

## **SCHEDULE INVESTMENT POLICY**

The investment policy of the Company is to generate returns, in the form of both capital appreciation and income to shareholders, through investing in a portfolio of businesses. While not constricted geographically, given the background and experience of management, it is expected that the majority of capital invested will be in businesses operating in southern Africa, with a particular focus on South Africa. Investments outside southern Africa will be considered where the Board believes the opportunities are particularly attractive.

The Company will look to invest in businesses with underlying themes of strategic market position and strong cash flows.

The Company may invest in the form of either equity or debt and may acquire directly or indirectly controlling or minority holdings in investee companies.

The Company seeks to be actively involved in setting the strategy of the investee companies and seeks to act as an allocator of capital and resources. When appropriate, the Company will become involved in the day to day management of investee companies either alongside or instead of the management team of the investee company. Over a period of time, Blackstar intends to dispose of its existing minority investment where it has little management input or influence.

The Company is a long term investor and the Board places no limit on the length of time that any portfolio investment may be held. The Board considers, on a case by case basis, the optimum exit strategy for each portfolio investment.

The Company expects to only hold a small number of portfolio investments at any one time. However, there is no minimum or maximum number of investments that the Company can hold at any one time, nor are there any maximum exposure limits per portfolio investment.

The Company finances its portfolio investments out of its own cash and resources and utilises third party debt funding as appropriate. In addition, investee companies may themselves have gearing. There is no maximum gearing level for either the Company or on a Group basis. However, the Directors will review the level of gearing in the Group on a regular basis.

Save as set out above, the Company does not have any investment restrictions.