

King IV Application Register



The purpose of this register is to provide an overview of the application by Primeserv of the principles contained in the King Report on Corporate Governance 2016 (King IV). The register should be read in conjunction with the documents cross-referenced below, all of which are available on the Company's website at: www.primeserv.co.za

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|---|--|
| <p>Principle 1</p> <p>The Governing Body should lead ethically and effectively</p> | <p>Arrangements by which members of the governing body are held to account for ethical and effective leadership, including codes of conduct and performance evaluations.</p> | <p>The Primeserv Board of Directors is the governing body and is committed to the corporate governance principles as set out in King IV. The Board operates under a Charter setting out roles and responsibilities, which Charter reinforces the tenets of Principle 1. The directors hold one another accountable for decision making based on integrity, competence, responsibility, fairness and transparency through their commitment to lead the Group in a manner consistent with the Groups values, always acting in good faith and in the Group's best interests.</p> <p>Members of the Board are required to declare their interests as provided for in the Companies Act, both on an annual basis, by means of entry in the Register of Interests and prior to the commencement of each meeting in regard to the business of the meeting. The Chair monitors this process on an ongoing basis.</p> |
| <p>Principle 2</p> <p>The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture.</p> | <p>Overview of arrangements for governing and managing ethics; Key areas of focus during the reporting period; Measures taken to monitor ethics and how outcomes were addressed; Planned areas of future focus.</p> | <p>The Board is assisted by the Social and Ethics Committee which is mandated to oversee the governance of ethics in the Group as fully detailed in the Code of Conduct and Ethics Policy that was approved by the Board.</p> <p>The Code of Conduct and the Ethics Policy guide the interaction between employees, clients, stakeholders, suppliers and the communities within which the Group operates.</p> <p>Directors are required to declare their outside interests, Directors and management are also required to make undertakings in regard to dealings with SOE's and corruption.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|--|---|
| | | <p>The Group has a management and reporting structure which enables an ethics based culture. These include registration of gifts, limitation on gifts to suppliers to items of low commercial value, annual declarations of conflicts of interest and monitoring and evaluation of ethics risks and exposures.</p> <p>The Group through the Social and Ethics Committee conducts an anonymous and externally moderated ethics survey amongst its staff on an annual basis to ensure that issues related to ethics within the business are able to be raised on an anonymous and externally moderated basis. The Social and Ethics Committee receives and considers the report and provides guidance on matters requiring attention and on effectively addressing these matters.</p> <p>The Company has a series of internal controls applied across the Group to ensure that no one person within the Group is in a position to authorise spending aimed at supporting unethical business practices or to enter into contracts or other agreements which involve unethical business practices.</p> <p>All employees of the Group at their induction to the Group are informed of and required to commit to the Primeserv Pledge which guides ethical compliance and values.</p> <p>Planned The Group continues to focus on ethical business practices and controls to ensure that there are no untoward or collusive dealings.</p> |
| <p>Principle 3</p> <p>The governing body should ensure that the organization is and is seen to be a responsible corporate citizen.</p> | <p>Overview of arrangements for governing and managing responsible corporate citizenship; Key areas of focus during the reporting period; Planned areas of future focus.</p> | <p>The Board through the Social and Ethics Committee is responsible for ensuring that the Group protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the confines of legal, social, political and environmental responsibilities outlined in applicable codes and standards including the legislative framework, as well as Industry Collective Bargaining Agreements.</p> <p>The Board through the Remuneration and Nominations Committee considers the composition of the Board in regard to its make-up and composition to ensure that it has the necessary skills and experience and transformative profile in order that it can properly discharge the responsibilities of good corporate citizenship.</p> |



| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|---|--|
| | | <p>The Board through both the Social and Ethics Committee as well as the Audit, Governance and Risk Committee and through its own deliberations considers all aspect of risk impacting upon the Group, including those impacting upon its status as a good corporate citizen.</p> <p>The Group is also involved in a number of CSI initiatives in the communities in which it operates.</p> <p>Planned Independent chair for all committees and the appointment of additional members to the Board to enable an Audit Committee which does not include the Independent Non-Executive Chair.</p> |
| <p>Principle 4</p> <p>The governing body should appreciate that the organization’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process</p> | <p>These aspects are reported on in the disclosures listed under Principle 5.</p> | <p>The Board and its committees approve and monitor the implementation of the strategy and business plan of the Group, set objectives, review key risks and opportunities and evaluate the performance of the Group against the background of economic, environmental and social issues relevant to the Company. The overall strategy, together with group budgets are considered annually at a dedicated meeting of the board and monitored throughout the year.</p> <p>Management is tasked with the implementation of the Board approved strategy. In implementing the strategy, it is recognised that value creation for all stakeholders, including employees and communities and in particular in regard to the unemployed youth is a requirement for a sustainable implementation into the future.</p> <p>The issues set out herein are further addressed in the Corporate Governance report included in the Corporate Governance and Risk Management section of the Integrated Annual Report of the Group.</p> |
| <p>Principle 5</p> <p>The governing body should ensure that reports issued by the organization enable</p> | <p>Publication of the following on the Group’s website and through other required means for access by stakeholders:</p> | <p>The Board reviews and approves the Integrated Report on the recommendation of the Audit, Governance and Risk Committee. Structured authorisation and review processes are in place which include Board subcommittees, and internal assurance reviews.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|---|---|
| <p>stakeholders to make informed assessments of the organizations performance and its short, medium, and long-term prospects.</p> | <p>corporate governance disclosures; Integrated reports; Annual financial statements; Interim results; Other external reports.</p> | <p>The Integrated Report is produced together with the Corporate Governance And Risk Management Report. Reporting includes financial and non-financial aspects such as strategy, risk, environmental, social and governance issues. Reporting is prepared in line with recognised guidelines that include International Financial Reporting Standards (IFRS), King IV and Global Reporting Initiative (GRI G3).</p> <p>The Integrated Report, including the Corporate Governance And Risk Management Report including the reports of the Board and its Committees are available on the website of the Group at www.primeserv.co.za/investor-relations/.</p> <p>The Board, through the Audit, Governance and Risk Committee and other Board Committees, ensures that the necessary controls are in place to verify and safeguard the integrity of the annual reports and any other disclosures. The Audit, Governance and Risk Committee oversees the integrated reporting process and reviews the annual financial statements, which are audited by the external auditor.</p> <p>The Social and Ethics Committee oversees the sustainability reporting process, which is not independently assured in a formal process.</p> <p>The Remuneration and Nominations Committee monitors remuneration reporting.</p> <p>The Board reviewed the combined assurance model of the Group and deemed that at present, assurance of sustainability reporting by the Social and Ethics Committee is appropriate and sufficient.</p> |
| <p>Principle 6</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organization</p> | <p>Number of meetings held during the reporting period and attendance thereat. Whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter.</p> | <p>The Primeserv Board is the focal point and custodian of corporate governance within the Group.</p> <p>In this regard, the Board and each of its Committees have adopted a Charter, which is reviewed annually, that ensures its roles, responsibilities and accountability is documented and strictly adhered to.</p> <p>The Integrated Report includes the appropriate disclosures regarding meeting attendance and evaluation of the performance of the Board and its committees.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|--|--|
| | | <p>An appropriate investment and governance framework is in place to ensure the Company and its subsidiaries adhere to good corporate governance standards.</p> |
| <p>Principle 7</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> | <p>Governing Body</p> <p>Whether the governing body is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.</p> <p>Targets for race and gender representation and progress made.</p> <p>Categorisation of members as executive/non-executive/independent non-executive.</p> <p>Qualifications and experience.</p> <p>Period of service.</p> <p>Age.</p> <p>Other professional positions held.</p> <p>Reasons why members have been removed, resigned or retired.</p> | <p>All reporting disclosures are made in the Integrated Report issued by the Group.</p> <p>The Primeserv Board is assisted by the Remuneration and Nominations Committee which considers, annually and before any new director appointments, the composition, balance of skills, experience, independence, diversity and knowledge of the Primeserv Board and whether this enables it to effectively discharge its roles and responsibilities.</p> <p>The independence of each Director is categorised as defined in the Listings Requirements of the JSE Limited, taking into consideration King IV and other requirements outlined in the Board Charter. The Board comprises a majority of Independent Non-Executive Directors. Annually, a rigorous review of the independence and performance of Independent Non-Executive Directors serving more than nine years is undertaken by the Board, upon the recommendation of the Remuneration and Nomination Committee.</p> <p>To ensure a formal and transparent appointment process, any new appointment of a Director is considered by the Board as a whole, on the recommendation of the Remuneration and Nomination Committee. The selection process involves considering the existing balance of knowledge, skills and experience on the Board and a continual process of assessing the needs of the Company and the Board’s effectiveness and ability for it to discharge its governance role and responsibilities objectively and effectively. The process of identifying suitable candidates to be proposed for appointment involves taking into consideration diversity and inclusion.</p> <p>The Board is satisfied that it has a balance of members with the skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities.</p> <p>The Integrated Report issued by the Group contains abridged curriculum vitae for all board members disclosing all required information in regard to each director as well as reporting on any removals, resignations and retirements as well as the reasons therefor.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|---|---|
| | <p>Chair Whether the Chair is considered independent. Whether a lead independent has been appointed, and roles and responsibilities.</p> | <p>The Board constantly evaluates the role of the Chair and any potential for conflict and is satisfied that no such issues have arisen and do not consider that the appointment of a lead independent is required, given the fact that the Chair is an independent non-executive who is entirely at arm's length to the Group.</p> |
| <p>Principle 8</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p> | <p>General (for each committee) Overall roles responsibilities and functions; Composition, qualifications and experience; External advisors or invitees who regularly attend meetings; Key areas of focus; Number of meetings held and attendance; Whether the Committee is satisfied that it has fulfilled its responsibilities.</p> <p>Audit Committee Statement as to whether the audit committee is satisfied that the external</p> | <p>The Board determines the terms of reference to individual members, and standing or ad hoc committees. The composition of the Board and its committees are in line with King IV. There is a clear balance of power to ensure that no individual has undue decision-making powers. Each committee has a formal charter, which is reviewed and approved annually by the Board. The Audit, Governance and Risk Committee and the Social and Ethics Committee each have three members, all or the majority of whom are Independent. The Remuneration and Nominations Committee consists of two members, with the Chair of the Committee being independent. Each committee has sufficient capability and capacity to function effectively. Committee meetings are attended by the members of the Committee and members of the executive and senior managers by invitation. Other Non-Executive Directors may also attend meetings by invitation. The composition of the committees of the Board and the distribution of authority between the Chair and the other Directors is balanced and does not lead to instances where individual(s) dominate decision making within governance structures or where undue dependence is caused.</p> <p>The Integrated Report contains reports by each of the committees summarising their roles and responsibilities, the attendance at meetings by non-committee members, its key areas of focus and whether the committee believes that it has fulfilled its responsibilities. The Corporate Governance Section of the Integrated Report contains disclosures concerning meeting attendance and the curriculum vitae of individual directors which, inter-alia, sets out their qualifications and experience.</p> <p>Audit, Governance and Risk Committee The Audit, Governance and Risk Committee provides independent oversight of the assurance functions and on the integrity of the Annual Financial Statements and other external reports. The Audit, Governance and Risk Committee provides independent review and oversight of the risks of</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|--|--|
| | <p>auditor is independent, specifically addressing:</p> <ul style="list-style-type: none"> - Policy and controls and nature and extent of non-audit services rendered; - Tenure of external audit firm; - Rotation of external audit designated partner; - Significant changes in the management of the organisation during external audit firm's tenure. <p>Significant matters considered in relation to the annual financial statements, and how these were addressed.</p> <p>Views on the quality of the external audit.</p> <p>Necessity for and arrangements for internal audit.</p> <p>Views on the effectiveness of the CFO and finance function.</p> <p>Arrangements in place for combined assurance and its effectiveness.</p> | <p>all business units as well as independent review and oversight of the Information Technology function and the risks thereof. The Audit, Governance and Risk Committee is satisfied that it has the necessary financial literacy, skills and experience and that all members are independent non-executive members. The Audit, Governance and Risk Committee annually assesses the risk profile of the operations of the Group and ascertains on a cost benefit basis the need for an Internal Audit function. The Audit, Governance and Risk Committee have determined that, given the nature and extent of the controls within the business and the external and internal assurance functions currently in effect, the establishment of an Internal Audit function is not presently desirable.</p> <p>The Audit, Governance and Risk Committee assesses the performance of the Financial Director and the finance function annually.</p> <p>The Audit, Governance and Risk Committee is satisfied that the external auditor Mazars is independent.</p> <p>The Audit Governance and Risk Committee provides, annually, a report included in the Corporate Governance and Risk Management Report section of the Integrated Annual Report issued by the Group which reports on the matters required to be reported on by the Audit committee.</p> <p>The Remuneration and Nominations Committee The Remuneration and Nominations Committee has oversight of remuneration governance and implementation and also performs all functions required of the Nominations Committee (Refer to Principle 7).</p> <p>The Social and Ethics Committee The Social and Ethics Committee has been established to fulfil the statutory social and ethics duties in accordance with the Companies Act, 2008.</p> |
| <p>Principle 9</p> <p>The governing body should ensure that the evaluation of its own</p> | <p>A description of the performance evaluations undertaken, including their</p> | <p>An assessment of the performance of the Chair, Board, Board Committees and Directors by means of a process of self and peer evaluation was conducted in 2018. Having regard to the results of the performance evaluations, no issues were raised and the contribution, value and participation of the</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|---|--|
| <p>performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p> | <p>scope, whether formal or informal, and externally facilitated or not. Overview of evaluation results and remedial actions taken. Whether the governing body is satisfied that the evaluation process is improving its performance.</p> | <p>Board and Board subcommittees were considered satisfactory and positive. Going forward the Board will conduct a formal evaluation process of the Board, the Chair, its committees and individual directors at least every two years. The Chair, assisted by the Company Secretary will conduct the evaluation process of the Board, its Committees and the individual directors in the intervening years.</p> <p>The results of the evaluations are individually discussed with the members of the Board as well as any remedial action required. The overall results of the evaluation are provided to the Board. The evaluations are not externally facilitated.</p> <p>The Company Secretary’s performance is also evaluated annually to ensure that there is an arm’s length relationship between the Board and the Company Secretary in that the Company secretary is not unduly influenced. The Board is satisfied that the Company Secretary and the function that she oversees are performing well and are not unduly influenced.</p> |
| <p>Principle 10</p> <p>The governing body should ensure that the appointment of and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities</p> | <p>CEO</p> <ul style="list-style-type: none"> - The notice period stipulated in the CEO’s employment contract; - Other professional commitments of the CEO; - Whether succession planning is in place for the CEO. <p>Delegation</p> <p>Statement on whether the governing body is satisfied that the delegation of authority framework contributes to role clarity and effective exercise of authority.</p> | <p>The Board has appointed a CEO, who is responsible for leading strategy implementation. The CEO does not have any work commitments outside of Primeserv and its related companies. There is a six month notice period applicable to the CEO’s employment contract.</p> <p>The Board, with the assistance of the Remuneration and Nomination Committee, is responsible for ensuring that succession plans are in place for the CEO and other Senior Executives.</p> <p>A detailed delegation of authority framework, which is regularly reviewed, indicates matters reserved for Board approval and prescribes authority thresholds for different management and staff levels to ensure effective exercise of authority through proper governance processes. The CEO is not a member of the Board Committees, but attends any meeting, or part thereof, by invitation to contribute pertinent insights and information.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|--|--|
| | <p>Professional Corporate Governance Services to the Governing Body A Statement as to whether the governing body believes that arrangements for accessing professional governance services are adequate.</p> | <p>The Board is satisfied that Primeserv is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.</p> <p>The Board employs a professional company secretary with many years' experience who supplies corporate governance services to the Group</p> |
| <p>Principle 11</p> <p>The governing body should govern risk in a way that supports the organization in setting and achieving its strategic objectives</p> | <p>The nature and extent of risks and opportunities the organisation is willing to take, without compromising sensitive information. Overview of arrangements for governing and managing risk. Key areas of focus, including objectives, key risks, undue/unexpected risk/unusual risks and risks taken outside of risk tolerance levels. Actions taken to monitor effective risk management. Planned areas of future focus.</p> | <p>The Board with the assistance of the Audit, Governance and Risk Committee has the oversight of risk management and in particular oversees that risk management results in the Group achieving its strategic objectives.</p> <p>The Audit, Governance and Risk Committee delegates to management the duty to continuously identify, assess, mitigate and manage risks within the parameters set by the committee.</p> <p>The Group Legal and Risk Officer attends each meeting of the Audit, Governance and Risk Committee attends and updates the committee on the risk status of each of the defined risk areas impacting upon the business of the Group.</p> <p>The Board, at the recommendation of the Audit, Governance and Risk Committee, approves the Group's risk appetite and the limit of the potential loss the Group has the capacity to tolerate.</p> <p>(Refer to the Risk and Compliance Report in the Corporate Governance And Risk Management Report section of the Integrated Annual Report issued by the Group).</p> |
| <p>Principle 12</p> <p>The governing body should govern technology and information in a way</p> | <p>Overview of arrangements for governing and managing information and technology.</p> | <p>The Board, with the assistance of the Audit, Governance and Risk Committee oversees the governance of information technology.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|---|--|
| <p>that supports the organization setting and achieving its strategic objectives</p> | <p>Key areas of focus including objectives, changes in policy, acquisitions and remedial actions taken. Actions taken to monitor the effectiveness of technology and information management. Planned areas of future focus.</p> | <p>The Board has delegated to management the responsibility to implement and execute effective technology and information management.</p> <p>All major Information and Technology acquisitions require Board approval.</p> <p>Periodic independent assurance is received regarding the protection of the Group’s information.</p> <p>(Refer to the Information and Technology Report in the Corporate Governance And Risk Management Report section of the Integrated Annual Report.)</p> |
| <p>Principle 13</p> <p>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organization being ethical and a good corporate citizen.</p> | <p>Overview of arrangements for governing and managing compliance. Key areas of focus. Actions taken to monitor the effectiveness of compliance management. Planned areas of future focus. Material/repeated regulatory penalties, sanctions/fines for non-compliance with statutory obligations. Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for non-compliance.</p> | <p>The Board with the assistance of the Audit, Governance and Risk Committee and the Social and Ethics Committee ensures that the Group complies with applicable laws, adopted non-binding rules, codes and standards.</p> <p>The Board has delegated to management the responsibility for implementation and execution of effective compliance management.</p> <p>The Group Legal and Risk Officer attends each meeting of the Audit, Governance and Risk Committee and updates the committee on legislative compliance and new developments in the legislative framework.</p> <p>There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or noncompliance with, statutory obligations imposed on the company, individual Board members or officers. There were no findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for non- compliance.</p> <p>Matters concerning the environment and compliance with environmental laws are addressed in the Sustainability Report forming part of the Integrated Report released by the Group.</p> <p>(Refer to the Risk and Compliance Report in the Corporate Governance And Risk Management Report section of the Integrated Annual Report.)</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|--|--|
| <p>Principle 14</p> <p>The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p> | <p>Remuneration Report</p> <ul style="list-style-type: none"> - Background Statement <ul style="list-style-type: none"> - internal and external factors that influence remuneration - recent voting results - substantial changes to remuneration policy - whether the remuneration committee achieved its stated objectives - Future focus areas - Overview of remuneration policy <ul style="list-style-type: none"> - Remuneration elements and design principles; - details of obligations in executive’s employment contracts which could give rise to payments on termination; - Description of framework and performance measures; - Potential consequences on total remuneration for executive management, on a single, total figure basis; - How the policy addresses fair and reasonable remuneration; - use of remuneration benchmarks; | <p>The Board, assisted by the Remuneration and Nominations Committee, ensures that executives, senior management and general staff are remunerated fairly and responsibly with a view to promoting the creation of value in a sustainable manner to ensure a balance in attracting, motivating and retaining human capital through competitive remuneration practices, while creating shareholder value.</p> <p>The Primeserv Remuneration Policy is reviewed by the Remuneration and Nominations Committee annually and approved by the Board. The Remuneration and Nominations Committee oversees the implementation of the policy to ensure achievement of the policy objectives.</p> <p>(The Remuneration Policy and the Remuneration Policy Implementation Report are included in the Remuneration Committee Report which is set out in the Corporate Governance And Risk Management Report section of the Integrated Annual Report. Remuneration is detailed at note 17 – 19 of the Annual Financial Statements)</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|------------------|---|----------------------------------|
| | <ul style="list-style-type: none"> - basis for non-executive directors fees; - Reference to electronic link to full remuneration policy for public access. - Implementation Report <ul style="list-style-type: none"> - Remuneration of each member of executive management, which includes: <ul style="list-style-type: none"> - A single total figure of all remuneration and all remuneration elements that it comprises at fair value; - awards made under variable remuneration incentive schemes in the current and prior period that have not yet vested (incl. number of awards/values at date of grant/vesting/expiry dates) and fair value at the end of the reporting period; - cash value of all awards made under variable remuneration incentive schemes settled during the reporting period. - Performance measures used and their relative weighting; | |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|------------------|---|--|
| | <p>Disclosure and reason for payments made on termination of employment/office;</p> <ul style="list-style-type: none"> - Statement made on compliance or deviation from remuneration policy. <p>Voting</p> <ul style="list-style-type: none"> - Remuneration policy and implementation report should be tabled every year for separate non-binding votes at the AGM. - Measures taken in the event that the remuneration policy/implementation report or both have been voted against by 25% or more of voting rights exercised. - In the event of the above, the following should be disclosed in the background statement: <ul style="list-style-type: none"> - engagements with dissenting shareholders and the manner and form of such engagement; Nature of steps taken to address objections/concerns. - In terms of the Companies Act, non-executive director’s fees must be approved by a special resolution of members of the company approved within two year preceding payment. | <p>At the November 2017 AGM, 55.17% of votes cast were in favour of the policy. The Group will, in line with the recommended practices in King IV table both the remuneration policy and the implementation report for separate non-binding advisory votes to shareholders for the first time at the AGM to be held in November 2018.</p> <p>The remuneration policy will provide the measures that the Group commits to take in the event that either the remuneration policy or the implementation policy or both, are voted against by more than 25% or more of the votes exercised at the AGM.</p> <p>With effect from the AGM in November 2018, the voting results will be published as well as the steps to be taken by management to address the concerns of shareholders voting against the resolutions.</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|---|---|--|
| <p>Principle 15</p> <p>The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organization’s external reports</p> | <p>Assurance of external reports</p> <ul style="list-style-type: none"> - Disclosure in external reports of the type of assurance process applied, in addition to the independent external audit opinions, including: <ul style="list-style-type: none"> - brief description of the nature and scope of the type of assurance process applied, in addition to the independent external audit opinions, and services and processes underlying the preparation of the report; - a statement by the governing body on the integrity of the report and the basis for this statement. <p>Internal Audit</p> <ul style="list-style-type: none"> - Refer to the Audit, Governance and Risk Committee report set out in Principle 8 above. | <p>The Board has delegated to the Audit, Governance and Risk Committee oversight of, among others, the effectiveness of the Company’s assurance services, with particular focus on combined assurance, including external audit, to the extent applied, internal audit and the finance function as well as the integrity of the Integrated Annual Report and the Annual Financial Statements and, to the extent delegated by the Board, other external reports issued by the Company. The Audit and Risk Committee also considers annually, and satisfies itself of, the appropriateness of the expertise and experience of the Financial Director and the finance function.</p> <p>The Board is satisfied that the current assurance process results in an adequate and effective control environment. (Refer to the Audit Committee Report included in the Corporate Governance And Risk Management Report section of the Integrated Annual Report.)</p> |
| <p>Principle 16</p> <p>In the execution of its governance role and responsibilities, the governing body should</p> | <p>Stakeholder Relationships</p> <ul style="list-style-type: none"> - Overview of arrangements for governing and managing stakeholder relationships. | <p>The Board, in consultation with management, has identified all the key stakeholders and is active in balancing their legitimate and reasonable needs, interests and expectations. The Group engages its stakeholders on multiple levels and this allows the Group to manage issues effectively, timeously</p> |

| <i>Principle</i> | <i>Reporting / Disclosure</i> | <i>Application / Explanation</i> |
|--|--|---|
| <p>adopt a stakeholder-inclusive approach that balances the needs interests and expectations of material stakeholders in the best interests of the organization over time.</p> | <ul style="list-style-type: none"> - Actions taken to monitor the effectiveness of stakeholder management. - Key areas of focus during the reporting period - Future focus areas. | <p>and reduces the likelihood of reputational risks. The stakeholder communication policy ensures that timely, relevant, accurate and honest information is provided to all stakeholders.</p> <p>The Group acts in accordance with the requirements of the Companies Act and the JSE Listings Requirements regarding the equitable treatment of shareholders of the Company. Directors are mindful of their fiduciary duties and their duty to act in accordance with applicable legislation. Records of Directors’ financial, economic and other interests are kept and updated on an on-going basis. The Board, as a whole, acts as a steward of the Company and each Director acts with independence of mind in the best interests of the Company and its stakeholders. The Group has formal policies regarding communication with stakeholders and a formal governance framework.</p> |
| <p>Principle 17</p> <p>The governing body of an institutional investor organization should ensure that responsible investment is practiced by the organization to promote the good governance and the creation of value by the companies in which it invests.</p> | <p>Investment codes adopted by an institutional investor and application of its principles and practises.</p> | <p>Not applicable, the Group is not an institutional investor.</p> |