the previous Annual General Meeting.

4) To authorise the Directors to determine the auditor’s remuneration.

5) To place the unissued 6 507 083 ordinary shares of 50c each in the Company under the control of the Directors, who shall be authorised to allot all or any of those shares at their discretion, on such terms and conditions and at such times as they may deem fit; and

6) To transact such other business as may be transacted at an Annual General Meeting.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company by no later than 08h30 on Wednesday, 2 December 2015.

By order of the Board
Ohlthaver & List Centre (Pty) Ltd
Company Secretary
Windhoek
25 September 2015

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 67th Annual General Meeting of the shareholders of the Company will be held in the Werner List Boardroom, Ohlthaver & List Centre, Windhoek, on Friday, 4 December 2015 at 08h30 for the following purposes:

1) To receive and consider and, if approved, adopt the Annual Financial Statements and the Report of the Auditors for the year ended 30 June 2015 as submitted, and to confirm all matters and things undertaken and discharged by the Directors on behalf of the Company.

2) To elect Directors in the place of Messrs L McLeod-Katjirua, UM Stritter, E Ender, who retire by rotation in accordance with the Company’s Articles of Association but, being eligible, offer themselves for re-election.

3) To confirm the appointment of Directors since the previous Annual General Meeting.

4) To authorise the Directors to determine the auditor’s remuneration.

5) To place the unissued 6 507 083 ordinary shares of 50c each in the Company under the control of the Directors, who shall be authorised to allot all or any of those shares at their discretion, on such terms and conditions and at such times as they may deem fit; and

6) To transact such other business as may be transacted at an Annual General Meeting.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company by no later than 08h30 on Wednesday, 2 December 2015.

By order of the Board
Ohlthaver & List Centre (Pty) Ltd
Company Secretary
Windhoek
25 September 2015
for the 67th Annual General Meeting of
OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LIMITED
Registration Number: 331

The Secretary
Ohlthaver & List Finance and Trading Corporation Limited
PO Box 16
Windhoek
Namibia

I/We ........................................................................................ (name in full)
of ............................................................................................................
................................................................................................................
..................................................................................................... (address)
being a shareholder of ................................................. (number of shares)
of the abovementioned Company hereby appoint
.........................................................................................................(name)
or failing him/her ....................................................................................
........................................................................................................ (name)
or failing him/her ....................................................................................
........................................................................................................ (name)
or failing him/her, the Chairperson of the meeting as my/our proxy
to vote for me/us on my/our behalf at the 67th Annual General
Meeting of the Company to be held in the Werner List Boardroom,
Ohlthaver & List Centre, 7th floor - South Block, Alexander Forbes
House, 25-35 Fidel Castro Street, Windhoek on Friday, 4 December
2015 at 08h30 and at any adjournment thereof, in particular to vote
for/against/ abstain from* the resolutions contained in the notice of
the meeting.

I/We desire to vote as follows: For Against Abstain

1. Adoption of the Annual Financial Statements
2. Re-election of retiring Directors:
   UM Stritter
   E Ender
   L McLeod-Katjirua
3. Confirmation of Directors’ appointments since previous
   Annual General Meeting
4. Auditors’ remuneration
5. General authority to the Directors
to allot and issue shares

* Please indicate your response by inserting an “X” in the appropriate
block to either vote “for/against/abstain from”. If no indication is
given, the proxy may vote as he/she thinks fit.

Signed ...................................................... at ..........................................
this ......................... day of ........................................................... 2015.

Signature(s) of shareholder(s) .................................................................
................................................................................................................

Notes to the Proxy
1. A member entitled to attend and vote at the aforementioned
   meeting is entitled to appoint a proxy (who need not be a
   member of the Company) to attend, speak and vote on a poll in
   his/her stead.
2. Shareholders who wish to appoint proxies must lodge their
   proxy forms at the registered office of the Company by no later
   than 08h30 on Wednesday, 2 December 2015.
3. In respect of shareholders that are companies, an extract of the
   relevant resolution of Directors must be attached to the proxy
   form.