

ANDULELA INVESTMENT HOLDINGS LIMITED



CORPORATE GOVERNANCE

Corporate Governance Overview – December 2016

The Board of Directors is committed to the implementation of good corporate governance within the group and endorses the principles of openness, integrity, accountability and transparency. The Board has adopted and applied the Code of Corporate Practices and Conduct as set out in the King III Report. The Board is of the opinion that the group currently complies with the specific requirements set out in the JSE Limited Listings Requirements and, except where indicated otherwise in the sections below, the requirements as set out in the King III Report.

In doing so, the Board recognises the need to manage the business with integrity in accordance with generally acceptable corporate policies. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders; and providing a proper and objective perspective of Andulela.

The Board has accordingly established mechanisms and policies appropriate to the Group's business in keeping with its commitment to the best practices in corporate governance in order to ensure compliance with the King III Report. The Board reviews these from time to time.

Three committees reporting to the Board and responsible for vital aspects of the Company's governance in terms of their respective terms of reference are in operation: the Social and Ethics Committee; the Audit, Risk and Compliance Committee; and the Nomination and Remuneration Committee.

Governance Framework

The Company's compliance with the King II is independently reviewed by Mazars Advisory Services Proprietary Limited, which was appointed as internal audit service providers of the Group.

KING III Checklist

The Institute of Directors of South Africa ("IoDSA") is the convener of the King Committee and the custodian of the King reports and practice notes.

The company summarised the status of its application of the principles of King III as follows:

Ratings key

- ✓ – Applied
- – Partially applied
- x – Not applied

Additional information is provided on all scores indicated as "Partially Applied" in the table below.

KING III CHECKLIST ASSESSMENT

JSE-listed companies are required to report on the extent to which they comply with the principles of Corporate Governance as incorporated in King III. The Board of directors believes the Group is compliant with King III and the JSE's Listings Requirements, with exceptions listed below.

Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Comments
Chapter 1 - Ethical Leadership and Corporate Citizenship				
Principle 1.1	The Board provides effective leadership based on an ethical foundation.	The Board directs the strategy and operations to build a sustainable business; consider the short- and long term impacts of the strategy on the economy, society and the environment; do business ethically; do not compromise the natural environment and take into account the company's impact on the internal and external stakeholders	Applied	Board Charter sets out Board's role and responsibilities in this regard. The Board charter is renewed annually to ensure an effective monitoring of the company values and ethics programmes.
Principle 1.1	The Board provides effective leadership based on an ethical foundation.	Actions, decisions and deliberations of the Board, in other words, the company's governance is underpinned by The following 4 ethical values: <ul style="list-style-type: none"> • Responsibility; • Accountability; • Fairness; and • Transparency 	Applied	A board sub-committee on Social and Ethics has been instituted. The Code of Ethics and conducts is contained in the Board Charter. All business is conducted in accordance with the values contained in the Board Charter. The Board reviews the Code of Ethics through the Social and Ethics Committee on a regular basis.
Principle 1.1	The Board provides effective leadership based on an ethical foundation.	In performing their stewardship role, Directors should apply the following 5 moral duties: conscience, care, competence, commitment and courage.	Applied	The Board has approved the Code of Ethics and conducts all business in accordance with the values contained in the Board Charter. The Board reviews the Code of Ethics through the Social and Ethics Committee on an annual basis.
Principle 1.2	The Board ensures that the company is and is seen to be a responsible corporate citizen.	The Board considers not only financial performance, but also the impact of the Company's operations on society and the environment.	Applied	The Board is mindful of the triple bottom line and operates within this context. Consideration is given not only to financial performance but also to the impact of the Group's activities on the environment and society. The Board has approved policies on Corporate Citizenship, Environment and Social and Economic Development. The Group's actions in this regard are disclosed in the Ethics Committee report and the Social Performance report.

Principle 1.2	The Board ensures that the company is and is seen to be a responsible corporate citizen.	The Board protects, enhances and invests in the wellbeing of the economy, society and the environment.	Applied	The Group aims to be acknowledged as a responsible corporate citizen and strives to operate in a manner that is sustainable: economically, socially, and environmentally – in the best interest of long-term success for the Group. The Group's actions in this regard are disclosed in the Ethics Committee report and the Social Performance report.
Principle 1.2	The Board ensures that the company is and is seen to be a responsible corporate citizen.	The Board ensures that the Company performance and interaction with its stakeholders are guided by the Constitution and the Bill of Rights.	Applied	The Group's business practices and policies and procedures are guided by the Constitution and the Bill of Rights.
Principle 1.2	The Board ensures that the company is and is seen to be a responsible corporate citizen.	The Board ensures that collaborative efforts with the stakeholders are embarked upon to promote ethical conduct and good corporate citizenship;	Applied	The Boards oversees the implementation of the ethics management programme, focusing on the values of the Group, ethical risks and opportunities and codes of conduct with all stakeholders.
Principle 1.3	The Board ensures that the company's ethics are managed effectively.	The Board ensures that ethical risks and opportunities are incorporated in the risk management process or ethics programme; i.e. an ethics risk and opportunity profile is compiled.	Applied	The Board regularly reviews the Company's Ethical Management Programme through its governance structures. The Boards oversees the implementation of the ethics management programme, focusing on the values of the Group, ethical risks and opportunities and codes of conduct with all stakeholders.
Principle 1.3	The Board ensures that the company ethics are managed effectively.	The Board ensures that the Company's ethics performance is assessed, monitored, reported upon and disclosed.	Applied	The Board regularly reviews and monitors the Group's ethical risk profile through the Social and Ethics Committee and the Audit Committee to ensure that an adequate internal control framework is maintained and implemented.
Principle 1.3	The Board ensures that the company ethics are managed effectively.	The Board has ensured that a code of conduct and ethics-related policies, through which ethical standards are clearly articulated, have been established and implemented.	Applied	The Board has approved an Ethics, Fraud and Illegal activity policy to ensure the promotion of an ethical and fraud-free culture throughout the Group. The Board monitors and reviews the effectiveness of the Ethics and the policy itself is subject to be reviewed every two years and/or revised as necessary in light of changing conditions.
Chapter 2 - Boards and Directors and Committees				
Principle 2.1	The Board is the focal point for and custodian of corporate governance	The Board meets at least four times a year and directs and governs the company through an effective system of internal controls.	Applied	The Board meets a minimum of four times annually. The Board reviews the outcome of internal and external audits. In addition, a formal induction programme for

				new directors and continuing professional development programmes for directors are put in place ensuring that they receive regular briefings on changes in risks, laws and the environment in which the Group operates.
Principle 2.2	The Board appreciates that the strategy, risk, performance and sustainability are inseparable.	The Board ensures that the strategy is aligned with the purpose of the Company, the value drivers of its business and the legitimate interests and expectations of its stakeholders.	Applied	The Group's risk management (risk identification and risk assessment framework, as directed by the Board), is aligned with the Group's overall strategy to ensure sustainability.
Principle 2.2	The Board appreciates that the strategy, risk, performance and sustainability are inseparable.	The Board considers sustainability a business opportunity; i.e. long-term sustainability is linked to strategy and guides strategy.	Applied	The Board approves the strategy which is reviewed annually taking into account all risks after being thoroughly examined by management.
Principle 2.14	The Board and its directors act in the best interests of the company.	Directors are permitted to take independent advice in connection with their duties at Company cost following a Board approved procedure. Real or perceived conflicts of interest are disclosed to the Board and managed appropriately. The Company has a policy regarding dealing in securities by directors, officers and selected employees.	Applied	The Conflicts of interest policy rules are contained in the Board Charter. Disclosures on the use of consultants and directors activities are provided in the Governance section of the Integrated Report.
Principle 2.15	The Board will consider business rescue proceedings or other turnaround mechanisms as soon as the company may be financially distressed as defined in the Companies Act of South Africa.	The Board continually monitors whether the Company is financially distressed; i.e. if it appears reasonably unlikely that the Company will be able to pay its debts as they fall due and payable within the ensuing 12 months or become insolvent within the ensuing 12 months.	Applied	The Board and Audit Committee monitor the Company's going-concern status twice a year and have positively concluded that the Company will continue as a going concern for the foreseeable future. Although the Group's current assets do not exceed its current liabilities, both operational subsidiaries continue to improve their trading results. The Group continues to service its loans and other financial obligations as they become due.
Principle 2.16	The Board has elected a chairman of the Board who is an independent non-executive director.	The Board has elected a Chairman of the board who is an independent Non-executive director.	Applied	The Chairman of the Board is an independent non-executive director.
Principle 2.16	The Board has elected a chairman of the Board who is an independent non-executive director.	The Nominations Committee oversees a formal succession plan for the Board, CEO and the senior executive appointments, in particular those of directors.	Applied	The Board has nominated a director as interim-chairman if the current chairman is unavailable. Similarly the CFO has been nominated as interim-CEO if the current CEO is not available.

				The GFM will stand in for the CFO if he is not available.
Principle 2.17	The Board has established a framework for the delegation of authority.	The Board has a formal and written delegation of authority matrix.	Applied	The Board has approved a framework of approval/ delegation of authority matrix which is reviewed annually.
Principle 2.18	The Board comprises a balance of power, with a majority of non-executive directors. The majority of non-executive directors are independent.	The Board comprises a majority of non-executive directors.	Applied	The Board comprises six directors, of which four are independent non-executive directors. The Chief Executive Officer and the Chief Financial Officer are the executive members of the Board.
Principle 2.19	Directors are appointed through a formal process.	Procedures for appointments to the Board are formal and transparent and are a matter for the Board as a whole, assisted by the Nominations Committee.	Applied	Directors are appointed by the Board through a formal and transparent appointment process with the help of the Remuneration & Nomination Committee.
Principle 2.20	The induction of and ongoing training, as well as the development of directors is conducted through a formal process.	Comprehensive director induction takes place when a new director is appointed and director training is conducted on a regular basis.	Applied	Directors are appointed through a formal process. Group and training material are provided on an ongoing basis to directors.
Principle 2.21	The Board is assisted by a competent, suitably qualified and experienced company secretary.	The Company Secretary is empowered by the Board to effectively perform her duties and performs her functions as specified in the Companies Act.	Applied	The Board of Directors have considered and satisfied themselves with regard to the competence, qualifications and experience of the Company Secretary.
Principle 2.22	The evaluation of the Board, its committees and individual directors is performed every year.	The Board determines its own role, functions, duties and performance criteria as well as that for directors on the Board and Board committees to serve as a benchmark for performance appraisal.	Applied	The Board, recognises the importance of conducting evaluations of its performance, constitution, leadership and supporting structures. Formal Board, Board committees and individual directors' evaluations as recommended by King III are conducted.
Principle 2.23	The Board delegates certain functions to well-structured committees without abdicating from its own responsibilities.	The Board has established the appropriate committees with clear mandates.	Applied	The following committees of the Board are in place: Audit & Risk Committee, Remuneration & Nomination Committee, Social and Ethics Committee. Clear terms of reference for roles and responsibilities of each committee are approved by the Board.
Principle 2.25	The company remunerates its directors and executives fairly.	The Remuneration Committee oversees the remuneration policies and practices that address base pay and bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.	Applied	In carrying out its mandate, the committee oversees the establishment of a remuneration policy that will promote the achievement of Group strategic objectives and encourage individual performance. A remuneration report forms part of the integrated report.

Principle 2.25	The company remunerates its directors and executives fairly.	The Remuneration Committee advises on the remuneration of non-executive directors based on recommendations from the executive directors.	Applied	The Remuneration Committee considers the remuneration of non-executive directors and makes recommendations to the shareholders through the Board at the Annual General Meeting for approval, as disclosed in the Remuneration Report.
Principle 2.25	The company remunerates its directors and executives fairly.	Non-executive fees comprise a base fee and attendance fee per meeting.	Applied	Fees are disclosed in the Remuneration Report.
Principle 2.26	The company has disclosed the remuneration of each individual director and prescribed officer.	The Remuneration Report includes details of all benefits paid and awarded to directors and prescribed officers.	Applied	Details are disclosed in the Remuneration / Directors emoluments Report and Integrated Report.
Principle 2.27	The shareholders have approved the company's remuneration policy	Shareholders pass a non-binding advisory vote on the Company's remuneration policy annually.	Applied	Shareholders pass a non-binding advisory vote approving the remuneration policy annually.

Chapter 3 - Audit Committee

Principle 3.1	The Board has ensured that the company has an effective and independent audit committee.	The Audit Committee comprises three independent non-executive directors who are appropriately qualified.	Applied	The Audit, Risk and Compliance Committee and its Chairman are appointed by the shareholders at the annual general meeting from amongst the independent non-executive directors. The committee consists of three members with relevant financial experience.
Principle 3.2	Audit committee members are suitably skilled and experienced independent non-executive directors.	Audit Committee members collectively have sufficient qualifications and experience to fulfil their duties e.g. financial risks, integrated reporting, financial and sustainability reporting, and internal controls.	Applied	The collective skills of the members of the audit, risk and compliance committee are appropriate to the company's size, circumstances and the industry. Profiles of the members of the Audit, Risk Compliance Committee are disclosed in the integrated report and are available on the Group website.
Principle 3.3	The audit committee is chaired by an independent non-executive director.	The chairperson of the Audit Committee is an independent non-executive director and not the Chairperson of Board.	Applied	The Audit, Risk and Compliance Committee is chaired by an independent non-executive director.
Principle 3.4	The audit committee oversees integrated reporting.	The Audit Committee has regard to all factors and risks that may impact on the integrity of the Integrated Report. The audit committee reviews and comments on the financial statements included in the integrated report. The audit committee reviews the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information. The audit	Applied	As disclosed in the Integrated Annual Report. The integrated report process is overseen by the Audit, Risk and Compliance Committee. The board does not consider it necessary to use the services of and external assurance provider at this stage.

		committee recommends to the board to engage an external assurance provider on material sustainability issues, etc.		
Principle 3.5	The audit Committee has ensured that a combined assurance model has been applied which provides a coordinated approach to all assurance activities.	The Audit Committee ensures that combined assurance received is appropriate to address all significant risks facing the Company.	Applied	The Audit, Risk and Compliance committee monitors and reviews the annual internal audit Plan and ensures co-ordination and co-operation between management, Internal Audit, External Audit and the risk management and compliance functions.
Principle 3.6	The audit committee is satisfied with the expertise, resources and experience of the company's finance function.	The results of the review of the Finance function by the Audit Committee are disclosed in the integrated report.	Applied	As disclosed in the Integrated Annual Report, the committee has considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the finance function of the Group.
Principle 3.7	The Audit Committee should be responsible for overseeing internal audit.	The Audit Committee oversees the Internal Audit function.	Applied	The Committee is responsible for appointment and remuneration of internal audit including approval of the internal audit charter; review, approval of internal audit plans, findings, reports and fees.
Principle 3.8	The audit committee is an integral component of the risk management process.	The Audit Committee has oversight of the Company's risk management.	Applied	The Committee is responsible for the review of the risk profile and risk management of the Group – as disclosed in the Integrated Annual Report.
Principle 3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	The Audit Committee approves the external auditors' terms of engagement and remuneration.	Applied	The Committee recommends the appointment of the external auditors to the shareholders for approval; it is also responsible for the review and approval of external audit plans, findings, reports and fees; and the setting of principles for the use of external auditors for non-audit services;- as disclosed in the Integrated Annual report.
Principle 3.10	The audit Committee has reported to the Board and the shareholders as to how it has discharged its duties.	The Audit Committee reports internally to the Board on its statutory duties and duties assigned to it by the Board and externally via the Audit Committee Report.	Applied	As disclosed in the Annual Integrated Audit, Risk and Compliance Report.
Chapter 4 – The Governance of Risk				
Principle 4.1	The Board is responsible for the governance of risk.	The Board has assigned the oversight of the governance of risk to the Audit Committee	Applied	As disclosed in the Integrated Annual Report, the Board has oversight of the key risks within the Group at a strategic level, and through the Audit, Risk and Compliance Committee, performs a detailed review of the risk process during the year.

Principle 4.2	The Board has determined the levels of risk tolerance.	The Board monitors that risks taken are within the tolerance and appetite levels.	Applied	The Board evaluates the Group's strategic alternatives and sets objectives within a risk management framework that ensures alignment with the Group's risk appetite and overall strategy
Principle 4.3	The risk committee and/or audit committee has assisted the Board in carrying out its risk responsibilities.	The Audit Committee oversees risk management on behalf of the Board.	Applied	As disclosed in the Risk Management section of the Integrated Annual Report.
Principle 4.4	The Board has delegated to management the responsibility to design, implement and monitor the risk management plan.	The Board's risk policy and plan is implemented by management by means of risk management systems and processes.	Applied	As disclosed In the Annual Report, management identifies and monitors the risk and control infrastructure of the Group, with particular reference to its adequacy, intent and effectiveness.
Principle 4.5	The Board has ensured that risk assessments are performed on a continual basis.	The Board ensures that effective and ongoing risk assessments are performed.	Applied	The Risk management plan outlines the Board's responsibilities of continual monitoring of risk management.
Principle 4.6	The Board has ensured that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	The Board monitors these risks through the risk management process.	Applied	The Audit, Risk and Compliance Committee reviews and assesses the Group's key's top risks on a regular basis.
Principle 4.7	The Board has ensured that management has considered and has implemented appropriate risk responses.	Risk management mitigation plans are devised by Management and presented to the Audit Committee and Board.	Applied	The Audit, Risk and Compliance Committee reviews and assesses the Group's key's top risks on a regular basis.
Principle 4.8	The Board has ensured the continual risk monitoring by management.	The Board ensures that effective and continuous monitoring of risk Management takes place.	Applied	The Audit, Risk and Compliance Committee reviews the Group's risk profile and risk management processes on an ongoing basis. Significant /key risks are assessed and monitored as disclosed in the Integrated Annual Report.
Principle 4.9	The Board has received assurance regarding the effectiveness of the risk management process.	The Audit Committee reports on this process three times per annum.	Applied	The Audit, Risk and Compliance Committee has satisfied itself of the effectiveness of the Company's risk management processes. The key risks of the subsidiaries of Andulela have been dealt with in the operational overview section of the Integrated Annual Report.
Principle 4.10	The Board has ensured that there are processes in place which enable complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	The Board ensures that undue, unexpected or unusual risks are disclosed in the integrated report. The Board discloses its view on the effectiveness of the risk management process in the integrated report.	Applied	As disclosed in the Integrated Annual Report, The Audit, Risk and Compliance Committee has satisfied itself of the effectiveness of the Company's risk management Processes.

Chapter 5 – The Governance of Information Technology (IT)

Principle 5.1	The Board is responsible for information technology (IT) governance.	The Audit Committee assists the Board in overseeing the IT governance.	Applied	The Board is responsible for the management and governance of information technology within the Group.
Principle 5.2	IT has been aligned with the performance and sustainability objectives of the company.	The Board ensures that IT strategy is integrated with the Company's strategic and business processes.	Applied	The Board is responsible for the management and governance of information technology within the Group.
Principle 5.3	The Board has delegated to management the responsibility for the implementation of an IT governance framework.	Management is responsible for the implementation of all the structures, processes and mechanisms for the IT governance framework.	Partially Applied	The IT governance framework is being developed and the implementation of such a framework has not yet occurred.
Principle 5.4	The Board monitors and evaluates significant IT investments and expenditure.	The Board oversees the value delivery of IT and monitors the return on investment from significant IT projects.	Partially Applied	Significant IT projects are treated as regular capital expenditure and are approved and monitored by the Board. The process can be improved by setting up an IT steering committee to cater for specific IT projects and related expenditures.
Principle 5.4	The Board monitors and evaluates significant IT investments and expenditure.	Management provides regular reports on all significant IT projects and expenditures to the Board.	Partially Applied	Significant IT projects are treated as regular capital expenditure and are approved and monitored by the Board. The process can be improved by setting up an IT steering committee to cater for specific IT projects and related expenditures.
Principle 5.5	IT is an integral part of the Company's risk management plan.	IT risks form an integral part of the Company's risk management activities	Applied	IT risk assessment is an integral part of the groups risk management and IT risks are being monitored and assessed on a regular basis. The overall process is monitored by the Audit, Risk and Compliance committee. The mandate of the internal audit service providers includes an assessment of the IT systems and governance of the Group.
Principle 5.6	The Board ensures that information assets are managed effectively.	The Board monitors the IT function and receives regular reports on the management of strategic information assets.	Applied	Reports on assessment of effectiveness of internal controls related to Information Technology are regularly submitted to the Audit, Risk and Compliance committee. The overall assessment of the Group's control environment as disclosed in the Integrated Annual Report encompasses the information technology environment.
Principle 5.7	A risk committee and audit committee assists the Board in carrying out its IT responsibilities.	The Audit Committee assists the Board in carrying out its IT governance responsibilities by ensuring that IT risks are	Applied	IT risk assessment is an integral part of risk management and IT risks are being monitored and assessed on a regular basis, the

		adequately addressed through its risk management and monitoring processes as well as through appropriate policies.		overall process has been monitored by the Audit, Risk and Compliance committee.
Chapter 6 – Compliance with Laws, Rules, Codes and Standards				
Principle 6.1	The Board ensures that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards.	The Company has a system in place to ensure compliance with all applicable laws and regular Company-wide training is rolled out to ensure ongoing legal compliance	Applied	Legal compliance is monitored through the use of internal and external resources, such as the company secretary, sponsors, auditors and independent assurance providers.
Principle 6.2	The Board and each individual director have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business.	The induction or ongoing training programmes of directors incorporate an overview of and changes to applicable laws, rules, codes and standards.	Applied	The Company Secretary is responsible for providing the Board of Directors with training material to ensure they are kept abreast with changes that occur within the applicable legislative and regulatory environment.
Principle 6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	Management has established the applicable frameworks, structures and processes to ensure effective compliance and to monitor the risk of non-compliance.	Applied	The Internal Audit function regularly report to the Audit, Risk and Compliance committee on the results of reviews conducted in this regard.
Chapter 7 - Internal Audit				
Principle 7.1	The Board should ensure that there is an effective risk based internal audit.	The Company has established an internal audit function.	Applied	The Board has appointed Mazars as provider of outsourced internal auditing services. The Audit, Risk and Compliance Committee reviews and approves the annual Internal Audit Plans and budgets.
Principle 7.2	Internal Audit should follow a risk based approach to its plan.	The Internal Audit Plan and approach is informed by strategy and risk assessment of the Company.	Applied	The Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control framework has been adopted. In line with the COSO model an Internal audit plan is drawn up based on the risk assessment of the group. The Audit, Risk and Compliance committee reviews and approves the Annual Internal Audit Risk Based Plan.
Principle 7.3	Internal Audit should provide a written assessment of the effectiveness of the company’s system of internal controls and risk management.	Internal controls are established over not only financial matters, but also operational, compliance and sustainability issues.	Applied	The COSO framework recommends an integrated approach to Internal Auditing with the focus not only on financial matters, but also on operations, environment, compliance, etc. The internal audit interventions are based on this model.
Principle 7.3	Internal Audit should provide a written assessment of the effectiveness of the company’s system of internal controls and risk management.	Internal audit provides a written assessment of the system of internal controls and risk management to the Audit Committee and the Board.	Applied	The Group’s Internal audit function reports directly to the Audit, Risk and Compliance Committee and its Reports’ are reviewed by the Audit Committee.

Principle 7.4	The audit Committee should be responsible for overseeing internal audit.	The Audit Committee approves the Annual Internal Audit Plan and monitors the performance and function of the internal audit function.	Applied	As provided for in the internal audit charter, which is updated annually, and approved by the Audit, Risk and Compliance Committee, performance of the Internal Audit function is monitored.
Principle 7.5	Internal audit should be strategically positioned to achieve its objectives.	The internal audit function is independent and objective.	Applied	The internal audit service provider reports administratively to the Chief Executive Officer or his nominee and reports functionally to the Audit, Risk and Compliance Committee of the Board. This is in conformity with standard 1100 related to the organisational independence of Internal Audit activity.

Chapter 8 - Governing Stakeholder Relationships

Principle 8.1	The Board should appreciate that stakeholders' perceptions affect a company's reputation.	The gap between stakeholder perceptions and the performance of the Company is managed and measured to enhance or protect the Company's reputation.	Applied	The Group promotes a continual engagement with all its key stakeholders. In addition, as stakeholders' interests in the Group are dynamic and subject to change, the Company ensures the continuous identification of all stakeholders as well as their legitimate interests in and expectations of the Group.
Principle 8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	The Board has delegated the management of stakeholder relationships to the Chief Executive.	Applied	As disclosed in the Integrated Annual Report under Stakeholder Engagement section. Continual interactions, both formal and informal, with various stakeholders are taking place.
Principle 8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	The Board takes account of the legitimate interests and expectations of its stakeholders in its decision making in the best interests of the Company.	Applied	The Board is sufficiently independent and well advised to protect the interests of all stakeholders, shareholders, employees, agents, suppliers, financiers and clients, to name but the major ones.
Principle 8.4	Companies should ensure the equitable treatment of shareholders.	There is equitable treatment of all holders of the same class of shares issued which ensures that the minority shareholders are protected.	Applied	The Board ensures equal treatment of all shareholders as disclosed in the Integrated Annual Report.
Principle 8.6	The Board should ensure that disputes are resolved effectively and as expeditiously as possible.	This is a key responsibility of both the lead independent director and the Chairman.	Applied	Not applicable as no disputes were reported during the year under review.

Chapter 9 – Integrated Reporting and Disclosure

Principle 9.1	The Board should ensure the integrity of the company's Integrated Report.	The Company has controls to enable it to verify and safeguard the integrity of its Integrated Report.	Applied	The Audit, Risk and Compliance Committee reviews the Integrated Report.
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Principle 9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	Financial and non-financial performance has been included in the Annual Financial Statements.	Applied	By definition, an integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term. The Group's Integrated Annual report meets that expectation.
Principle 9.3	Sustainability reporting and disclosure should be independently assured.	The Board and audit committee assess if the information they have obtained is reliable and does not contradict the financial aspects of the report.	Partially Applied	At present the company does not obtain independent assurance on its sustainability reporting as a whole. Independent assurance is obtained on elements of sustainability e.g. BEE, environmental compliance etc.