



APPLICATION OF THE KING III CODE PRINCIPLES

Key: Level of Application:

A: Applied

NA: Not applied / will not be applied

ITEM NO.	KING III PRINCIPLE REFERENCE	KING III PRINCIPLE	LEVEL OF APPLICATION	COMMENTS
Ethical Leadership and corporate citizenship				
1.	1.1	The board should provide effective leadership based on ethical foundation	A	The board provides effective leadership based on ethical foundations and sets the values to which the company will adhere to, which values are formulated in the board's charter
2.	1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen	A	The board ensures that the company is and is seen to be a responsible corporate citizen
3.	1.3	The board should ensure that the company's ethics are managed effectively	A	In terms of the board's charter, the board ensures that the company's ethics are managed effectively
Board and directors				
4.	2.1	The board should act as the focal point for the custodian of corporate governance	A	The board has a charter that clearly sets out its role and responsibilities
5.	2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	A	Same as principle 2.1 above. The board both informs and approves strategy
6.	2.3	The board should provide effective leadership based on an ethical foundation	A	Refer to principle 1.1 above.
7.	2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	A	Refer to principle 1.2 above.
8.	2.5	The board should ensure that the company's ethics are managed effectively	A	Refer to principle 1.3 above.
9.	2.6	The board should ensure that the company has an	A	Refer to principle 3.1 below.



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		effective and independent audit committee		
10.	2.7	The board should be responsible for governance of risk	A	Refer to principle 4.1 below.
11.	2.8	The board should be responsible for information technology (IT) governance	A	Refer to principle 5.1 below.
12.	2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	A	Refer to principle 6.1 below.
13.	2.10	The board should ensure that there is an effective risk-based internal audit	A	Refer to principle 7.1 below.
14.	2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	A	Refer to principle 8.1 below.
15.	2.12	The board should ensure the integrity of the company's integrated report	A	Refer to principle 9.1 below.
16.	2.13	The board should report on the effectiveness of the company's system of internal controls	A	Refer to principles of chapter 7 and 9 below.
17.	2.14	The board and its directors should act in the best interests of the company	A	The board and its directors always act in the best interests of the company. The board has unrestricted access to the company's information, documents and records.
18.	2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the South African Company's Act, 71 of 2006	A	The board continually monitors whether the company is financially distressed for purposes of considering its business rescue proceedings.
19.	2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of chairman of the board	A	The board has elected a chairman of the board who is an independent non-executive director. The CEO does not fulfill the role of chairman of the board.
20.	2.17	The board should appoint the chief executive officer and	A	The board has appointed the chief executive officer. There is



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		establish a framework for the delegation of authority		an approved delegation of authority within the company
21.	2.18	The board should comprise a balance of power, the majority of non-executive directors. The majority of non-executive director should be independent	A	The board comprises a balance of power having a majority of non-executive directors, the majority of which are independent
22.	2.19	Directors should be appointed through a formal process	A	Directors are appointed through a formal process. The Nomination Committee identifies and participates in selecting board members
23.	2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	A	The induction of and ongoing training and development of directors is conducted via a formal process. An induction programme aimed at an understanding of the company is conducted for all newly appointed directors and training of board members is managed by the company secretary as and when required
24.	2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	A	The board is assisted by a competent, suitably qualified and experienced company secretary. The company secretary is empowered by the board to effectively manage her duties.
25.	2.22	The evaluation of the board, its committees and the individual directors should be performed each year	A	The board, its committees and directors are evaluated each year. The board's charter sets out the role and responsibilities of the board against which directors' performances are assessed.
26.	2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities	A	The board delegates certain functions to well-structured committees without abdicating from its own responsibilities. The board has established Audit, Risk, Nomination and Remuneration Committees to assist the board in fulfilling its obligations. Each committee operates under formal terms of reference.
27.	2.24	A governance framework should be agreed between the	A	A delegated framework has been agreed between the boards



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		Group and its subsidiary boards		of the Group's parent company and its subsidiaries.
28.	2.25	Companies should remunerate directors and executives fairly and responsibly	A	Directors and executives are remunerated fairly and responsibly. Remuneration of executives is determined by the Remuneration Committee and approved by the board.
29.	2.26	Companies should disclose the remuneration of each individual director and certain senior executives	A	The remuneration of each director and certain senior executives is disclosed in the annual report
30.	2.27	Shareholders should approve the company's remuneration policy	A	Shareholders will approve the company's remuneration policy at the Annual General Meeting
Audit Committees				
31.	3.1	The board should ensure that the company has an effective and independent audit committee	A	The board has ensured that there is an effective and independent Audit Committee. Membership of the Audit Committee comprises 3 independent non-executive directors. The Audit Committee's terms of reference have been approved by the board.
32.	3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exemption)	A	Audit Committee members are suitably skilled and experienced independent non-executive directors. The Nomination Committee evaluates and satisfies itself that the skills and expertise of the Audit Committee members are appropriate to effectively fulfill their responsibilities
33.	3.3	The audit committee should be chaired by an independent non-executive director	A	The Audit Committee is chaired by an independent non-executive director who is a qualified Chartered Accountant
34.	3.4	The audit committee should oversee integrated reporting (integrated reporting, financial, sustainability and summarized information)	A	The Audit Committee oversees integrated reporting. The Audit Committee reviews and approves relevant sections of the Integrated report prior to approval by the board and publication of the report
35.	3.5	The audit committee should be responsible for evaluating the significant judgments and reporting	A	The Audit Committee evaluates significant judgments and reporting decisions affecting the Integrated report



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		decisions affecting the integrated report		
36.	3.6	The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarized integrated information, any other intended release of price-sensitive information, trading statements, circulars and similar documents	A	The Audit Committee reviews the annual financial statements, interim reports, preliminary or provisional result announcements, summarized integrated information and any release of price-sensitive information, trading statements, circulars and similar documents
37.	3.7	The audit committee should ensure a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	A	The Audit Committee has ensured that a combined assurance model has been applied to provide a co-ordinated approach to all assurance activities.
38.	3.8	The audit committee should satisfy itself of the expertise, resources and experience of the company's financial function	A	The Audit Committee has satisfied itself of the expertise, resources and experience of the company's financial function and its financial director
39.	3.9	The audit committee should be responsible for overseeing of internal audit	A	The Audit Committee is responsible for overseeing of internal audit as evidenced by the Committee's terms of reference
40.	3.10	The audit committee should be an integral component of the risk management process	A	The Audit Committee is an integral component of the risk management process as evidenced by the Committee's terms of reference
41.	3.11	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	A	The Audit Committee recommends the appointment of the external auditor and oversees the external audit process. The Audit Committee approves the external auditor's terms of engagement and remuneration and is the main contact between the external auditors and the board
42.	3.12	The audit committee should report to the board and shareholders on how it has discharged its duties	A	The Audit Committee reports internally to the board and in the Integrated report to shareholders on how it has discharged its duties



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The governance of risk				
43.	4.1	The board should be responsible for the governance of risk	A	The board is responsible for the governance of risk. This function is delegated to the Risk Committee which oversees the company's risk management policy and processes and makes recommendations to the board. The board is ultimately responsible for the governance of risk
44.	4.2	The board should determine the levels of risk tolerance	A	The board determines the level of risk tolerance. The Risk Committee makes recommendations to the board regarding levels of risk tolerance which the board considers and if appropriate approves
45.	4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	A	The Risk and/or Audit Committee assists the board in carrying out its risk responsibilities. The Audit and Risk Committees review the company's risk management policies and processes as evidenced by the Committees' terms of reference
46.	4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	A	The board has delegated to management the responsibility to design, implement and monitor the risk management plan. The Financial Director is responsible for assisting the board and senior management in executing their accountability towards responsible risk management within the company
47.	4.5	The board should ensure that risk assessments are performed on a continual basis	A	The board ensures that risk assessments are performed on a continual basis
48.	4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	A	The board, through the Audit and Risk Committees, has ensured that frameworks and processes are in place and implemented to increase the probability of anticipating unpredictable risks
49.	4.7	The board should ensure that management considers	A	The board has ensured that management considers and



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		and implements appropriate risk responses		implements appropriate risk responses
50.	4.8	The board should ensure continual risk monitoring by management	A	The board has ensured that management continually monitors risk
51.	4.9	The board should receive assurance regarding the effectiveness of the risk management process	A	The board has received assurance from management regarding the effectiveness of the risk management process
52.	4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	A	The board has ensured that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders
The governance of Information Technology (IT)				
53.	5.1	The board should be responsible for information technology (IT) governance	A	The board is responsible for IT governance. This function has been delegated to the Audit and Risk Committee but the board is ultimately responsible. Management provides feedback to the board regarding IT-related matters
54.	5.2	IT should be aligned with the performance and sustainability objectives of the company	A	The board ensures that IT has been aligned with the performance and sustainability objectives of the company
55.	5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	A	The board has delegated to management the responsibility for implementation of an IT governance framework
56.	5.4	The board should monitor and evaluate significant IT investments and expenditure	A	The board monitors and evaluates significant IT expenditure and investments
57.	5.5	IT should form an integral part of the company's risk management	A	IT forms an integral part of the company's risk management
58.	5.6	The board should ensure that information assets are managed effectively	A	The board has ensured that information assets are managed effectively
59.	5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities		The Audit and Risk Committees assist the board in carrying out its IT responsibilities by ensuring that IT risks are adequately addressed through its risk management processes



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Compliance with laws, codes, rules and standards				
60.	6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	A	The board ensures to the best of its ability that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards. The Audit and Risk Committees assist the board with the oversight of compliance related matters
61.	6.2	The board and each individual director should have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business	A	The board and each director have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business. Updates and presentations on changes to applicable laws, rules, codes and standards are provided as and when necessary
62.	6.3	Compliance risk should form an integral part of the company's risk management process	A	Compliance risk forms an integral part of the company's risk management process
63.	6.4	The board should delegate to management the implementation of an effective compliance framework and processes	A	The board has delegated to management the implementation of an effective compliance framework and process. The company secretary assists the board in executing their responsibility towards responsible management of regulatory compliance requirements within the company
Internal audit				
64.	7.1	The board should ensure that there is an effective risk-based internal audit	NA	There is not an effective risk based internal audit in place due to the scale and size of the business
65.	7.2	Internal audit should follow a risk-based approach to its plan	NA	Refer to principle 7.1 above
66.	7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	NA	Refer to principle 7.1 above
67.	7.4	The audit committee should be responsible for	A	Refer to principle 3.9 above



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		overseeing internal audit		
68.	7.5	Internal audit should be strategically positioned to achieve its objectives	NA	Refer to principle 7.1 above
Governing stakeholder relationships				
69.	8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	A	Under the board's charter, the board appreciates that stakeholders' perceptions affect the company's reputation.
70.	8.2	The board should delegate to management to proactively deal with stakeholder relationships	A	The board has delegated to management to proactively deal with stakeholder relationships. The board is ultimately responsible for stakeholder relationships
71.	8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	A	The board strives to achieve appropriate balance between its various stakeholder groupings and the best interests of the company by considering both the legitimate interest and expectations of stakeholders and the best interests of the company in its decision making
72.	8.4	Companies should ensure the equitable treatment of shareholders	A	The company through the board ensures equitable treatment of shareholders. The majority of the non-executive directors of the board are independent
73.	8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	A	There is transparent and effective communication with stakeholders through the provision of regular, timeous and accessible information to stakeholders in the company's Integrated report, the company's website and via SENS announcements
74.	8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	A	The board endeavours to ensure that disputes are resolved as effectively and efficiently and expeditiously as possible
Integrated Reporting and disclosure				
75.	9.1	The board should ensure the integrity of the company's integrated report	A	The board ensures the integrity of the company's Integrated report and approves the report prior to publication



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76.	9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	A	Sustainability reporting and disclosure is integrated with the company's financial reporting
77.	9.3	Sustainability reporting and disclosure should be independently assured	A	Sustainability reporting and disclosure is independently assured by the Audit Committee



APPLICATION OF PARAGRAPH 3.84 OF THE JSE LISTINGS REQUIREMENTS

ITEM No.	JSE REF.	JSE LISTINGS REQUIREMENT	COMMENTS
1.	3.84(a)	There must be a policy detailing the procedures for appointments to the board of directors. Such appointments must be formal and transparent and a matter for the board of directors as a whole, assisted where appropriate by a nomination committee. The nomination committee must constitute only nonexecutive directors, of whom the majority must be independent (as defined in paragraph 3.84(f)(iii)), and must be chaired by the chairman of the board of directors or the lead independent director if required pursuant to paragraph 3.84(c) below	The nomination committee constitutes only non-executive directors of whom the majority are independent and is chaired by the chairman of the board of directors. The company is in the process of preparing a policy in this regard.
2.	3.84(b)	There must be a policy evidencing a clear balance of power and authority at board of directors' level, to ensure that no one director has unfettered powers of decision-making	The company is in the process of preparing a policy in this regard.
3.	3.84(c)	The issuer must have an appointed chief executive officer and a chairman and these positions must not be held by the same person. The chairman must either be an independent non-executive director, or the issuer must appoint a lead independent director, in accordance with the King Code	The issuer has an appointed chief executive officer and a chairman and these positions are not held by the same person. The chairman is an independent non-executive director
4.	3.84(d)	All issuers must, in compliance with the King Code appoint an audit committee and a remuneration committee and if required, given the nature of the business and composition of the board of directors, a risk and nomination committee. The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report	The issuer has, in compliance with the King Code, appointed an audit committee and a remuneration committee as well as a risk and nomination committee The composition of these committees, a brief description of their mandates, the number of meetings held and other relevant information is disclosed as appropriate in the annual report –
5.	3.84(e)	A brief CV of each director must be provided in respect of a new listing. It should further be noted that a brief CV for each director standing for	This will be provided and a brief CV for each director appointment or re-election will accompany the notice of



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		election or re-election at a general meeting or the annual general meeting (in relation to Main Board issuers, such election or re-election may not take place at a meeting contemplated in Section 60 of the Act) should accompany the notice of the general meeting or annual general meeting	the shareholders' meeting
6.	3.84(f)	<p>The capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:</p> <p>(i) executive directors: are directors that are involved in the management of the company and/or in full-time salaried employment of the company and/or any of its subsidiaries;</p> <p>(ii) non-executive directors are directors that are not:</p> <p style="padding-left: 40px;">(1) involved in the day to day management of the business, or</p> <p style="padding-left: 40px;">(2) full-time salaried employees of the company and/or any of its subsidiaries;</p> <p>(iii) independent directors are as defined in the King Code. In addition, it must be noted that any director that participates in a share incentive/option scheme, will not be regarded as independent</p>	The capacity of each director is categorized as executive, non-executive or independent
7.	3.84(g)	All issuers must have an executive financial director. The JSE may, at its discretion, when requested to do so by the issuer and due to the existence of special circumstances, allow the financial director to be employed on a part time basis only. This request must be accompanied by a detailed motivation by the issuer and the audit committee	The issuer has an executive financial director who is employed on a full time basis and is a qualified Chartered Accountant
8.	3.84(h)	The audit committee must consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director. The issuer must confirm this by reporting to shareholders in its annual report that the audit committee has executed this responsibility.	The audit committee considers, on an annual basis and satisfies itself as to the appropriateness of the expertise and experience of the financial director. This is confirmed by reporting to shareholders in the annual report



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9.	3.84(i)	<p>The board of directors must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board of directors has executed this responsibility. This communication must specifically include details of the steps which the board of directors took to make this annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the company secretary</p>	<p>The board of directors must consider and satisfy itself on an annual basis on the competence, qualification and expertise of the company secretary. The issuer confirms this by reporting to shareholders in its annual report, such confirmation includes details of the steps which the board of directors took to make this annual assessment and provides information which demonstrates the actual competence, qualification and expertise of the company secretary</p>
10.	3.84(j)	<p>The recommended practice of the King Report on Governance for South Africa highlights, inter alia, that the company secretary should maintain an arms-length relationship with the board of directors and that the company secretary should ideally not be a director. The board of directors must specifically consider these two points and provide an explanation in the annual report as to why it believes that there is an arms-length relationship between itself and the company secretary. If the company secretary is a director of the company or if the board of directors otherwise concludes that there is not an arms-length relationship between itself and the company secretary, the board of directors must justify how the issuer is still able to ensure that the company secretary effectively performs the role as the gatekeeper of good governance in the issuer and how they have been able to adequately and effectively perform and carry out the roles and duties of a company secretary. Where the company secretary is a juristic person the board of directors in its assessment must consider the individual/s who perform the company secretary role as well as the directors and shareholders of the juristic person. The imposition of a juristic person in itself does not create an arms-length relationship.</p>	<p>The company secretary maintains an arms-length relationship with the board of directors and is not a director. The board of directors specifically considers these two points and addresses these in the in the annual report.</p>

