

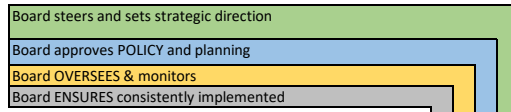
|                   | King 4 Reference  | Recommended practice   | Role of the Board | Board commentary  | Supporting documentation  | How well applied? | Additional notes / actions   |
|-------------------|---|--|-------------------|---|---|-------------------|--|
| <b>LEADERSHIP</b> |   |  |                   |   |   |                   |  |
| Principle 1:      | <b>The governing body should lead ethically and effectively</b> |  |                   |   |   |                   |  |
|                   | Pr 1 RP 1   | Individual and collective cultivation and exhibition of integrity                |                   |   |   |                   |  |
|                   | Pr 1 RP1.a.i  | - acting in good faith and best interests  |                   | Yes, in practice. There has been no incident displaying anything to the contrary  | Ethics and Code of Conduct Policy   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.a.ii   | - avoiding conflicts of interest   |                   | Yes. There is a formal 'register of interests' maintained by the CoSec and any potential conflicts of interest are disclosed at the commencement of each Board meeting under a standing agenda item.            | Board Agenda, Conflicts of Interest Policy, Register of interests, Trading Communications | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.a.ii   | - disclosing and managing any conflict of interest                               |                   | Yes. There is a formal 'register of interests' maintained by the CoSec and any potential conflicts of interest are disclosed at the commencement of each Board meeting under a standing agenda item.            | Board Agenda, Conflicts of Interest Policy, Register of interests, Trading Communications | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.a.iii  | - acting ethically beyond legal compliance                                       |                   | Yes, in practice. There has been no incident displaying anything to the contrary  |   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.a.iv   | - setting the tone for an ethical culture  |                   | Yes, in practice. There has been no incident displaying anything to the contrary  |   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP 1   | Individual and collective cultivation and exhibition of competence               |                   |   |   |                   |  |
|                   | Pr 1 RP1.b.i  | - ensuring sufficient knowledge of the organisation                              |                   | Yes, in practice. The directors are long-standing members of the Board with competent industry knowledge. All the Non Execs sit on all committees. Board Members visit operational sites.                       |   | √                 | This should be stated as part of the formal values statement of the organisation.  |
|                   | Pr 1 RP1.b.ii   | - acting with due care, skill and diligence                                      |                   | Yes, in practice. Engaging in this King IV Code assessment process is evidence of this.   |   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.b.ii   | - taking diligent steps to become informed about matters for decision            |                   | Yes, in practice. Directors sit on other boards and actively keep up to date with topical matters   |   | √                 |  |
|                   | Pr 1 RP1.b.iii  | - developing competence to lead effectively                                      |                   | Yes, in practice. The directors attend in their personal development at their own initiative.   |   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP 1   | Individual and collective cultivation and exhibition of responsibility           |                   |   |   |                   |  |
|                   | Pr 1 RP1.c.i  | - steering and setting direction   |                   | Yes, in practice. There is no reason to believe that the directors would shy away from responsibility   |   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.i  | - approving policy and planning  | √                 | Yes, in practice.   | Board Minutes   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.i  | - overseeing / monitoring execution by management                                | √                 | Yes, in practice.   | Quarterly CEO Reports in the board packs  | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.i  | - ensuring accountability for organisational performance                         |                   | Yes, if there is under performance then people are held accountable   | Performance Reviews   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.ii   | - exercising courage in risks and opportunities                                  |                   | Yes, although specifically identifying opportunities which arise out of risk is not yet being documented  | Risk and board minutes  | √                 | This should be stated as part of the formal values statement of the organisation. An agenda item to be added to the risk pack to search for opportunities. |
|                   | Pr 1 RP1.c.iii  | - anticipating, preventing / ameliorating the negative outcomes of activities    |                   | Yes. A risk review process is part of the quarterly Risk Committee meeting cycle.   | Risk Committee Minutes  | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.iv   | - attending meetings   | √                 | Yes   | Formal attendance Registers filed with the minutes of every meeting                       | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP1.c.iv   | - preparing for meetings   | √                 | Yes - Board packs are sent out 1 week before meetings giving directors ample time to properly prepare themselves for meetings   | Board Packs   | √                 | This should be stated as part of the formal values statement of the organisation   |
|                   | Pr 1 RP 1   | Individual and collective cultivation and exhibition of accountability           |                   |   |   |                   |  |
|                   | Pr 1 RP1.d  | - willing to answer for the execution of responsibilities (also those delegated) | √                 | Yes. The required committees are all in place to assist the Board. All subcommittee decisions are conveyed back to the Board. There is no reason to believe that the doctors would shy away from responsibility | Informal Performance Reviews  | √                 |  |
|                   | Pr 1 RP 1   | Individual and collective cultivation and exhibition of fairness:                |                   |   |   |                   |  |
|                   | Pr 1 RP 1.e.i   | - adopting a stakeholder-inclusive approach                                      |                   | Yes. All stakeholder relationships are indirectly assessed of each Board meeting and indirectly managed through processes and practices.  | Integrated Annual Report  | √                 | This should be stated as part of the formal values statement of the organisation.  |

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

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|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference  | Recommended practice  | Role of the Board   |   | Board commentary  | Supporting documentation   | How well applied?                          |   | Additional notes / actions   |
|---|---|---|---|---|--|--|---|--|
| Pr 1 RP 1.e.ii  | - not adversely affecting the natural environment, society or future generations            |   | v | Yes. A sustainability report is compiled annually commenting on measures taken to reduce the environmental impact of the organisation's activities.   | Integrated Annual Report   | v  |   | The Group has minimal impact on the environment. Adequate procedures are in place to comply with the legislation   |
| Pr 1 RP 1   | Individual and collective cultivation and exhibition of transparency:                       |   |   |   |  |  |   |  |
| Pr 1 RP 1.f.  | - exercising governance role and responsibilities transparently                             |   | v | Yes. The policies adopted by the Board and practices are based on transparency. Disclosures are also made in the Integrated Annual Report   | Integrated Annual Report; King IV disclosures, JSE Listing Requirements compliance checklist | v  |   | This should be stated as part of the formal values statement of the organisation.  |
| Pr 1 RP 2   | Governing body embodies the above characteristics:  |   |   |   |  |  |   |  |
| Pr 1 RP 2   | - to offer effective leadership   | v   |   | Yes. In practice  |  | v  |   | This should be stated as part of the formal values statement of the organisation. The Board evaluation should be formalised and require specific replies to statements relating to the collective and individual exhibition of integrity, competence, responsibility, accountability and transparency. |
| Pr 1 RP 2   | - to achieve strategic objectives over time   |   | v | Yes. In practice  |  | v  |   | This should be stated as part of the formal values statement of the organisation. The Board evaluation should be formalised and require specific replies to statements relating to the collective and individual exhibition of integrity, competence, responsibility, accountability and transparency. |
| Pr 1 RP 2   | - to achieve positive outcomes over time  |   | v | Yes. In practice  |  | v  |   | This should be stated as part of the formal values statement of the organisation. The Board evaluation should be formalised and require specific replies to statements relating to the collective and individual exhibition of integrity, competence, responsibility, accountability and transparency. |
| Pr 1 RP 3   | Holding the governing body and its members to account for ethical and effective leadership: |   |   |   |  |  |   |  |
| Pr 1 RP 3   | - implemented arrangements such as codes of conduct, performance reviews, etc.              |   | v | There are formal performance reviews of staff. Board members and senior executives are not formally evaluated   | Staff Policies; Performance Reviews  | v  |   | RemCo do a formal assessment of the CEO, the audit committee do a formal evaluation of the CFO. The CEO does a formal evaluation of all executive directors  |
| Pr 1 RP 3   | - disclosed the arrangements  | v   |   | Yes. The Board evaluation process is disclosed as well as compliance with legislation, the King Code and JSE Listing Requirements. The chairman is adamant that, if you are not performing, you will know about it. | Integrated Annual Report   | v  |   | Consideration be given for formal Board committee evaluations, board member evaluations and senior executive evaluations.  |
| <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>  |   | The Board assesses itself and its individual members annually through an informal evaluation process with a view to improving its leadership qualities. Individual members of the Board are also held accountable for their leadership performance by the board against the results and performance reviews. The Board as adopted and implemented policies and procedures to govern the ethics of the organisation and is satisfied that its practices otherwise prove ethical and effective leadership through the collective and the individual behaviours of all of its members. |   |   |  | <b>OVERALL APPLICATION OF PRINCIPLE 1:</b> |   |  |
| <b>ORGANISATIONAL ETHICS</b>  |   |   |   |   |  |  |   |  |
| <b>Principle 2:</b> The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. |   |   |   |   |  |  |   |  |
| Pr 2 RP 4   | Direction set for how ethics should be approached and addressed                             |   | v | Yes. Policies have been adopted and an active Social & Ethics Committee is in operation. This Committee meets and reports to the Board bi-annually  | Ethics and Code of Conduct Policy; Committee Charter   | v  |   | BEE and transformation is specifically addressed in the Risk Committee. Also an agenda item on Social & Ethics committee to drive transformation.  |
| Pr 2 RP 5   | Codes of conduct and ethics policies approved   |   | v | Yes.  | Ethics Policy  | v  |   |  |
| Pr 2 RP 6   | Codes of conduct and ethics policies:   |   |   |   |  |  |   |  |
| Pr 2 RP 6.a.  | - encompass interaction with internal and external stakeholders and broader society         |   | v | Yes   | Ethics Policy  | v  |   |  |
| Pr 2 RP 6.b.  | - address key ethical risks.  | v   |   | Yes, in principle   | Ethics Policy  | v  |   |  |
| Pr 2 RP 7   | Arrangements to familiarise employees and other stakeholders with ethical standards:        |   |   |   |  |  |   |  |
| Pr 2 RP 7.a.  | - published on the website or other platforms or media                                      |   | v | Yes, in part. The policy is available on the intranet and the company websites  |  | v  |   |  |
| Pr 2 RP 7.b.  | - incorporated by reference in supplier contracts   |   |   | No  |  |  | v | A supplier "Ethics" policy and review process is still to be developed and rolled out. Auditing ethics in China is very challenging  |
| Pr 2 RP 7.b.  | - incorporated by reference in employee contracts   |   | v | Yes.  | Employee contracts   | v  |   |  |
| Pr 2 RP 7.c.  | - included in employee induction programmes   |   | v | Yes.  | Induction manual   | v  |   |  |

**ARB Holdings Limited**  
King 4 implementation analysis



| King 4 Reference   | Recommended practice  | Role of the Board   | Board commentary   | Supporting documentation   | How well applied? | Additional notes / actions  |  |
|--|---|---|--|--|-------------------|---|--|
| Pr 2 RP 7.c.   | - included in employee training programmes  |   | No   |  | √                 | Consider introducing into the training programs (such as the "Optima training program")   |  |
| Pr 2 RP 8  | Responsibility delegated for implementing and executing codes of conduct and ethics policies  | √   | Yes. This has been delegated to the Social and Ethics Committee which reports back to the Board on implementation and execution of the policies by management.   | Social & Ethics Committee Charter  | √                 |   |  |
| Pr 2 RP 9  | Ongoing oversight of the management of ethics   | √   | Yes. The Social & Ethics Committee meets bi-annually to address its agenda and submits reports to the Board for review.  | Social & Ethics committee minutes and the Board Minutes. Fraud register. Written confirmation of ethics compliance by all managers ever year. Tip-off line available to all. | √                 | Internal Audit have this on their Radar and report back the Risk Committee as required,   |  |
| Pr 2 RP 9  | Ethical standards:  |   |  |  |                   |   |  |
| Pr 2 RP 9.a.   | - used in recruitment, performance evaluation and reward of employees   | √   | Yes, in practice.  |  | √                 | The relevant policies should be revised to state the application of ethical standards   |  |
| Pr 2 RP 9.a.   | - used in sourcing of suppliers   | √   | Yes, in practice.  |  | √                 | A supplier "Ethics" policy and review process is still to be developed and rolled out .   |  |
| Pr 2 RP 9.b.   | - sanctions and remedies in place when ethical standards are breached   | √   | Yes.   | Ethics Policy:   | √                 | Fraud reported to board level. People have been fired for fraud. A "Code of Conduct Policy" to be developed and implemented.  |  |
| Pr 2 RP 9.c.   | - protected disclosure or whistle-blowing mechanisms in place   | √   | Yes. The function is managed by the internal audit department which the Board believes to be independent (enough)  | Whistle-Blowing Policy   | √                 |   |  |
| Pr 2 RP 9.c.   | - protected disclosure or whistle-blowing dealt with appropriately  | √   | Yes. Regular reports are submitted to the Social & Ethics Committee for review and any action minuted. Exceptions are included in the Social & Ethics report back to the main Board  | Whistle-Blowing Policy, Social & Ethics pack and minutes   | √                 |   |  |
| Pr 2 RP 9.d.   | - periodic independent assessments to monitor adherence by employees and other stakeholders   |   | No - Social & Ethics Committee formal decision to manage on an 'as reported exception basis'   | Fraud register in Risk & Audit Committee packs.  | √                 | Group not big enough to warrant this  |  |
| Pr 2 RP 10   | Disclosure of (iro organisational ethics)   |   |  |  |                   |   |  |
| Pr 2 RP 10.a   | - an overview of the arrangements for governing and managing ethics   | √   | Yes.   | Integrated Annual Report   | √                 |   |  |
| Pr 2 RP 10.b   | - key areas of focus during reporting period  |   | No   | Integrated Annual Report   | √                 | Dealt with on an 'as and when needed' basis   |  |
| Pr 2 RP 10.c   | - measures taken to monitor ethics and how outcomes were addressed  |   | No - Social & Ethics Committee formal decision to manage on an 'as reported exception basis'   | Integrated Annual Report   | √                 | Group not big enough to warrant further changes at this stage.  |  |
| Pr 2 RP 10.d   | - planned areas of future focus   |   | NO, not specifically identified and reported on.   |  | √                 | Group not big enough to warrant further changes at this stage.  |  |
| <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |   | The Board has set the tone for organisational ethics through the adoption of appropriate governing policies and has delegated the responsibility for monitoring organisational ethics to its Social & Ethics Committee. A semi-independent whistle-blowing hotline exists and any incidents reported will be investigated by the Social & Ethics Committee and the recommended actions will be taken. An area of future focus will be the incorporation of King IV Code (TM) values into the proposed 'Values Statement' of the organisation. The Board is satisfied that the awareness of ethical requirements are adequate and its processes effective. |  |  |                   | <b>OVERALL APPLICATION OF PRINCIPLE 2:</b>  |  |
| <b>RESPONSIBLE CORPORATE CITIZENSHIP</b>   |   |   |  |  |                   |   |  |
| <b>Principle 3:</b> The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. |   |   |  |  |                   |   |  |
| Pr 3 RP 11   | Direction set for how corporate citizenship should be approached and addressed  | √   | Yes, in practice   | Integrated Annual Report   | √                 | This should be part of the formal values statement of the organisation.   |  |
| Pr 3 RP 12   | Processes for compliance with the Constitution of South Africa, the law, leading standards and adherence to its own codes and policies. | √   | Yes. Internal Audit audits Safety, Health and Environmental compliance as part of its audit process. An annual compliance certificate is obtained from all holding and subsidiary company directors by the Company Secretary and is reported on to the Board. The external auditors, Sponsors and Company Secretary also provide relevant guidance where required. | Board Annual Work Plan; Board Packs; Board Agenda; Board Minutes   | √                 | Very experienced board with diverse skills. Consideration be given for a more thorough "Legal Compliance" audit process to be developed and rolled out                    |  |
| Pr 3 RP 13   | Core purpose and values, strategy and conduct are congruent with being a responsible corporate citizen.                                 | √   | Yes, in practice.  | Integrated Annual Report   | √                 | This should be part of the formal values statement of the organisation.   |  |
| Pr 3 RP 14   | Ongoing monitoring of how consequences of activities and outputs affect status.   | √   | Yes, in principal and in general. There is no formal list of activities and outputs.   | Board Minutes; Social & Ethics Committee Minutes   | √                 | A list of all the outputs of the organisation from its activities should be drawn up and the consequences of its activities and outputs on its status should be monitored |  |

**ARB Holdings Limited**  
King 4 implementation analysis



| King 4 Reference  | Recommended practice   | Role of the Board | Board commentary   | Supporting documentation                            | How well applied? | Additional notes / actions   |
|---|--|-------------------|--|---|-------------------|--|
| Pr 3 RP 14  | Management measures and targets  |                   |  |   |                   |  |
| Pr 3 RP 14.a  | - workplace (employment equity, fair remuneration, employee safety, health, dignity, development, etc.)                                  |                   | Employment equity plan developed and filed with the department of labour. Monitored by the Social & Ethics committee.  |   | √                 |  |
| Pr 3 RP 14.b  | - economic (economic transformation, prevention, detection / response to fraud / corruption, responsible / transparent tax policy, etc.) |                   | RemCo drives that junior staff get more increase than the Senior staff, review and uplift the minimum pay levels. 2019 special increase by Chairman to junior black staff.   |   | √                 |  |
| Pr 3 RP 14.c  | - Society (public health and safety, consumer protection, community development, protection of human rights, etc.)                       |                   | No.  |   | √                 | Group not big enough to warrant changes at this stage.   |
| Pr 3 RP 14.d  | - environment (pollution, waste disposal, biodiversity, etc.)  |                   | No.  |   | √                 | Group not big enough to warrant changes at this stage.   |
| Pr 3 RP 15  | Disclosure of (iro responsible corporate citizenship):   |                   |  |   |                   |  |
| Pr 3 RP 15.a  | - an overview of the arrangements for governing and managing corporate citizenship   |                   | Yes, in part. Will be improved in future Integrated Annual Reports as processes are rolled out to better achieve these.  | Integrated Annual Report                            | √                 |  |
| Pr 3 RP 15.b  | - key areas of focus during reporting period   |                   | Yes, in part. Will be improved in future Integrated Annual Reports as processes are rolled out to better achieve these.  | Integrated Annual Report                            | √                 |  |
| Pr 3 RP 15.c  | - measures taken to monitor corporate citizenship and how outcomes were addressed  |                   | Yes, in part. Will be improved in future Integrated Annual Reports as processes are rolled out to better achieve these.  | Integrated Annual Report                            | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 3 RP 15.d  | - planned areas of future focus  |                   | Yes, in part. Will be improved in future Integrated Annual Reports as processes are rolled out to better achieve these.  | Integrated Annual Report                            | √                 | What we have is 'fit for purpose' for a Group of our size  |
|   | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |                   | <b>The Board has set the direction for how good corporate citizenship should be conducted and addressed through the adoption its governing policies and culture and has delegated the responsibility for monitoring of the corporate citizenship to its Social &amp; Ethics Committee and CEO's. The Board is satisfied that the practice of the core purpose, values and strategy of the organisation is consistent with it being a responsible corporate citizen and that it has made disclosures in the Integrated Report in this regard.</b> |   |                   | <b>OVERALL APPLICATION OF PRINCIPLE 3:</b>   |
| <b>STRATEGY AND PERFORMANCE</b>   |  |                   |  |   |                   |  |
| <b>Principle 4: The governing body should appreciate that the organisations core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process</b> |  |                   |  |   |                   |  |
| Pr 4 RP 1   | The realisation of core purpose and values have been set through strategy and are being steered.   |                   | Yes. The CEO and members of the Board steer the realisation of the core purpose and values through Board meetings. Operating Subsidiaries hold annual strategic planning sessions with senior managers. These plans are incorporated into their operation and the status and results included in their quarterly reports to the board. The prime driver of strategy is returns for shareholders  | Board Minutes, Integrated Annual Report,            | √                 | Future board packs to include documents that summarise the strategies of the individual subsidiaries and the Group CEO's own strategy for review and discussion by the board |
| Pr 4 RP 2   | Formulation and development of short, medium and long-term strategy delegated to management  |                   | Yes The Delegation of Authority matrix states that the CEO is responsible for the implementation of the Group strategy.  | Delegation of Authority matrix's                    | √                 | As above   |
| Pr 4 RP 3   | Short, medium and long-term strategy approved.   |                   | Yes. In practice, based on feedback by the Operational CEO's at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | As above   |
| Pr 4 RP 3   | Short, medium and long-term strategy challenged iro:   |                   |  |   |                   |  |
| Pr 4 RP 3.a   | - meaning of each strategy its timelines and parameters  |                   | Yes. In practice, based on feedback by the Operational CEO's at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 3.b   | - risk opportunities and other significant matters iro triple context  |                   | Yes. In practice, based on feedback by the Operational CEO's at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 3.c   | - extent of dependence of each strategy on the resources and relationships of various forms of capital                                   |                   | Yes. In practice, based on feedback by the Operational CEO's at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | The short, medium and long strategies of the organisation should be considered in terms of the six form of capital.  |
| Pr 4 RP 3.d   | - legitimate and reasonable needs, interests and expectations of material stakeholders   |                   | Yes. The material stakeholders have been identified and specific matters affecting them are debated at the annual operational level strategy sessions and any issues addressed at Board meetings.  | CEO operational reports to the Board, Board Minutes | √                 |  |
| Pr 4 RP 3.e   | - increase, decrease or transformation of the various forms of capital resulting from each strategy                                      |                   | No.  |   | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 3.f   | - interconnectivity and inter-dependence of all of the above   |                   | Yes - In practice in the debate of the CEO's reports at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 4   | Policies and operational plans of management to give effect to each strategy approved  |                   | Yes. In practice, based on feedback by the Operational CEO's at the Board meetings   | CEO operational reports to the Board, Board Minutes | √                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 4   | Key performance areas and targets of management iro each strategy approved   |                   | No   |   | √                 | Key Performance Indicators to be developed to measure the performance of the operations against agreed strategies  |
| Pr 4 RP 5   | Implementation and execution of approved policies and operational plans delegated to management  |                   | Yes. The Delegation of Authority matrix specifically delegates this to management.   | Delegation of Authority, CEO's appointment letters  | √                 |  |

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference   | Recommended practice   | Role of the Board |  |   | Board commentary   | Supporting documentation   | How well applied? |   |  | Additional notes / actions   |
|--|--|-------------------|--|---|--|--|-------------------|---|--|--|
|  |  |                   |  |   |  |  |                   |   |  |  |
| Pr 4 RP 6  | Ongoing oversight of implementation of strategy and operational plans against agreed performance measures and targets  |                   |  | v | Yes - In practice in the debate of the CEO's reports at the Board meetings   | CEO operational reports to the Board, Board Minutes  | v                 |   |  | Key Performance Indicators to be developed to measure the performance of the operations against agreed strategies  |
| Pr 4 RP 7  | Assessment and response to negative consequences of activities and outputs iro triple context and six capitals   |                   |  |   | No   |  |                   | v |  | What we have is 'fit for purpose' for a Group of our size  |
| Pr 4 RP 8  | Assessment of viability iro the six capitals, solvency and liquidity and going concern   | v                 |  |   | Yes. Solvency and liquidity are formally assessed at the interim and full year results meetings of both the Audit Committee and main Board. No. the "the six capitals" are not formally assessed, but are borne in mind when all decisions are taken   | Liquidity and solvency tests done 2x a year  | v                 |   |  |  |
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |                   |  |   | <b>The Board has considered the strategies for the operational divisions, delegated these to management and aligned the incentives of management appropriately. The Board is satisfied that the organisation's purpose are being realised and steered through strategy and regular monitoring.</b>   |  |                   |   |  | <b>OVERALL APPLICATION OF PRINCIPLE 4:</b>   |
| <b>REPORTING</b>   |  |                   |  |   |  |  |                   |   |  |  |
| <b>Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance,</b> |  |                   |  |   |  |  |                   |   |  |  |
| Pr 5 RP 9  | Direction set for how reporting should be approached and conducted   |                   |  | v | Yes. This is done actively at each Board meeting where management are requested to provide more relevant or additional information for review. The requests are minuted and management comply. The CEO oversees this process.  | Management Reports; Board Minutes;   | v                 |   |  | The informal reporting framework policy is constantly being reviewed to ensure compliance with legislation and regulations, stakeholder expectations and internal standards and practices. |
| Pr 5 RP 10   | Management's reporting framework and reporting standards approved  |                   |  | v | Yes. This is done actively at each Board meeting where management are requested to provide more relevant or additional information for review. The requests are minuted and management comply. The CEO oversees this process.  | Management Reports; Board Minutes;   | v                 |   |  | A reporting standard and reporting framework policy should be adopted.   |
| Pr 5 RP 11   | All reports meet legal requirements and / or legitimate / reasonable needs or material stakeholders (e.g. Tax, UIF / PAYE, CIPC, annual financial statements, BEE scorecard, environmental impact) | v                 |  |   | Yes. There are ongoing improvement and compliance processes at management level which monitor these requirements and a report is submitted 3 times a year to the Audit Committee and the Board. External service providers such as the External Auditors, Sponsors and the Company Secretary also provide compliance guidance when relevant. | JSE compliance check lists, Integrated report, Audit reports   | v                 |   |  |  |
| Pr 5 RP 12   | Integrated annual report issued  |                   |  |   | Yes.   | Integrated Annual Report   | v                 |   |  | Satisfactory and considered 'fit for purpose'  |
| Pr 5 RP 12   | Integrated annual report is complete, concise  | v                 |  |   | Yes.   | Integrated Annual Report   | v                 |   |  | Satisfactory and considered 'fit for purpose'  |
| Pr 5 RP 13   | Bases of determining materiality approved  |                   |  | v | Yes.   | Audit Committee Minutes; Board Minutes; Integrated report  | v                 |   |  |  |
| Pr 5 RP 14   | Integrity of external reports ensured (iro Principle 15: Assurance)  | v                 |  |   | Yes. The reports are reviewed and approved at Board meetings prior to disclosure.  | Board Minutes  | v                 |   |  | Need for external assurance formally considered annually   |
| Pr 5 RP 15   | Publication on website, other platforms or media by stakeholders   |                   |  |   |  |  |                   |   |  |  |
| Pr 5 RP 15.a   | - disclosures of materiality as envisaged by King IV Part 3: Application and Disclosure  |                   |  | v | Prior year disclosures were made in terms of King III. This will be the first year that disclosures will be made in terms of King IV Code and will continue to be an improvement project into the future   | Integrated Annual Report   | v                 |   |  |  |
| Pr 5 RP 15.b   | - integrated reports   | v                 |  |   | Yes.   | Integrated Annual Report   | v                 |   |  |  |
| Pr 5 RP 15.c   | - annual financial statements  | v                 |  |   | Yes.   | Integrated Annual Report   | v                 |   |  |  |
| Pr 5 RP 15.c   | - other external reports   | v                 |  |   | Yes, if applicable in respect of all reports required by legislation or regulation (such as various presentations to Share Holders and investment analysts, BEE reports and SENS announcements).   | Integrated Annual Reports, SENS announcements, presentations to Share Holders and investment analysts. | v                 |   |  |  |
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |                   |  |   | <b>The Board has made its integrated annual report, its annual financial statements, presentations to Share Holders and investment analysts, SENS announcements, relevant reports and any disclosures of materiality available to stakeholders through publication on its website.</b>   |  |                   |   |  | <b>OVERALL APPLICATION OF PRINCIPLE 5:</b>   |
| <b>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</b>   |  |                   |  |   |  |  |                   |   |  |  |
| <b>Principle 6: The governing body should serve as the local point and custodian of corporate governance in the organisation.</b>  |  |                   |  |   |  |  |                   |   |  |  |
| Pr 6 RP 1  | Leadership exercised by:   |                   |  |   |  |  |                   |   |  |  |



| King 4 Reference   | Recommended practice  | Role of the Board   |   | Board commentary   | Supporting documentation  | How well applied? |  |  | Additional notes / actions |  |
|--|---|---|---|--|---|-------------------|--|--|----------------------------|--|
|  |   |   |   |  |   |                   |  |  |                            |  |
| Pr 6 RP 1.a  | - organisation steered and strategic direction set  |   | v | Yes in practice. The Board reviews the reports of the operational CEO's and discusses these with hem in person at Board Meetings. Areas of risk are reported on by the CEO's to the risk Committee to support their Quarterly Risk reports. The strategy is then given effect to by the policies and procedures. | Board and Risk Committee Charters; Board Annual Work Plans and various policies                         | v                 |  |  | Report back done verbally  |  |
| Pr 6 RP 1.b  | - policy and planning approved  |   | v | Yes. In practice   | Board Minutes; Board Annual Work Plan;  | v                 |  |  |                            |  |
| Pr 6 RP 1.c  | - implementation and execution overseen and monitored   |   | v | Yes. This is achieved through the Board's committee structure, Board Annual Work Plan and structured agendas which prompt the board to oversee and monitor matters every quarter.  | Board and Committee Agendas; Board Minutes; Board Annual Work Plan; Board Committee Charters            | v                 |  |  |                            |  |
| Pr 6 RP 1.d  | - matters to promote accountability for organisational performance reported and disclosed       |   | v | Yes, when required by legislation or regulation.   | Integrated Annual Report  | v                 |  |  |                            |  |
| Pr 6 RP 2  | Board charter adopted   | v   |   | Yes.   | Board Charter   | v                 |  |  |                            |  |
| Pr 6 RP 2  | Board charter reviewed regularly  | v   |   | Yes. Annually  | Board Minutes; Board Annual Work Plan;  | v                 |  |  |                            |  |
| Pr 6 RP 3  | Protocol approved for members and committees to obtain independent external professional advice |   | v | Yes.   | Board Charter; Integrated Annual Report   | v                 |  |  |                            |  |
| Pr 6 RP 4  | Protocol approved for non-executives to requisition documentation and meet management           |   | v | Yes.   | Board Charter; Integrated Annual Report   | v                 |  |  |                            |  |
| Pr 6 RP 5  | Disclosure of (iro governing body):   |   |   |  |   |                   |  |  |                            |  |
| Pr 6 RP 5.a  | - number of meetings held and attendance  | v   |   | Yes.   | Integrated Annual Report  | v                 |  |  |                            |  |
| Pr 6 RP 5.b  | - statement of satisfaction that responsibilities fulfilled ito charter for reporting period    |   | v | Yes.   | Integrated Annual Report  | v                 |  |  |                            |  |
| <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |   | <b>The role, responsibilities and procedural conduct of the Board have been set out and approved in a Board Charter, which emphasises the Board's role as the focal point and custodian of corporate governance in the organisation. Board Sub Committee charters and various formal policies reinforce this position. The integrated annual report has disclosed meetings held and attendance at each and the Board's satisfaction in terms of meeting its responsibilities.</b> |   |  |   |                   |  | <b>OVERALL APPLICATION OF PRINCIPLE 6:</b> |                            |  |
| <b>COMPOSITION OF THE GOVERNING BODY</b>   |   |   |   |  |   |                   |  |  |                            |  |
| <b>Principle 7: Composition The governing body should comprise the appropriate balance of knowledge, skills, experience.</b> |   |   |   |  |   |                   |  |  |                            |  |
| Pr 7 RP 6  | Direction set and approved for attaining balances of composition.                               |   | v | Yes. This is a fact and is fully communicated to stakeholders in the integrated Annual Report.   | Board Appointment Policy; Board Diversity Policy  | v                 |  |  |                            |  |
| Pr 7 RP 7  | Factors considered to determine number of members   |   |   |  |   |                   |  |  |                            |  |
| Pr 7 RP 7.a  | - appropriate mix of knowledge, skills and experience   |   | v | Yes.   | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |
| Pr 7 RP 7.b  | - appropriate mix of executive, non-executive, and independent non-executive                    |   | v | Yes.   | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |
| Pr 7 RP 7.c  | - sufficient number that quality to serve on committees   | v   |   | Yes.   | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |
| Pr 7 RP 7.d  | - quorum requirements   | v   |   | Yes.   | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |
| Pr 7 RP 7.e  | - regulatory requirements   |   | v | Yes. The JSE seeks to set targets ito Racial and Gender diversity ito board composition. The Board has a policy to consider these as and when new position openings present themselves. There is no commitment to a timeline to meet these requirements.   | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |
| Pr 7 RP 7.f  | - diversity targets   |   | v | Yes. Remco has a diversity policy. New candidates are evaluated based on skills and their diversity attributes.  | Board Appointment Policy; Diversity Policy; Nomination Committee Charter; Nomination Committee Minutes; | v                 |  |  |                            |  |

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

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| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

|   | King 4 Reference           | Recommended practice   | Role of the Board |   | Board commentary   | Supporting documentation  | How well applied? |   | Additional notes / actions   |  |
|---|----------------------------|--|-------------------|---|--|---|-------------------|---|--|--|
| Nomination, election and appointment of members to the governing body | Pr 7 RP 8                  | Majority of non-executives, most of whom are independent                                       | √                 |   | Yes.   | Integrated Annual Report  | √                 |   |  |  |
|   | Pr 7 RP 9                  | CEO and one other executive is appointed to governing body                                     | √                 |   | Yes.   | CIPC; Integrated Annual Report                                    | √                 |   |  |  |
|   | Pr 7 RP 10                 | Diversity of attributes promoted   |                   | √ | Yes.   | Board Appointment Policy; Diversity Policy                        | √                 |   | The diversity of attributes should be addressed in terms of the Diversity Policy when vacancies open up. We are not lacking in any skill or knowledge in terms of decision making that race or gender will improve at this stage |  |
|   | Pr 7 RP 11                 | Targets set for race and gender representation   |                   | √ | Yes.   | Diversity Policy  | √                 |   |  |  |
|   | Pr 7 RP 12                 | Staggered rotation of members set  | √                 |   | Yes. One-third of non-executive directors retire by rotation of each AGM.  | MOI   | √                 |   |  |  |
|   | Pr 7 RP 13                 | Succession plan established  |                   | √ | NO. No Board skills matrix is in place for non-executive directors.  |   |                   | √ | we do not intend to develop a succession plan for the board  |  |
|   | Pr 7 RP 14                 | Nomination of candidates approved  | √                 |   | Yes. The Board has the final say on the appointment of candidates nominated by the Nominations Committee   | Board Appointment Policy; Board Minutes                           | √                 |   |  |  |
|   | Pr 7 RP 15                 | Formal and transparent processes for nomination, election and appointment                      |                   | √ | Yes.   | Board Charter; Board Appointment Policy;                          | √                 |   |  |  |
|   | Pr 7 RP 16                 | The following considered before nomination:  |                   |   |  |   |                   |   |  |  |
|   | Pr 7 RP 16.a               | - the collective knowledge, skills and experience required                                     |                   | √ | Yes, in practice.  |   | √                 |   | A Board skills matrix should be drawn up to assist with the consideration of the appropriate factors.  |  |
|   | Pr 7 RP 16.b               | - diversity  |                   | √ | Yes. This is in terms of JSE Listing Requirements  | Diversity Policy;   | √                 |   |  |  |
|   | Pr 7 RP 16.c               | - candidate meets the appropriate fit and proper criteria                                      | √                 |   | Yes, in practice.  |   | √                 |   | A Board skills matrix should be drawn up to assist with the consideration of the appropriate factors.  |  |
|   | Pr 7 RP 17                 | Performance and attendance considered before nomination for re-election                        | √                 |   | Yes. These are considered by the Nomination Committee and disclosed in the Integrated Annual Report for consideration by the shareholders at the AGM.  | Nominations Committee Minutes; Integrated Annual Report;          | √                 |   |  |  |
|   | Pr 7 RP 18                 | Non-executive candidates have provided details of commitments and confirmation of availability |                   | √ | Yes - All directors have confirmed their time availability to perform there duties. All directorships have been declared. Conflicts of interests have been declared  |   | √                 |   | The Board is satisfied with its current informal process.  |  |
|   | Pr 7 RP 19                 | Independent investigation of candidates background and qualification before nomination         |                   | √ | Yes. The Board is satisfied that only individuals with verifiable character references / track records are submitted to the Nominations Committee for consideration.   |   | √                 |   | Copies of relevant documentation to be retained on personnel records file  |  |
|   | Pr 7 RP 20                 | Professional profile and commitments of each candidate in AGM notice                           | √                 |   | Yes.   | AGM Notice, Integrated Report                                     | √                 |   |  |  |
|   | Pr 7 RP 20                 | Statement in AGM notice confirming support for election or re-election                         | √                 |   | Yes.   | AGM Notice  | √                 |   |  |  |
|   | Pr 7 RP 21                 | Formal letter of appointment for each member   | √                 |   | Yes  | Formal appointment letter. Consent to Appointment                 | √                 |   |  |  |
|   | Pr 7 RP 22                 | Incoming members inducted  | √                 |   | Yes  |   | √                 |   |  |  |
|   | Pr 7 RP 23                 | Members with limited governance experience mentored and training encouraged                    |                   | √ | Yes, if and when applicable. The Board experienced and competent and governance insights relevant to the industry are regularly provided by the Sponsor and Company Secretary. The Company Secretary would identify such a person and recommend mentoring and / or training if required. |   |                   | √ |  |  |
|   | Pr 7 RP 24                 | Programme provided for professional development, briefings on governance and risks             |                   |   | NO. Directors are all experienced business men with other board memberships and networks into industry. The Lead Independent Director presents courses on this and will coach directors if required.   |   |                   | √ | This will be done where applicable. Group too small and directors sufficiently experienced and current practice considered adequate  |  |
|   | Pr 7 RP 25                 | Annual declaration of financial, economic and other interests held by each member              | √                 |   | Yes. There is formal process in place where interests of Directors are formally included in a register of interests and changes to this is formally confirmed that the start of every board meeting.   | Declaration of Interests Register; Minutes of every Board meeting | √                 |   |  |  |
|   | Independence and conflicts |  |                   |   |  |   |                   |   |  |  |

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

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| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference | Recommended practice  | Role of the Board | Board commentary  | Supporting documentation  | How well applied? | Additional notes / actions |
|------------------|---|-------------------|---|---|-------------------|----------------------------|
| Pr 7 RP 26       | Requirement for declaration of any conflicts of interest at the commencement of any meeting           | ✓                 | Yes. This is a standard agenda item for the Board.  | Board Agenda  | ✓                 |                            |
| Pr 7 RP 26       | Proactive management of any conflicts of interest at any meeting                                      | ✓                 | Yes. Conflicts of interest are declared in advance of any discussion and directors proactively recuse themselves from discussions where they are conflicted.  | Board Minutes   | ✓                 |                            |
| Pr 7 RP 27       | Correct categorisation of non-executives as independents  | ✓                 | Yes. The independence of non-executive directors is assessed by the Lead Independent Director (LID) and the Company Secretary and considered by the external auditors annually.                       | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 28       | The following considered before categorisation as an independent                                      |                   |   |   |                   |                            |
| Pr 7 RP 28.a     | - is or is related to a significant provider of financial capital or funding                          | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule                          | ✓                 |                            |
| Pr 7 RP 28.b     | - participates in the share-based incentive scheme  | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.c     | - owns securities in the company material to personal wealth  | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.d     | - employed as or related to an executive in the organisation within the last three FYE                | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.e     | - designated external auditor or key member of external audit team within the last three FYE          | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.f     | - significant or ongoing professional advisor to the organisation                                     | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.g     | - member or executive of a significant customer or supplier   | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.h     | - member or executive of a related party  | ✓                 | Yes.  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 28.i     | - remuneration is contingent on performance of the organisation                                       | ✓                 | Yes. No remuneration of the Non Executive directors' is contingent on the results if the company  | Declarations of Interest Reports; Director Trades Schedule; External Auditor's Test | ✓                 |                            |
| Pr 7 RP 29       | Independent assessment carried out after nine years and every year thereafter                         | ✓                 | Yes. After 9 years of service, the continued appointment of these directors is formally considered by the Nominations Committee in the year the applicable independent director retires by rotation,  | Minutes of Nomination Committee meeting   | ✓                 |                            |
| Pr 7 RP 30       | Following disclosed (iro composition)   |                   |   |   |                   |                            |
| Pr 7 RP 30.a     | - satisfied with appropriate mix of knowledge, skills, experience, diversity and independence         | ✓                 | Yes, in principle.  | Integrated Annual Report  | ✓                 | As per diversity policy    |
| Pr 7 RP 30.b     | - gender and race representation targets and progress against targets                                 | ✓                 | Yes.  | Integrated Annual Report  | ✓                 | As per diversity policy    |
| Pr 7 RP 30.c     | - categorisation of executive or non-executive  | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 30.d     | - categorisation of non-executive as independent and statement for those serving more than nine years | ✓                 | Yes. After 9 years of service, the continued independence of these directors is formally considered by the Nominations Committee in the year the applicable independent director retires by rotation, |   | ✓                 |                            |
| Pr 7 RP 30.e     | - qualifications and experience of each member  | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 30.f     | - period of service on the governing body of each member  | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 30.g     | - age of each member  | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 30.h     | - other governing body and professional positions held by each member                                 | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |                            |
| Pr 7 RP 30.i     | - reasons why a member has been removed, resigned or retired  | ✓                 | Yes, if ever applicable   | SENS  |                   | ✓                          |
| Pr 7 RP 31       | Independent non-executive elected as chairman   |                   | NO. The majority share holder is the Chairman of the Board  | Integrated Report   |                   | ✓                          |



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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

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| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference                          | Recommended practice  | Role of the Board | Board commentary  | Supporting documentation  | How well applied? | Additional notes / actions  |
|---|---|-------------------|---|---|-------------------|---|
| Pr 7 RP 32                                | Lead independent non-executive appointed  | ✓                 | Yes.  | Integrated Report. Lead Independent Director Charter            | ✓                 |   |
| Pr 7 RP 32.a                              | Lead independent LED performance appraisal of chairman  | ✓                 | Yes. Informally   | Informal Board Evaluations                                      | ✓                 |   |
| Pr 7 RP 33                                | Role, responsibilities and term of office of chairman documented  | ✓                 | Yes, partially - We have a board charter which is clear. In practice the Chairman has been involved with the Group for 35 years and has vast knowledge of the requirements of the majority of the shareholders. There is no term of office limitation for the Chairman  | MOI; Board Charter  | ✓                 | There is currently no intention of developing a document limiting the term of office for the Chairman |
| Pr 7 RP 33                                | Role, responsibilities and term of office of lead independent documented  | ✓                 | Yes. For roles and responsibilities, NO for "term" this will be assessed annually by the Chairman   | Lead Independent Director Charter                               | ✓                 |   |
| Pr 7 RP 34                                | chairman not CEO and retired CEO not chairman until three FYE   | ✓                 | Yes.  |   | ✓                 |   |
| Pr 7 RP 35                                | Number of outside professional positions to be held by chairman determined  | ✓                 | Yes. The L.I.D measures the time, availability and commitment in carrying out his duties as a director  |   | ✓                 |   |
| Pr 7 RP 36                                | The following considered generally (iro chairman)   |                   |   |   |                   |   |
| Pr 7 RP 36.a                              | - not on audit committee  | ✓                 | Yes.  | Integrated Report. Committee Composition Schedule               | ✓                 |   |
| Pr 7 RP 36.b                              | - not to be chairman of remuneration committee  | ✓                 | Yes.  | Committee Composition Schedule                                  | ✓                 |   |
| Pr 7 RP 36.c                              | - should be on nomination committee   | ✓                 | Yes. The chairman of the Board is the chairman of the Nominations Committee   | Committee Composition Schedule                                  | ✓                 |   |
| Pr 7 RP 36.e                              | - not to be chairman of social and ethics committee   | ✓                 | Yes.  |   | ✓                 |   |
| Pr 7 RP 37                                | Succession plan for chairman in place   |                   | No.   |   | ✓                 | Don't believe we need it. Dominant Shareholder Chairman and Lead Independent Director exists          |
| Pr 7 RP 38                                | Following disclosed (iro the chairman)  |                   |   |   |                   |   |
| Pr 7 RP 38.a                              | - considered to be independent  |                   | Not applicable  | Integrated Annual Report  |                   | ✓   |
| Pr 7 RP 38.b                              | - appointment or not of lead independent and role and responsibility  | ✓                 | Yes.  | Integrated Annual Report  | ✓                 |   |
|   | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN</b>   |                   | <b>The Board considers its composition in terms of the balance of its members annually. This is done in conjunction with inputs from the Nomination Committee and the informal evaluation processes conducted at Board and Committee level. The Integrated annual report has disclosed all recommended matters. The Board is further satisfied that has an appropriate balance of knowledge, skills, experience and independence. A diversity policy is in place for future appointments.</b> |   |                   | <b>OVERALL APPLICATION OF PRINCIPLE 7:</b>  |
| <b>COMMITTEES OF THE GOVERNING BODIES</b> |   |                   |   |   |                   |   |
| <b>Principle 8:</b>                       | <b>GENERAL</b><br>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 |                   |   |   |                   |   |
| Pr 8 RP 39                                | Judgement exercised for, if and when to delegate to individuals, members or committees  | ✓                 | Yes. All compulsory committees are in place. The Board has considered its structure and is satisfied with its delegation and committee structured. A formal Delegation of Authority document is approved by the board delegating specific levels of authority the line executives on the Group. Some aspects of delegation of authority may need expanding.   | Delegation of Authority matrix; Board and Committee Evaluations | ✓                 | Board is happy with financial KPI's. Non financial KPI's are not considered necessary at this stage,  |
| Pr 8 RP 40                                | Responsibilities fulfilled where no delegation was effected   | ✓                 | Yes.  | Board Evaluation  | ✓                 |   |
| Pr 8 RP 41                                | Delegation to individuals or members approved   | ✓                 | Yes, in principle although some delegated functions need to be expanded on.   | Delegation of Authority matrix; Board and Committee Evaluations | ✓                 | Board is happy with financial KPI's. Non financial KPI's are not considered necessary at this stage,  |
| Pr 8 RP 41                                | Delegation to individuals or members in writing and stating nature / extent of responsibilities, decision-making authority, duration and reporting  | ✓                 | Yes, in principle although some delegated functions need to be expanded on.   | Delegation of Authority matrix; Board and Committee Evaluations | ✓                 | Board is happy with financial KPI's. Non financial KPI's are not considered necessary at this stage,  |
| Pr 8 RP 42                                | Committees have formal terms of reference   | ✓                 | Yes.  | Committee Charters  | ✓                 |   |
| Pr 8 RP 42                                | Committees terms of reference approved and reviewed annually by governing body  | ✓                 | Yes.  |   | ✓                 |   |
| Pr 8 RP 43                                | Minimum contents of reference for committees;   |                   |   |   |                   |   |
| Pr 8 RP 43.a                              | - composition   | ✓                 | Yes.  | Committee Charters  | ✓                 |   |
| Pr 8 RP 43.a                              | - criteria for appointment of non-governing body members  | ✓                 | Yes, in general. Specific criteria not set.   |   | ✓                 | Specific criteria need to be set and approved for each Committee.                                     |
| Pr 8 RP 43.b                              | - overall role and associated responsibilities and functions  | ✓                 | Yes.  | Committee Charters  | ✓                 |   |
| Pr 8 RP 43.c                              | - delegated authority with respect to decision making   | ✓                 | Yes.  | Committee Charters  | ✓                 |   |
| Pr 8 RP 43.d                              | - tenure of committee   | ✓                 | Yes.  | Committee Charters  | ✓                 | The tenure of each Committee is set as "ongoing"  |

**ARB Holdings Limited**  
King 4 implementation analysis

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

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| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference | Recommended practice  | Role of the Board | Board commentary  | Supporting documentation                                      | How well applied? | Additional notes / actions  |
|------------------|---|-------------------|---|---|-------------------|---|
| Pr 8 RP 43.e     | - when and how committee should report to governing body and others                                       | √                 | Yes. At the next full Board meeting (and the minutes of these meetings are included in the Board packs)   | Committee Charters  | √                 |   |
| Pr 8 RP 43.f     | - access to resources and information   | √                 | Yes.  | Committee Charters  | √                 |   |
| Pr 8 RP 43.g     | - meeting procedures  | √                 | Yes.  | Committee Charters  | √                 |   |
| Pr 8 RP 43.h     | - arrangements for evaluating committee performance   | √                 | No. Done annually some formally, some informally.   | Committee Charters  | √                 | Satisfactory and considered 'fit for purpose'   |
| Pr 8 RP 44       | Considered allocation of roles and responsibilities across committees                                     |                   |   |   |                   |   |
| Pr 8 RP 44.a     | - effective collaboration, timing and functioning of committee meetings                                   | √                 | Yes.  | Annual Meeting Plan; Committee Work Plans;                    | √                 |   |
| Pr 8 RP 44.b     | - defined roles of committees in cases of joint jurisdiction  |                   | No.   |   | √                 | There is a high degree of cross membership on all board committees which ensures work not duplicated        |
| Pr 8 RP 44.c     | - balanced distribution of power  | √                 | Yes. The Nominations Committee reviews the composition of the Board and Committees on an annual basis and makes recommendations to the Board. Formal criteria need to be set, including those to ensure a balance of power. | Nominations Committee Minutes, Board Minutes                  | √                 | Don't believe that a Board skills matrix is practical. This is done informally when appointing new members. |
| Pr 8 RP 45       | Ensured that each committee has knowledge skills, experience and capacity                                 | √                 | Yes. The Nominations Committee reviews the composition of the Board and Committees on an annual basis and makes recommendations to the Board. Formal criteria need to be set.   | Nominations Committee Minutes, Board Minutes                  | √                 | Don't believe that a Board skills matrix is practical. This is done informally when appointing new members. |
| Pr 8 RP 46       | Each committee has at least three members   | √                 | Yes.  | Committee Charters  | √                 |   |
| Pr 8 RP 47       | Executives and management invited as standing members or ad hoc   | √                 | Yes.  | Committee Charters  | √                 |   |
| Pr 8 RP 48       | Every member of governing body can attend / participate at any committee meeting as an observer           | √                 | Yes.  | Committee Charters  | √                 |   |
| Pr 8 RP 48       | Committee meeting observers do not vote or get fees without governing body and shareholder approval       | √                 | Yes, in practice  |   | √                 | All Committee Charters should be revised to state this practice   |
| Pr 8 RP 49       | Governing body has applied its mind to committee and delegated reports                                    | √                 | Yes. The Board reviews and considers reports from all the Committees quarterly.   | Board Minutes   | √                 |   |
| Pr 8 RP 50       | Each committee has disclosed the following:   |                   |   |   |                   |   |
| Pr 8 RP 50.a     | - overall role and associated responsibilities and functions  | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 50.b     | - composition and members' experience and qualifications  | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 50.c     | - any external advisors who regularly attended meetings   | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 50.d     | - key areas of focus during reporting period  | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 50.e     | - number of meetings held during reporting period and attendance  | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 50.f     | - statement of satisfaction that responsibilities fulfilled its terms of reference for reporting period   | √                 | Yes.  | Integrated Annual Report                                      | √                 |   |
| Pr 8 RP 51       | Committee established   | √                 | Yes.  | Committee Charter   | √                 |   |
| Pr 8 RP 51       | Committee provided independent oversight of:  |                   |   |   |                   |   |
| Pr 8 RP 51.a     | - effectiveness of combined assurance arrangements  | √                 | Yes. This is done annually in terms of the Committee's Board Annual Work Plan.  | Committee Charter; Combined assurance plan, Committee Minutes | √                 | What we have is 'fit for purpose' for a Group of our size   |
| Pr 8 RP 51.b     | - integrity of AFS and other reports (if delegated)   | √                 | Yes. This is done annually in terms of the Committee's (Board) Annual Work Plan.  | Committee Charter; Committee Minutes                          | √                 |   |
| Pr 8 RP 52       | Committee accountable for its statutory duties  | √                 | Yes.  | Committee Charter   | √                 |   |
| Pr 8 RP 53       | Committee satisfied with time dedicated to risk governance (if delegated)                                 | √                 | Yes. The Committee agendas are structured to address risk items appropriately and adequately.   | Committee Agenda; Committee Minutes;                          | √                 |   |
| Pr 8 RP 54       | Financial and other integrity risks in external reports overseen  | √                 | Yes. This is done annually in terms of the Committee's Board Annual Work Plan.  | Committee Agenda; Committee Minutes;                          | √                 |   |
| Pr 8 RP 55       | Members as a whole have the necessary financial literacy, skills and experience                           | √                 | Yes. The Nominations Committee reviews the composition of the Board and Committees on an annual basis and makes recommendations to the Board. Formal criteria need to be set.   |   | √                 | Don't believe that a Board skills matrix is practical. This is done informally when appointing members.     |
| Pr 8 RP 56       | All members are independent non-executive members of the governing body                                   | √                 | Yes.  | Integrated Report   | √                 |   |
| Pr 8 RP 57       | chairman is an independent non-executive appointed by governing body                                      |                   | No. Chairman is the controlling share holder  | Committee Charter   |                   | √ Lead independent Director is appointed and deals with issues as and when they arise                       |
| Pr 8 RP 58       | The Committee has met once with internal audit and external audit respectively with no management present | √                 | Yes. This is done annually in terms of the Committee's Board Annual Work Plan.  | Committee Agenda; Committee Minutes;                          | √                 |   |
| Pr 8 RP 59       | Disclosed the following (to external audit)   |                   |   |   |                   |   |

Audit committee



| King 4 Reference   | Recommended practice  | Role of the Board  | Board commentary   | Supporting documentation  | How well applied?                    | Additional notes / actions   |  |
|--|---|--|--|---|--------------------------------------|--|--|
| Committee responsible for nominations of members of the governing body     | Pr 8 RP 59.a  | - satisfied with independence  | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.a.i  | - policy controls iro non-audit services   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.a.i  | - nature and extent of non-audit services  | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.a.ii   | - tenure   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.a.iii  | - rotation of designated partner   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.a.iv   | - changes in the organisation's management which mitigates risk of familiarity   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.b  | - significant matters ito the AFS and how these were addressed   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.c  | - views on quality of external audit using quality indicators  | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.d  | - views on effectiveness of chief audit executive  | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.d  | - views on arrangements for internal audit   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.e  | - views on effectiveness of internal financial controls and any weaknesses that resulted in financial loss   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.f  | - views on effectiveness of the CFO and finance function   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 59.g  | - arrangements for combined assurance reviews and views on their effectiveness   | √ Yes.   | Integrated Annual Report  | √                                    |  |  |
|  | Pr 8 RP 60  | Following delegated to a dedicated committee:  |  |   |                                      |  |  |
|  | Committee responsible for risk governance   | Pr 8 RP 60.a   | - process of nominating, electing and appointing members of the governing body   | √ Yes.  | Committee Charter, Integrated Report | √  |  |
| Pr 8 RP 60.b   |   | - succession planning of governing body members  | √ No. Not considered necessary given the current size of the entity and the board  | Committee Charter   | √                                    | No action intended   |  |
| Pr 8 RP 60.c   |   | - evaluation of performance of governing body  | √ Yes - informally   | Risk Committee minutes  | √                                    | Need to formalise the evaluation of the Risk Committee and the individual members  |  |
| Committee responsible for remuneration                                     | Pr 8 RP 61  | All committee members are non-executive and majority are independent   | √ Yes.   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 62  | Oversight of risk governance delegated to a dedicated committee  | √ Yes.   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 63  | Cross-membership on Audit Committees (if separate)   | √ Yes.   | Committee Charter   | √                                    | Needs to be included in the Charters of these two committees   |  |
|  | Pr 8 RP 64  | Committee members are executive and non-executive, with majority non-executive   | √ All the members are non-executive (executives are invited to relevant sections of the meeting as non-voting participants). |   | √                                    |  |  |
| Social & Ethics committee  | Pr 8 RP 65  | Oversight of remuneration delegated to a dedicated committee   | √ Yes. Managed by the Remuneration Committee   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 66  | All committee members are non-executive and majority are independent   | √ Yes. A Remuneration Committee has been established.  | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 67  | Committee chaired by independent non-executive   | √ Yes.   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 68  | Oversight corporate citizenship, sustainable development and stakeholder relationships delegated to a dedicated committee of ethics, responsible   | √ Yes. Social & Ethics Committee   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 69  | Committee accountable for its statutory duties and other delegated responsibilities  | √ Yes.   | Committee Charter   | √                                    |  |  |
|  | Pr 8 RP 70  | Committee members are executive and non-executive, with majority non-executive   | √ Yes.   | Committee Charter   | √                                    |  |  |
| <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b> |   | The Board has formally established all compulsory committees and approved all their charters. The Board has considered and reviewed its Committees and is satisfied that they experience a suitable balance of members and objective review and decision making over their affairs. The Board has considered and is satisfied with its committee structure, balance of authority across its Committees and their reporting standards. The integrated report contains appropriate governance and procedural disclosures relating to the Committees of the organisation. |  |   |                                      | <b>OVERALL APPLICATION OF PRINCIPLE 8:</b>   |  |
| <b>EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY</b>                |   |  |  |   |                                      |  |  |
| <b>Principle 9:</b>  | The governing body should ensure that the evaluation of its own performance and that of its committees, its chairman and its individual members, support continued improvement in its performance and effectiveness |  |  |   |                                      |  |  |
| Pr 9 RP 71   | Responsibility assumed its own evaluation and that of its committees, its chairman and individual members   | √ Yes.   | This is done informally on an annual basis by the Chairman of the Committee / Board  | Board and Committee Charters; Board Annual Work Plan; Board and Committee Minutes | √                                    | Formal evaluation of Board / Committees and individual members should be implemented, using self evaluation templates for committees and informal for individual members. These summaries to be included in the Nomination Committee minutes |  |

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference   | Recommended practice   | Role of the Board | Board commentary   | Supporting documentation   | How well applied? | Additional notes / actions   |
|--|--|-------------------|--|--|-------------------|--|
| Pr 9 RP 72   | Independent non-executive appointed to evaluate chairman if no lead independent  |                   | N/A there is a formally appointed Lead Independent Director.   |  | √                 |  |
| Pr 9 RP 73   | Formal, approved process used to evaluate governing body, committees, chairman and individual members at least every two years   |                   | No. This is done informally. The Board Charter and each Committee Charter provide for individual evaluations. In addition the Board Annual Work Plans and Committee Agendas are structured for this.   | Board and Committee Charters; Board Annual Work Plan; Board and Committee Evaluations; Board and Committee Minutes | √                 | Formal evaluation of Board / Committees and individual members should be implemented                       |
| Pr 9 RP 74   | Performance of governing body, committees, chairman and individual members considered, reflected and discussed every alternate year  | √                 | No. This is done informally. The Board Charter and each Committee Charter provide for individual evaluations. In addition the Board Annual Work Plans and Committee Agendas are structured for this.   | Board and Committee Charters; Board Annual Work Plan; Board and Committee Evaluations; Board and Committee Minutes | √                 | Formal evaluation of Board / Committees and individual members should be implemented                       |
| Pr 9 RP 74   | Following disclosed (iro performance of governing body)  |                   |  |  |                   |  |
| Pr 9 RP 74.a   | - description of scope, formality and facilitation of evaluations for reporting period   |                   | No   | Integrated Annual Report   | √                 | Formal evaluation of Board / Committees and individual members should be implemented                       |
| Pr 9 RP 74.b   | - overview of evaluation results and remedial actions  |                   | No   | Integrated Annual Report   | √                 | Formal evaluation of Board / Committees and individual members should be implemented                       |
| Pr 9 RP 74.c   | - statement of satisfaction ito improving performance and effectiveness  |                   | No   | Integrated Annual Report   | √                 | Formal evaluation of Board / Committees and individual members should be implemented                       |
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>   |                   | <b>Internal self evaluations performance evaluations have been carried out on the Board, its Committees and individual members. No material issues were identified and the contributions, value and participation of the Board, its chairman, Committees and members were adjudged to be satisfactory and positive. The recommended disclosures regarding this have been made in the integrated annual report. Informal performance evaluations on subcommittee chairmen and individual members done and recorded in the minutes</b> |  |                   | <b>OVERALL APPLICATION OF PRINCIPAL 9:</b>   |
| <b>APPOINTMENT AND DELEGATION TO MANAGEMENT</b>          |  |                   |  |  |                   |  |
| <b>CEO appointment and role</b>                          |  |                   |  |  |                   |  |
| <b>Principle 10: GOVERNING STRUCTURES AND DELEGATION</b> | <b>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</b> |                   |  |  |                   |  |
| Pr 10 RP 76  | CEO appointed by the governing body  | √                 | Yes.   | Board Charter; Employment Contract, Integrated Report  | √                 |  |
| Pr 10 RP 77  | CEO responsible for leading implementation of strategy, policy and operational planning  | √                 | Yes, in practice   | Key Performance Indicators   | √                 | Key Performance Indicators exist and are included in the operational reports                               |
| Pr 10 RP 77  | CEO is main link between management and governing body   | √                 | Yes.   | Board Charter; Employment Contract   | √                 |  |
| Pr 10 RP 78  | CEO is accountable to and reports to the governing body  | √                 | Yes.   | Employment Contract  | √                 | The Board Charter should be revised to reinforce this.   |
| Pr 10 RP 79  | CEO is not a member of remuneration, audit or nomination committees  | √                 | Yes.   | Committee Charters;  | √                 |  |
| Pr 10 RP 79  | CEO attended committee meetings, or part thereof, by invitation  | √                 | Yes. The CEO is a standing invitee to all Committees but is not a member of any.   | Committee Charters;  | √                 |  |
| Pr 10 RP 80  | CEO and governing body have agreed on whether the CEO can take up additional professional positions  | √                 | Yes. Group employment contract address the approval process for executives wishing to take up additional appointments.   |  | √                 | There is no formal policy of the Board regarding number, nature of other outside appointments of Directors |
| Pr 10 RP 81  | Governing body is satisfied with succession planning for CEO (emergency and long term)   | √                 | Yes.   |  | √                 | Succession planning for CEO and his replacement still needs to be formalised and documented                |
| Pr 10 RP 82  | Governing body has evaluated CEO against agreed performance measures   | √                 | Yes. In terms of the Executive incentive scheme  |  | √                 |  |
| <b>Delegation</b>  |  |                   |  |  |                   |  |
| Pr 10 RP 83  | Following disclosed (iro CEO)  |                   |  |  |                   |  |
| Pr 10 RP 83.a  | - notice period and termination conditions   | √                 | Yes. Normal 30 days notice with no conditions  |  | √                 |  |
| Pr 10 RP 83.b  | - other professional commitments   | √                 | Not applicable. Such disclosures would be made if applicable.  |  | √                 |  |
| Pr 10 RP 83.c  | - whether succession planning is in place  |                   | No.  |  | √                 | The Board should consider the appropriateness of such disclosure.  |
| Pr 10 RP 84  | Direction and parameters set of powers delegated to CEO and those reserved for itself  | √                 | Yes a formal delegation of authority matrix is in place.   | Delegation of Authority matrix   | √                 | Non-financial measures have been considered and have not been implemented.                                 |
| Pr 10 RP 85  | Delegation of authority framework approved   | √                 | Yes.   | Board Minutes  | √                 |  |

**ARB Holdings Limited**  
King 4 implementation analysis

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| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

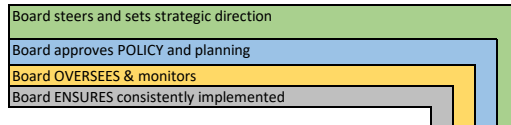
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|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

|  | King 4 Reference  | Recommended practice  | Role of the Board |   |      | Board commentary  | Supporting documentation                             | How well applied? |  |   | Additional notes / actions   |
|--|---|---|-------------------|---|------|---|--|-------------------|--|---|--|
| Professional corporate governance services of the governing body | Pr 10 RP 86   | Delegation of authority addresses <i>ex officio</i> executives                                  |                   | √ |      | Yes.  | Delegation of Authority matrix                       | √                 |  |   |  |
|  | Pr 10 RP 87   | Governing body has overseen that the key management functions are:                              |                   |   |      |   |  |                   |  |   |  |
|  | Pr 10 RP 87.a   | - headed by individuals with competence and authority   |                   | √ |      | Yes. The roles and the incumbents were all informally reviewed as part of the ongoing consideration and annual review of the Succession Plan in terms of the Board's Board Annual Work Plan.  | Board Minutes; Nominations Committee Minutes         | √                 |  |   | Need to be formally reviewed as part of the ongoing consideration and annual review as part of the formal Succession Plan, and built into terms of the Board's Board Annual Work Plan. |
|  | Pr 10 RP 87.b   | - adequately resourced  |                   | √ |      | Yes. The roles and the incumbents were all informally reviewed as part of the ongoing consideration and annual review of the Succession Plan in terms of the Board's Board Annual Work Plan.  | Board Minutes; Nominations Committee Minutes         | √                 |  |   | Need to be formally reviewed as part of the ongoing consideration and annual review as part of the formal Succession Plan, and built into terms of the Board's Board Annual Work Plan. |
|  | Pr 10 RP 88   | Governing body is satisfied that:   |                   |   |      |   |  |                   |  |   |  |
|  | Pr 10 RP 88   | - succession planning for management is in place (emergency and long term)                      |                   | √ |      | Yes. The roles and the incumbents were all informally reviewed as part of the ongoing consideration   | Board Minutes  | √                 |  |   | Need to be formally reviewed as part of the ongoing consideration and annual review as part of the formal Succession Plan, and built into terms of the Board's Board Annual Work Plan. |
|  | Pr 10 RP 88   | - succession planning for management is reviewed periodically                                   |                   | √ |      | Yes. The roles and the incumbents were all informally reviewed as part of the ongoing consideration   | Board Minutes  | √                 |  |   |  |
|  | Pr 10 RP 89   | Statement of disclosure that delegation of authority framework is clear and effective           |                   | √ |      | Yes.  | Integrated Annual Report                             | √                 |  |   | There are no 'Non financial measurement criteria' to be disclosed in the Integrated Annual report.   |
|  | Pr 10 RP 90   | Governing body has access to professional and independent advice on governance and legal issues |                   | √ |      | Yes.  | Board Charter  | √                 |  |   |  |
|  | Pr 10 RP 90   | Governing body has support to co-ordinate its functions and those of its committees             |                   | √ |      | Yes. This is provided by a Company Secretary.   | Service Contract                                     | √                 |  |   |  |
|  | Pr 10 RP 91   | Company Secretary / governance officer appointed  |                   | √ |      | Yes.  | Service Contract                                     | √                 |  |   |  |
|  | Pr 10 RP 92   | Arrangements for professional corporate governance service approved                             |                   | √ |      | Yes. This is provided by a Company Secretary.   | Board Minutes  | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
|  | Pr 10 RP 93   | Governance service is empowered and has authority   |                   | √ |      | Yes, in practice  |  | √                 |  |   |  |
|  | Pr 10 RP 94   | Governance service contract approved  |                   | √ |      | Yes. The Company Secretary is reviewed annually by the non-executive directors.   | Board Minutes  | √                 |  |   |  |
|  | Pr 10 RP 94   | Competence, gravitas and objectivity of the governance service overseen                         |                   | √ |      | Yes.  | Company Secretary Evaluation                         | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
|  | Pr 10 RP 95   | Governing body has primary responsibility for removing governance service                       | √                 |   |      | Yes, in practice  |  | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
|  | Pr 10 RP 96   | Governance service has unfettered access to governing body                                      |                   | √ |      | Yes, in practice  |  | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
|  | Pr 10 RP 96   | Company Secretary is not a member of the governing body   | √                 |   |      | Yes.  |  | √                 |  |   |  |
|  | Pr 10 RP 97   | Governance service reports to governing body via chairman on statutory duties                   |                   | √ |      | Yes, in practice  |  | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
|  | Pr 10 RP 97   | Governance service reports to designated executive on administrative and other duties           | √                 |   |      | Yes, in practice  |  | √                 |  |   | This should be formally recorded in the CoSec contract or policy or the Board Charter  |
| Pr 10 RP 98  | Governance service evaluated annually   | √   |                   |   | Yes. | Company Secretary Evaluation  | √  |                   |  |   |  |
| Pr 10 RP 99  | Arrangements to access governance service disclosed   |   |                   |   | No.  |   | √  |                   |  | This should be formally recorded in the CoSec contract or policy or the Board Charter |  |
| Pr 10 RP 99  | Effectiveness of access arrangements to governance disclosed  |   |                   |   | No.  |   | √  |                   |  | This should be formally recorded in the CoSec contract or policy or the Board Charter |  |
|  |   | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>                      |                   |   |      | <b>The Board has approved a Delegation of Authority matrix. The Board is satisfied that the organisation is adequately resourced. The CEO reports to the Board and has no extraneous work commitments and a succession plan is being put in place. An internal performance evaluation has been carried out on the Company Secretary and the Board is satisfied that the function is performing well. The required disclosures have been made in the integrated annual report.</b> |  |                   |  |   | <b>OVERALL APPLICATION OF PRINCIPLE 10:</b>  |
| <b>RISK GOVERNANCE</b>   |   |   |                   |   |      |   |  |                   |  |   |  |
| <b>Principle 11:</b>   | <b>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</b> |   |                   |   |      |   |  |                   |  |   |  |
|  | Pr 11 RP 1  | Direction set for how risk should be approached and addressed                                   |                   | √ |      | Yes. The operational CEO's update the Risk Registers on a quarterly basis and changes in this are reviewed and monitored by the Risk Committee quarterly as part of the structured agendas and approved by the Board and form part of the Board Annual Work Plan.   | Board Minutes; Risk Register; Board Annual Work Plan | √                 |  |   |  |
|  | Pr 11 RP 1  | Direction on risk governance assessed:  |                   |   |      |   |  |                   |  |   |  |

**ARB Holdings Limited**  
King 4 implementation analysis



| King 4 Reference | Recommended practice  | Role of the Board | Board commentary   | Supporting documentation                        | How well applied? | Additional notes / actions   |
|------------------|---|-------------------|--|---|-------------------|--|
| Pr 11 RP 1.a     | - opportunities and associated risks when developing strategy                             | v                 | Yes, in practice. This has been considered quarterly with the Risk reports, but not formally.  | Board Minutes; Risk Register                    | v                 | This will be added to the agenda to ensure that specific focus is placed on the opportunities presented by risks in the risk register and documented.  |
| Pr 11 RP 1.b     | - potential positive and negative effects of same risks against organisational objectives | v                 | Yes, in part. This has been considered but specific focus needs to be placed on the opportunities presented by risks in the risk register and documented.  | Board Minutes; Risk Register                    | v                 | Specific focus needs to be placed on the opportunities presented by risks in the risk register and documented.   |
| Pr 11 RP 2       | Risks treated as integral to decisions and execution of duties                            | v                 | Yes.   | Board Minutes; Risk Policy;                     | v                 |  |
| Pr 11 RP 3       | "Risk policy" approved  | v                 | Yes, in practice, as part of the discussion around the Risk Registers  | Board Minutes; Risk Policy                      | v                 | This exists in practice. We will formulate into a "Risk Policy" document for annual review at the Risk Committee meeting   |
| Pr 11 RP 4       | Following evaluated and agreed:   |                   |  |   |                   |  |
| Pr 11 RP 4.a     | - nature and extent of risks to pursue  | v                 | Yes.   | Board Minutes; Risk Register                    | v                 | The risk register records the risks that we are actively pursuing.   |
| Pr 11 RP 4.b     | - risk appetite   | v                 | Yes.   | Board Minutes; Risk Register                    | v                 | The risk register measures the impact and the probability and the Risk Committee evaluates the mitigating actions being taken by management and concludes on them being less than the "risk appetite". |
| Pr 11 RP 4.c     | - limit of potential loss which can be tolerated  | v                 | Yes.   | Board Minutes; Risk Register                    | v                 | It is difficult to put a number to this. This will depend on the specific circumstances at a point in time. The risk is scored and if not tolerable, action is recommended.                            |
| Pr 11 RP 5       | Risk management delegated to management   | v                 | Yes.   | Risk Committee and Board Minutes; Risk Register | v                 | The delegation should be formally recorded in a policy.  |
| Pr 11 RP 6       | Risk management oversight exercised iro:  |                   |  |   |                   |  |
| Pr 11 RP 6.a     | - assessment of risks and opportunities iro triple context and the six capitals           | v                 | Yes, informally  | Board Minutes;                                  | v                 | There is not a formal document that maps this to the "Six capitals" and the board believes that this is happening to a sufficient degree and to do more will just make it a "tick box" exercise.       |
| Pr 11 RP 6.b     | - assessment of potential upside presented by negative risks                              | v                 | Yes, in part. Informal consideration has been given.   | Board Minutes;                                  | v                 | Will put as a formal action item on the agenda   |
| Pr 11 RP 6.c     | - assessment of resources and relationships iro the six capitals                          | v                 | Yes, in part. Informal consideration has been given.   | Board Minutes;                                  | v                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 11 RP 6.d     | - design and implementation of risk responses   | v                 | Yes.   | Risk Register;                                  | v                 |  |
| Pr 11 RP 6.e     | - establishment and implementation of business continuity arrangements                    | v                 | Partially - Yes. Data recovery plans exist and are tested annually. There are no Disaster Recovery plans in place but as trading operations, this risk is not too significant (other than the Durban site) | Disaster Recovery Plan; Succession Plan         | v                 |  |
| Pr 11 RP 6.e     | - integration and embedding of risk management in the activities and culture              | v                 | Yes. Policies and structures are in place to ensure regular review and monitoring. CEO's personally responsible for risk management and the risk registers   | Policies; Board Minutes; Committee Minutes      | v                 |  |
| Pr 11 RP 7       | Independent assurance on effectiveness of risk management considered                      | v                 | Yes. Partially - Internal audit review the financial Risks and provide feedback quarterly. There is no external assurance on the effectiveness of the risk management process or the risks identified      | Internal Audit Reports;                         | v                 | What we have is 'fit for purpose' for a Group of our size  |
| Pr 11 RP 8       | Nature and extent of risks and opportunities disclosed                                    | v                 | Yes, when found  | Integrated Annual Report                        | v                 | King is just saying apply your mind and evaluate if there are any potential opportunities coming out of the risks. "Opportunities", if any, should also be disclosed.                                  |
| Pr 11 RP 9       | Following disclosed (iro risk):   |                   |  |   |                   |  |
| Pr 11 RP 6.a     | - overview of arrangements for governing and managing risk                                | v                 | Yes.   | Integrated Annual Report                        | v                 |  |
| Pr 11 RP 6.b     | - key areas of focus and key risks  | v                 | Yes.   | Integrated Annual Report                        | v                 |  |
| Pr 11 RP 6.b     | - undue, unexpected or unusual risks  | v                 | Yes.   | Integrated Annual Report                        | v                 |  |
| Pr 11 RP 6.b     | - risks taken outside of tolerance levels   | v                 | Yes - We have risk measures in the form of Probability times impact in the risk register and report all items in the top quadrant,   | Integrated Annual Report                        | v                 | All items in the top quadrant are disclosed in the integrated report   |
| Pr 11 RP 6.c     | - actions to monitor risk management and how outcomes were addressed                      | v                 | Yes.   | Integrated Annual Report                        | v                 |  |
| Pr 11 RP 6.d     | - areas of future focus   |                   | NO, not specifically identified and reported on in the Risk Comm report.   |   | v                 | Once identified and reported on, these will be disclosed in the Integrated Report  |



| King 4 Reference   | Recommended practice   | Role of the Board | Board commentary  | Supporting documentation | How well applied? | Additional notes / actions  |
|--|--|-------------------|---|--------------------------|-------------------|---|
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>               |                   | The Board has set the direction for how risk should be approached and has addressed this through the adoption of appropriate policies and has delegated the responsibility for monitoring risk to its Risk Committee. Risks are continually being identified, assessed, mitigated and managed through a formal review process and recorded in the risk register. Other aspects such as the potential opportunities posed by risks and formalisation of the risk policy are planned. |                          |                   | <b>OVERALL APPLICATION OF PRINCIPAL 11:</b>   |
| <b>TECHNOLOGY AND INFORMATION GOVERNANCE</b>   |  |                   |   |                          |                   |   |
| <b>Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</b> |  |                   |   |                          |                   |   |
| PR 12 RP 10  | Direction set for how technology and information should be approached and addressed      | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy. And IT Steerco will be implemented in Electrical and evaluated in Eurolux |
| PR 12 RP 11  | Technology and information policy approved   | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | IT Policy                | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 12  | Technology and information management delegated to management                            | ✓                 | Yes, in part. Information management has not yet been formally delegated.   | IT Policy                | ✓                 | The delegation of both technology and information management needs to be addressed in separate formal adopted policies  |
| PR 12 RP 13  | Oversight exercised (iro technology and information) resulting in:                       |                   |   |                          |                   |   |
| PR 12 RP 13.a  | - integration of people, technologies, information and processes across the organisation | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.b  | - integration of technology and information risks into risk management                   | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.c  | - arrangements for business resilience   | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately (to technology) in a formal adopted policy.   |
| PR 12 RP 13.d  | - intelligence monitored iro cyber attacks and social media events                       |                   | No  |                          | ✗                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.e  | - performance and risks of third party and outsourced services managed                   |                   | No  |                          | ✗                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.f  | - value delivered through technology investments assessed                                |                   | No  |                          | ✗                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.g  | - obsolete technology and information disposed of responsibly                            | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 13.h  | - ethical and responsible use of technology and information                              | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | A policy will be developed when the POPI act becomes effective. Information management needs to be addressed separately to technology in a formal adopted policy.           |
| PR 12 RP 13.j  | - compliance with relevant laws  | ✓                 | Yes, in part. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | Information management needs to be addressed separately to technology in a formal adopted policy.   |
| PR 12 RP 14  | Oversight exercised (iro technology and information) resulting in:                       |                   |   |                          |                   |   |
| PR 12 RP 14.a  | - information leveraged to sustain and enhance intellectual capital                      | ✓                 | Yes, in practice. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | What we have is 'fit for purpose' for a Group of our size   |
| PR 12 RP 14.b  | - architecture of confidentiality, integrity and availability enabled                    |                   | No  |                          | ✗                 | What we have is 'fit for purpose' for a Group of our size   |
| PR 12 RP 14.c  | - privacy and personal information protected   | ✓                 | Yes, in practice. In practice there is very limited exposure to POPI information. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | This will be put into the POPI policy and monitored on an exception basis   |
| PR 12 RP 14.d  | - security of information continually monitored  | ✓                 | There is a formal Cyber Security plan in place and is being rolled out. Information management has not yet been formally addressed and documented   | Board Minutes            | ✓                 | This was considered and what we have is considered cost effective. What we have is 'fit for purpose' for a Group of our size  |
| PR 12 RP 15  | Governing body has exercised oversight (iro technology) resulting in:                    |                   |   |                          |                   |   |
| PR 12 RP 15.a  | - architecture of achievement of strategic and operational objectives enabled            | ✓                 | Yes, in part. The existing policy has become outdated.  |                          | ✓                 | What we have is 'fit for purpose' for a Group of our size   |



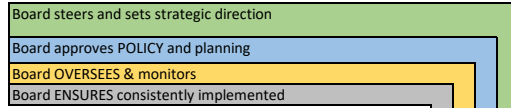
**ARB Holdings Limited**  
King 4 implementation analysis

|   |
|---|
| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

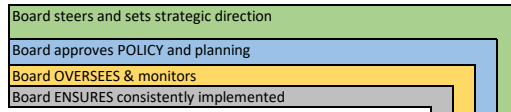
|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference   | Recommended practice  | Role of the Board | Board commentary  | Supporting documentation   | How well applied? | Additional notes / actions   |
|--|---|-------------------|---|--|-------------------|--|
| PR 12 RP 15.b  | - risks in sourcing technology managed  | v                 | Yes, in part. In the Electrical Division, this is managed by a Group Company (Xact ERP). At other subsidiaries, technology management is outsourced and a annual report is prepared and submitted to the Risk Committee for review and reported to the Board. External Auditors also do a "control environment review" and report to the Audit Committee  | IT Quarterly Report (Electrical) . Risk and Audit Committee minutes                                    | v                 | Need to get formal reports from external IT service providers again for this year  |
| PR 12 RP 15.c  | - responses to developments monitored   | v                 | Yes, in part. Xact ERP quarterly reports to the Risk Committee.   | IT Quarterly Report (Electrical)   | v                 |  |
| PR 12 RP 16  | Independent assurance on effectiveness of technology and information arrangements considered    | v                 | No. The need for external assurance was specifically reviewed by the Audit Committee and it was decided this was not a material risk and not required. This will be revisited annually. Internal Audit has been tasked to also review the IT control environment going forward  |  | v                 | The Board should objectively consider and assess the need for independent assurance of technology and information arrangements. The mandate of the internal audit function could also be revised to specifically require this. |
| PR 12 RP 17  | Following disclosed (iro technology and information):   |                   |   |  |                   |  |
| PR 12 RP 17.a  | - overview of arrangements of governing and managing technology and information                 |                   | Not in the past.  |  | v                 | The disclosure should be included in upcoming Integrated Annual Report   |
| PR 12 RP 17.b  | - key areas of focus during reporting period, policy changes, acquisitions and remedial actions |                   | Not in the past.  |  | v                 | The disclosure should be included in upcoming Integrated Annual Report   |
| PR 12 RP 17.c  | - actions to monitor effectiveness and how  |                   | Not in the past.  |  | v                 | The disclosure should be included in upcoming Integrated Annual Report   |
| PR 12 RP 17.d  | - areas of future focus   |                   | Not in the past.  |  | v                 | The disclosure should be included in upcoming Integrated Annual Report   |
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>                      |                   | <b>The Board has reviewed and is satisfied that the monitoring and management of information and technology is effectively attended to by a specialist Subsidiary Company or outsourced service providers, given the nature of the organisation's business and proportionality considerations. Business resilience is addressed through data recovery plans. The Board intends to review its technology policy in order to specifically address information management matters.</b> |  |                   | <b>OVERALL APPLICATION OF PRINCIPLE 12:</b>  |
| <b>COMPLIANCE GOVERNANCE</b>   |   |                   |   |  |                   |  |
| <b>Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen</b> |   |                   |   |  |                   |  |
| PR 13 RP 18  | Direction set for how governance and compliance should be approached and addressed              | v                 | Yes, through practice. The Audit Committee meets 3 times a year to review compliance governance and the Social & Ethics Committee reviews 'Good Corporate Citizenship' and formal reports are tabled at Board meetings for review. The Company Secretary ensures that senior executives also sign an annual 'compliance with laws' declaration.   | Audit and Social & Ethics Committee Charters, Committee Agendas and Minutes; Board Agendas and Minutes |                   | We strive to comply with every law and there is no tolerance for (material) non compliance   |
| PR 13 RP 19  | Compliance policy approved  |                   | No.   |  | v                 | A Compliance Policy should be drawn up and adopted.  |
| PR 13 RP 20  | Compliance management delegated to management   | v                 | Yes, in practice.   |  | v                 | A Compliance Policy should formally delegate this function to management   |
| PR 13 RP 21  | Oversight exercised (iro compliance) resulting in:  |                   |   |  |                   |  |
| PR 13 RP 21.a  | - obligations, rights and protections of compliance are understood                              | v                 | Yes.  | Audit, Risk and Compliance Committee Charter, Committee Agendas and Minutes; Board Agendas and Minutes | v                 |  |
| PR 13 RP 21.b  | - a holistic view of how laws, non-binding rules, codes and standards relate to one another     | v                 | Yes, in practice  | Audit, Risk and Compliance Committee Charter, Committee Agendas and Minutes; Board Agendas and Minutes | v                 | This Board (or the Audit Committee / Risk Committee) should address this recommended practice through a dedicated agenda item.   |
| PR 13 RP 21.c  | - regulatory environment is continually monitored   | v                 | Yes, partially - Internal Audit review (high level) compliance with Safety, health and environment legislation.   | Audit Committee and Risk Committee Agendas and Minutes;  | v                 | Need to consider a more comprehensive legal compliance program to take this process to the "next level"  |
| PR 13 RP 21.c  | - responses to changes and developments are appropriate   | v                 | Yes.  | Audit, Risk and Compliance Committee Charter, Committee Agendas and Minutes; Board Agendas and Minutes | v                 |  |
| PR 13 RP 22  | Independent assurance on effectiveness of compliance management considered                      | v                 | Yes. This is part of the formal review process of internal and external audit   | Audit, Risk and Compliance Committee Charter, Committee Agendas and Minutes; Board Agendas and Minutes | v                 |  |
| PR 13 RP 23  | Following disclosed (iro compliance management):  |                   |   |  |                   |  |





| King 4 Reference   | Recommended practice  | Role of the Board | Board commentary   | Supporting documentation  | How well applied? | Additional notes / actions  |
|--|---|-------------------|--|---|-------------------|---|
| PR 13 RP 23.a  | - overview of arrangements for governing and managing compliance                        | ✓                 | Yes, in part. A general statement of compliance is disclosed.  |   | ✓                 | More detail should be added to the upcoming Integrated Annual Report  |
| PR 13 RP 23.b  | - key areas of focus during reporting period  | ✓                 | Yes, in part.  |   | ✓                 | More detail should be added to the upcoming Integrated Annual Report  |
| PR 13 RP 23.c  | - actions to monitor effectiveness and how outcomes were addressed                      | ✓                 | Yes, in part.  |   | ✓                 | More detail should be added to the upcoming Integrated Annual Report  |
| PR 13 RP 23.d  | - areas of future focus   | ✓                 | Yes, in part.  |   | ✓                 | More detail should be added to the upcoming Integrated Annual Report  |
| PR 13 RP 24  | Material or repeated regulatory penalties, sanctions or fines disclosed                 | ✓                 | Yes, if applicable. There have been no such incidents.   | Integrated report   |                   | ✓   |
| PR 13 RP 25  | Compliance inspections and non-compliance findings iro environmental laws disclosed     | ✓                 | Yes, if applicable. There have been no such incidents.   | Integrated report   |                   | ✓   |
|  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>              |                   | <b>The Board has set the direction for how governance and compliance should be approached and addressed through practice, Board Annual Work Plans, structured agendas and reports from its Committees. The monitoring of governance and compliance has been delegated to the Audit Committee and the Risk Committee. There have been no material or repeated regulatory penalties, sanctions or fines imposed on the organisation, the Board, its members or officers for any contravention of, or non-compliance with, statutory obligations.</b> |   |                   | <b>OVERALL APPLICATION OF PRINCIPLE 13 :</b>  |
| <b>REMUNERATION GOVERNANCE</b>   |   |                   |  |   |                   |   |
| Remuneration policy  |   |                   |  |   |                   |   |
| <b>Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</b> |   |                   |  |   |                   |   |
| PR 14 RP 26  | Direction set for how remuneration should be approached and addressed                   | ✓                 | Yes. A Remuneration Committee and a Nomination Committee have been established which meets quarterly to address its structured agenda in terms of its Board Annual Work Plan and submits its reports to the Board for review.  | Remuneration Committee and Board Minutes; Remuneration Policy; Integrated Annual Report | ✓                 |   |
| PR 14 RP 27  | Remuneration policy approved  | ✓                 | Yes.   | AGM Resolution  | ✓                 |   |
| PR 14 RP 28  | Remuneration achieves following objectives:   |                   |  |   |                   |   |
| PR 14 RP 28.a  | - attracts, motivates, rewards and retains human capital                                | ✓                 | Yes.   | Nominations and Remuneration Committee Minutes; Board Minutes                           | ✓                 |   |
| PR 14 RP 28.b  | - promotes achievement of strategic objectives  | ✓                 | Yes.   | Nominations and Remuneration Committee Minutes; Board Minutes                           | ✓                 |   |
| PR 14 RP 28.c  | - promotes positive outcomes  | ✓                 | Yes.   | Nominations and Remuneration Committee Minutes; Board Minutes                           | ✓                 |   |
| PR 14 RP 28.d  | - promotes an ethical culture and responsible corporate citizenship                     | ✓                 | Yes.   | Nominations and Remuneration Committee Minutes; Board Minutes                           | ✓                 |   |
| PR 14 RP 29  | Remuneration policy addresses:  |                   |  |   |                   |   |
| PR 14 RP 29  | - organisation-wide remuneration  | ✓                 | Yes.   | Remuneration Policy   | ✓                 |   |
| PR 14 RP 29.a  | - fair and responsible executive remuneration against overall employee remuneration     | ✓                 | Yes.   | Remuneration Policy   | ✓                 |   |
| PR 14 RP 29.b  | - positive outcome performance measures against the triple context and the six capitals |                   |  |   | ✓                 | What we have is 'fit for purpose' for a Group of our size   |
| PR 14 RP 29.c  | - if a company, voting by shareholders  | ✓                 | Yes.   | Remuneration Policy; AGM Minutes  | ✓                 |   |
| PR 14 RP 30  | Remuneration policy provides for:   |                   |  |   |                   |   |
| PR 14 RP 30.a  | - base salary (with financial and non-financial benefits)                               | ✓                 | Yes  | Remuneration Policy; Integrated report  | ✓                 | Non-financial benefits are "leave"  |
| PR 14 RP 30.b  | - variable remuneration (with short and long term incentives and deferrals)             | ✓                 | Yes.   | Remuneration Policy; Integrated report  | ✓                 | There is a short term scheme in place, but no separate long term retention scheme. The short term bonus has delayed payment element |
| PR 14 RP 30.c  | - payments on termination   | ✓                 | Yes. The statutory provisions apply in all cases. Non disclosure agreements signed on a case by case basis   | Remuneration Policy; Integrated report  | ✓                 |   |
| PR 14 RP 30.d  | - sign-on, retention and restraint payments   | ✓                 | Yes, in part. These are addressed on a case-by-case basis.   | Remuneration Policy   | ✓                 | The Remuneration Policy should contain formal statements to govern such matters   |
| PR 14 RP 30.e  | - provisions, if any, for pre-vesting forfeiture and post-vesting forfeiture            |                   | No. There are no vesting provisions in the remuneration structure, but there are forfeitures for not meeting ancillary targets (Audit scores, working capital requirements, etc)   | Remuneration Policy; Short term Incentive Schemes                                       | ✓                 |   |

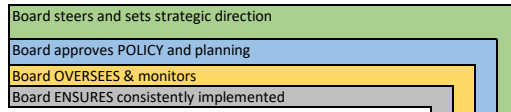


|   | King 4 Reference  | Recommended practice   | Role of the Board |   | Board commentary  | Supporting documentation  | How well applied? |  | Additional notes / actions  |
|---|-------------------|--|-------------------|---|---|---|-------------------|--|---|
|   | PR 14 RP 30.f     | - commissions and allowances   |                   | ✓ | Yes. These are tailored on a case-by-case basis and approved at an operational board level.             | Remuneration Policy   | ✓                 |  |   |
|   | PR 14 RP 30.g     | - fees to non-executives   | ✓                 |   | Yes.  | Remuneration Policy   | ✓                 |  |   |
|   | PR 14 RP 31       | Implementation and execution of policy achieves objectives anticipated   | ✓                 |   | Yes. This is addressed quarterly by the Remuneration Committee and the Board.                           | Remuneration Committee Agendas and Minutes; Board Agendas and Minutes | ✓                 |  |   |
| Remuneration report                                   | PR 14 RP 32       | Following disclosed (iro remuneration report):   |                   |   |   |   |                   |  |   |
| Remuneration report - background statement            | PR 14 RP 32.a     | - background statement, with the following:  |                   |   |   |   |                   |  |   |
|   | PR 14 RP 33.a     | - internal and external factors which influenced remuneration  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 33.b     | - most recent voting results on policy and implementation report and measures in response  | ✓                 |   | Yes, partially  | Integrated Annual Report  | ✓                 |  | "Implementation" to be voted on for the first time at the November 2018 AGM |
|   | PR 14 RP 33.c     | - key areas of focus, key decisions during the reporting period and any substantial changes  | ✓                 |   | Yes, partially. The terminated Long term incentives and the SARS schemes expiry have not been disclosed | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 33.d     | - whether consultants were used and whether they were independent and objective  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 33.e     | - statement whether the policy achieved its objectives   | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 33.f     | - future areas of focus  |                   | ✓ | Yes, partially  | Integrated Annual Report  | ✓                 |  | Need to clarify what these are and then upgrade the reporting               |
| Remuneration report - overview of remuneration policy | PR 14 RP 32.b     | - overview of policy, with the following:  |                   |   |   |   |                   |  |   |
|   | PR 14 RP 34.a     | - remuneration elements and design principles for all employees  |                   | ✓ | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.b     | - termination payment obligations iro executive management   | ✓                 |   | No, none exist, to be disclosed as such   | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.c     | - description of framework and performance measures, with weightings and measurement criteria  |                   | ✓ | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.d     | - illustration of potential minimum, on-target and maximum remuneration outcomes   | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.e     | - explanation of fair and responsible remuneration for executive management against overall employee remuneration  |                   | ✓ | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.f     | - use and justification of remuneration benchmarks   | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.g     | - basis of setting fees for non-executives   | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 34.h     | - public electronic link to the full policy  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
| Remuneration report - implementation report           | PR 14 RP 32.c     | - implementation report with the following:  |                   |   |   |   |                   |  |   |
|   | PR 14 RP 32.c     | - remuneration to all individual members of governing body and executives with, separate tables showing;   |                   |   |   |   |                   |  |   |
|   | PR 14 RP 35.a.i   | - total figure for the reporting period disclosed at fair value  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 35.a.ii  | - details of all variable remuneration awards at fair value  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 35.a.iii | - cash value of all variable remuneration awards settled during the reporting period   | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 35.b     | - account of performance measures and weighting used for variable remuneration awards  | ✓                 |   | Yes.  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 35.c     | - separate disclosure and reasons for any payments made on termination   |                   |   | Not applicable for FYE2017 or FY2018  | Integrated Annual Report  | ✓                 |  |   |
|   | PR 14 RP 35.d     | - statement on compliance and any deviations from policy   |                   | ✓ | Yes.  | Integrated Annual Report  | ✓                 |  |   |
| Voting on remuneration (only applicable to companies) | PR 14 RP 36       | Non-executive fees approved by special resolution within two years prior to payment  | ✓                 |   | Yes.  | AGM Minutes   | ✓                 |  |   |
|   | PR 14 RP 37       | Remuneration policy tabled for non-binding advisory votes by shareholders  | ✓                 |   | Yes.  | AGM Minutes   | ✓                 |  |   |
|   | PR 14 RP 37       | Implementation report tabled for non-binding advisory votes by shareholders  | ✓                 |   | Not applicable for FYE2017 AGM, but is included in AGM for FY2018                                       | Notice to Share Holders in the Integrated Report                      | ✓                 |  | This is disclosed in the upcoming Integrated Audit Report.                  |
|   | PR 14 RP 38       | Remuneration policy states (iro measures to be taken by board in the event that remuneration policy and / or implementation report are voted against 25% of more): |                   |   |   |   |                   |  |   |

|   |
|---|
| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

| King 4 Reference          | Recommended practice  | Role of the Board | Board commentary   | Supporting documentation  | How well applied? | Additional notes / actions   |
|---------------------------|---|-------------------|--|---|-------------------|--|
| PR 14 RP 38.a             | - commitment by board to engage to ascertain reasons  |                   | Not applicable for FYE2017 AGM, but is included in AGM for FY2018  | Draft AGM Minutes   | √                 | This is disclosed in the upcoming Integrated Audit Report.   |
| PR 14 RP 38.b             | - commitment by board to appropriately address concerns through amendment, clarification, adjustment, etc.  |                   | Not applicable for FYE2017 AGM, but is included in AGM for FY2018  | Draft AGM Minutes   | √                 | This is disclosed in the upcoming Integrated Audit Report.   |
| PR 14 RP 39               | The following disclosed in the background report (in the event that remuneration policy and / or implementation report are voted against by 25% or more): |                   |  |   |                   |  |
| PR 14 RP 39.a             | - who was engaged, and how, iro the dissenting votes  |                   | Not applicable. Practice will be adopted if applicable.  |   | √                 |  |
| PR 14 RP 39.b             | - steps taken to address objections and concerns  |                   | Not applicable. Practice will be adopted if applicable.  |   | √                 |  |
|                           | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>  |                   | <b>The Board has set the direction for how remuneration should be approached and addressed through the adoption of appropriate policies and has delegated the responsibility for monitoring remuneration to its Remuneration and Nomination Committees. The Board has considered its remuneration policy and is satisfied that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation.</b> |   |                   | <b>OVERALL APPLICATION OF PRINCIPLE 14:</b>  |
| <b>ASSURANCE</b>          |   |                   |  |   |                   |  |
| <b>Combined assurance</b> |   |                   |  |   |                   |  |
| <b>Principle 15:</b>      |   |                   |  |   |                   |  |
| PR 15 RP 40               | Direction set for assurance services and functions  | √                 | Yes. This is clearly set out in the Risk Registers" and the "Combined Assurance Plan" where, management, Internal audit, external audit, company secretarial functions and 3rd party assurance providers are planned and evaluated.  | Combined assurance Plan, Minutes of the Audit Committee, Internal Audit reports; External Audit reports | √                 |  |
| PR 15 RP 40               | Assurance services and functions delegated to audit committee   | √                 | Yes, in practice   | Audit Committee Charter   | √                 | Charter is to be reviewed to check that this matter is specifically stated.                                    |
| PR 15 RP 40               | Assurance services and functions have achieved:   |                   |  |   |                   |  |
| PR 15 RP 40.a             | - an effective internal control environment   | √                 | Yes.   | Board Minutes; Audit Committee Minutes  | √                 |  |
| PR 15 RP 40.b             | - integrity of information used for internal decision-making by management, governing body and committees   | √                 | Yes.   | Board Minutes; Audit Committee Minutes  | √                 |  |
| PR 15 RP 40.c             | - integrity of external reports   | √                 | Yes, reviewed and signed off on specifically by the Audit Committee annually   | Integrated Annual Report  | √                 |  |
| PR 15 RP 41               | Combined assurance model supports assurance objectives  | √                 | Yes.   | Integrated Annual Report  | √                 |  |
| PR 15 RP 42               | Combined assurance model effectively covers risks and material matters through;   |                   |  |   |                   |  |
| PR 15 RP 42.a             | - line functions that own and manage risks  | √                 | Yes.   |   | √                 |  |
| PR 15 RP 42.b             | - specialist functions that deal with risk management and compliance  | √                 | No, the function is dealt with by operational management. Internal Audit will start to assess IT control Environments in 2019. Areas not being audited or in the process of being built up are set out in the Combined Assurance Plan and are debated and accepted by the Audit Committee.   | Combined Assurance Plan, Audit Committee Charter and Minutes  | √                 | What we have is 'fit for purpose' for a Group of our size  |
| PR 15 RP 42.c             | - internal auditors, safety assessors and / or statutory actuaries (if applicable)  | √                 | Yes. (statutory actuaries are not applicable)  | Audit Committee minutes   | √                 |  |
| PR 15 RP 42.d             | - independent external assurance providers (external auditors)  | √                 | Yes.   | Audit appointment letters, Audit Committee minutes  | √                 |  |
| PR 15 RP 42.e             | - other external assurance auditors (sustainability / environmental / forensic auditors)  |                   | Not applicable. Audit Committee actively debated the requirement for external assurance on the Integrated Report and Combined Assurance Plan and decided against it for the current year   |   | √                 | To reviewed and assessed annually  |
| PR 15 RP 42.f             | - regulatory inspectors   | √                 | Yes. The Sponsors monitor this area.   |   | √                 |  |
| PR 15 RP 43               | Governing body and committees have objectively assessed output of combined assurance  | √                 | Yes.   | Board Minutes, Committee Minutes  | √                 |  |
| PR 15 RP 44               | Direction set for how assurance for external reports should be approached and addressed   |                   | No, but the Board reviews the reports and resolves annually whether external assurance is required. To date this has not been required. If required in the future, the criteria for the appointment of assurance providers will be set.  |   | √                 | The Board will agree on the specific standards it will accept for reports when external assurance is required. |
| PR 15 RP 45               | Following considered (ito combined assurance)   |                   |  |   |                   |  |
| PR 15 RP 45               | - legal considerations  | √                 | Yes. , partially - Internal audit of higher level SHE legislation.   | Quarterly Legal Report submitted to Board, Board Minutes  | √                 | Legal compliance will continue to be improved as the business grows in this journey                            |
| PR 15 RP 45.a             | - whether assurance should be applied to underlying data  | √                 | Yes.   | Board Minutes   | √                 |  |



| King 4 Reference | Recommended practice  | Role of the Board  |   | Board commentary  | Supporting documentation  | How well applied? |   | Additional notes / actions  |
|------------------|---|--|---|---|---|-------------------|---|---|
| PR 15 RP 45.b    | - whether nature, scope and extent of assurance are suited to the report  |  | ✓ | Yes.  | Board Minutes   | ✓                 |   |   |
| PR 15 RP 45.c    | - specification of applicable criteria of underlying subject matter   |  | ✓ | Yes.  | Board Minutes   | ✓                 |   |   |
| PR 15 RP 46      | Combined assurance model is effective and robust  |  | ✓ | Yes,  | Board Minutes; audit committee minutes; combined assurance plan.  | ✓                 |   |   |
| PR 15 RP 47      | External reports have disclosed:  |  |   |   |   |                   |   |   |
| PR 15 RP 47      | - type of assurance process applied to that report  |  | ✓ | Yes.  | Integrated Annual Report  | ✓                 |   |   |
| PR 15 RP 47      | - independent, external audit opinion (ito legal requirements)  |  | ✓ | Yes.  | Integrated Annual Report  | ✓                 |   |   |
| PR 15 RP 47.a    | - nature, scope and extent of assurance functions, services and processes underlying the report                           |  | ✓ | Yes, in part.   | Integrated Annual Report  |                   | ✓ | Sufficient disclosure exists for a Group our size   |
| PR 15 RP 47.b    | - statement on the integrity of the report, basis for statement and assurance applied                                     | ✓  |   | Yes.  | Integrated Annual Report  | ✓                 |   |   |
| PR 15 RP 48      | Direction set for internal audit  | ✓  |   | Yes. Internal Audit present an annual plan of work. The Committee reviews the annual internal audit plan and reports to the Board.  | Audit Committee Charter and minutes   | ✓                 |   |   |
| PR 15 RP 48      | Oversight of internal audit delegated to audit committee  | ✓  |   | Yes.  | Audit Committee Charter and minutes   | ✓                 |   |   |
| PR 15 RP 49      | Internal audit charter approved   | ✓  |   | Yes.  |   | ✓                 |   |   |
| PR 15 RP 50      | Internal audit adequately resourced   | ✓  |   | Yes.  |   | ✓                 |   |   |
| PR 15 RP 51      | CAE is independent from management and has the necessary authority  | ✓  |   | Yes.  | Audit Committee Charter and minutes   | ✓                 |   |   |
| PR 15 RP 52      | Appointment of CAE approved   | ✓  |   | Yes.  | Audit Committee Charter and minutes   | ✓                 |   |   |
| PR 15 RP 52      | Necessary competence, gravitas and objectivity of CAE ensured   | ✓  |   | Yes.  | Contract  | ✓                 |   |   |
| PR 15 RP 53      | CAE has access to chairman of audit committee   | ✓  |   | Yes   |   | ✓                 |   |   |
| PR 15 RP 54      | CAE is not a member of executive management   | ✓  |   | Yes.  |   | ✓                 |   |   |
| PR 15 RP 54      | CAE is invited to attend executive meetings   |  |   | No.   |   |                   | ✓ |   |
| PR 15 RP 55      | Clarity on who fulfils CAE function if internal audit is outsourced   |  |   | Not applicable  |   |                   | ✓ |   |
| PR 15 RP 56      | CAE reports to chairman of audit committee on internal audit matters  | ✓  |   | Yes.  | Audit Committee Charter and minutes   | ✓                 |   |   |
| PR 15 RP 57      | CAE reports to an executive manager on administrative matters and other duties.   | ✓  |   | Yes, in practice - the Group CEO  |   | ✓                 |   |   |
| PR 15 RP 58      | Internal audit monitored ito:   |  |   |   |   |                   |   |   |
| PR 15 RP 58.a    | - followed an approved risk-based internal audit plan   |  |   | No. the Internal Audit program follows a financial and systems based audit program. The resources of the department have been doubled with the intention of also addressing "risk based audits" in the future | Internal Audit Plan; Audit, Risk and Compliance Committee Agendas and Minutes; Board Agendas and Minutes; | ✓                 |   | The current internal audit program is considered "fit for purpose". Capacity has been added to this department and this will be re- evaluated again in the future |
| PR 15 RP 58.b    | - reviewed the organisational risk profile regularly and proposed adaptations to the internal audit plan accordingly      |  |   | No. the Internal Audit program follows a financial and systems based audit program. The resources of the department have been doubled with the intention of also addressing "risk based audits" in the future | Internal Audit Plan; Audit, Risk and Compliance Committee Agendas and Minutes; Board Agendas and Minutes; | ✓                 |   | The current internal audit program is considered "fit for purpose". Capacity has been added to this department and this will be re- evaluated again in the future |
| PR 15 RP 59      | Internal audit has provided an annual statement on the effectiveness of governance, risk management and control processes | ✓  |   | Yes.  | Internal Audit Plan; Audit, Risk and Compliance Committee Agendas and Minutes; Board Agendas and Minutes; | ✓                 |   |   |
| PR 15 RP 60      | External, independent quality review of internal audit function conducted every five years                                |  |   | No. Historically no reliance placed on internal audit, so need to do so. With increase in resources, this will be reviewed next year  |   |                   | ✓ | What we have is 'fit for purpose' for a Group of our size   |
| PR 15 RP 61      | CAE has provided annual confirmation that internal audit conforms to recognised industry code of ethics                   |  |   | No.   |   |                   | ✓ | Board don't believe it's a requirement for our size   |
|                  | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>  | The Board has set the direction for how assurance services and functions should be approached and addressed through the delegation of this responsibility to the Audit Committee and the Risk Committee. The role of the internal audit function is clarified through an internal audit charter. The Board has considered the resulting internal and external controls of the organisation and is assured with the integrity of the information used in its reports. |   |   |   |                   |   | <b>OVERALL APPLICATION OF PRINCIPLE 15:</b>   |
| STAKEHOLDERS     | Stakeholder relationships   |  |   |   |   |                   |   |   |

**ARB Holdings Limited**  
King 4 implementation analysis

|   |
|---|
| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

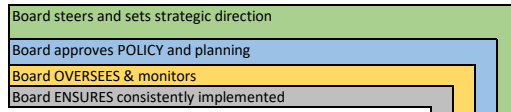
| Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material | King 4 Reference  | Recommended practice   | Role of the Board |   |      | Board commentary   | Supporting documentation  | How well applied? |  |  | Additional notes / actions   |
|--|---|--|-------------------|---|------|--|---|-------------------|--|--|--|
|  |   |  |                   |   |      |  |   |                   |  |  |  |
| Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material | PR 16 RP 1  | Direction set for how stakeholder relationships should be approached and conducted |                   |   | ✓    | Yes, in practice. Stakeholder matters are considered and addressed generally at each Board meeting. There are formal policies regarding 'authority to talk to the press' and management deal daily with Customers and Suppliers. These are specifically reported on in the Integrated report   | Board Minutes. Communication with the press policy. Integrated report     | ✓                 |  |  | Our report in the Annual Integrated report is considered to be enough and we do not believe we need a 'Stakeholder Policy' |
|  | PR 16 RP 2  | Stakeholder relationship policy approved   |                   |   | ✓    | No, not formally. Informal practice is used.   |   | ✓                 |  |  | Our report in the Annual Integrated report is considered to be enough and we do not believe we need a 'Stakeholder Policy' |
|  | PR 16 RP 3  | Stakeholder relationships delegated to management                                  |                   |   | ✓    | Yes, in practice. here are formal policies regarding 'authority to talk to the press' and management deal daily with Customers and Suppliers. These are specifically reported on in the Integrated report  | Communication with the press policy. Integrated report                    | ✓                 |  |  |  |
|  | PR 16 RP 4  | Oversight exercised (iro Stakeholder relationships)                                |                   |   |      |  |   |                   |  |  |  |
|  | PR 16 RP 4.a  | - methodologies for identifying stakeholder individuals and groups                 |                   | ✓ |      | Yes. Stakeholders are defined in the integrated report and reviewed annually (the classes will not change, but the individuals in each class will)   | Integrated report   | ✓                 |  |  |  |
|  | PR 16 RP 4.b  | - determination of material stakeholders   |                   |   | ✓    | Yes. Specific stakeholder matters are reviewed and addressed at each Board meeting   | Board Minutes; integrated report  | ✓                 |  |  |  |
|  | PR 16 RP 4.c  | - management of stakeholder risk as part of risk management                        |                   |   | ✓    | Yes. Where stakeholder relationship issues are considered a material risk, these will be included in the Operational CEO's "risk registers" and considered by the Risk Committee. Items such as staff relations and Union matters are also addressed at the Social & Ethics meetings. Material items are reported back to the main Board                           | Sub-committee minutes. Integrated report                                  | ✓                 |  |  |  |
|  | PR 16 RP 4.d  | - formal stakeholder engagement processes, including dispute resolution            |                   |   | ✓    | Yes, in practice. For Shareholders, there are a bi-annual results presentation roadshow and One-on-Ones with the major shareholders, amongst others. Other stakeholder engagement processes are reviewed and managed by the board on an exception basis. The details are disclosed in the Integrated Annual Report. A formal policy is to be drawn up and adopted. | Board report (Shareholder analysis). Integrated Annual Report             | ✓                 |  |  |  |
|  | PR 16 RP 4.e  | - measurement of the quality of material stakeholder relationships                 |                   |   | ✓    | Yes, in part. Some stakeholders have formal avenues to provide feedback such as the AGM. The Board and Social & Ethics Committee discusses aspects of the quality of stakeholder relationships quarterly, but there is no formal measurement process provided by management.   |   | ✓                 |  |  | A formal report on the quality of the relationships with various stakeholders should be submitted to the Board for review. |
|  | PR 16 RP 5  | Following disclosed (iro stakeholder relationships):                               |                   |   |      |  |   |                   |  |  |  |
| PR 16 RP 5.a   | - arrangements for managing relationships                                   |  |                   | ✓ | Yes. | Integrated Annual Report   | ✓   |                   |  |  |  |
| PR 16 RP 5.b   | - key areas of focus during reporting period                                |  |                   | ✓ | Yes. | Integrated Annual Report   | ✓   |                   |  |  |  |
| PR 16 RP 5.c   | - actions to monitor stakeholder management and how outcomes were addressed |  |                   | ✓ | Yes. | Integrated Annual Report   | ✓   |                   |  |  |  |
| PR 16 RP 5.d   | - future areas of focus   |  |                   |   | No.  |  | ✓   |                   |  | Areas of future focus to be identified at board level, delegated to executive to develop and manage and report back on in the Integrated Report. |  |
| Stakeholder relationships - applicable to companies only   | PR 16 RP 6  | Proactive engagement with shareholders, also at the AGM, encouraged                | ✓                 |   |      | Yes. The practices and processes are set out in the Integrated Annual Report. They include bi-annual results presentation roadshow including One-on-Ones with the major shareholders and shareholders invited to the AGM   | Investors Road Show presentations; Integrated Annual Report; AGM Minutes. | ✓                 |  |  |  |
|  | PR 16 RP 7  | All directors were available at the AGM  | ✓                 |   |      | Yes. All directors attend the AGM.   | AGM Attendance Register; AGM minutes                                      | ✓                 |  |  |  |
|  | PR 16 RP 8  | Designated partner of the external auditor attended the AGM                        | ✓                 |   |      | Yes. The designated partner is invited to attend and is available in the event that they are required to attend.   |   | ✓                 |  |  |  |
|  | PR 16 RP 9  | Shareholders are equitably treated.  | ✓                 |   |      | Yes.   | Companies Act, JSE Listing Requirements                                   | ✓                 |  |  |  |
|  | PR 16 RP 9  | Minority shareholder interests are equitably protected                             | ✓                 |   |      | Yes.   | Companies Act, JSE Listing Requirements                                   | ✓                 |  |  |  |
|  | PR 16 RP 10   | Minutes of the AGM have been made publicly available (listed company)              |                   |   |      | No, but the results of the resolutions are disclosed.  | SENS  | ✓                 |  |  | Consideration should be given as to whether the AGM minutes should be disclosed.   |

**ARB Holdings Limited**  
King 4 implementation analysis



| King 4 Reference  | Recommended practice  | Role of the Board   |   |  | Board commentary | Supporting documentation | How well applied? |  |  | Additional notes / actions |   |   |
|---|---|---|---|--|------------------|--------------------------|-------------------|--|--|----------------------------|---|---|
|   |   |   |   |  |                  |                          |                   |  |  |                            |   |   |
| Relationships within a group of companies - applicable to companies within a group  | PR 16 RP 11   | Direction set for how stakeholder relationships should be approached and conducted                                |   |  |                  | Not applicable.          |                   |  |  | √                          |   |   |
|   | PR 16 RP 12   | Group governance framework approved   |   |  |                  | Not applicable.          |                   |  |  | √                          |   |   |
|   | PR 16 RP 13   | Boards of subsidiaries included in development of the group governance framework                                  |   |  |                  | Not applicable.          |                   |  |  | √                          |   |   |
|   | PR 16 RP 14   | Group governance framework does not conflict with other legislative and governance provisions, codes and policies |   |  |                  | Not applicable.          |                   |  |  | √                          |   |   |
|   | PR 16 RP 15   | Group governance framework recognises each subsidiary as a separate juristic person                               |   |  |                  | Not applicable.          |                   |  |  | √                          |   |   |
|   | PR 16 RP 16   | Group governance policy addresses:  |   |  |                  |                          |                   |  |  |                            |   |   |
|   | PR 16 RP 16.a   | - delineation of holding company rights and role  |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 16.b   | - if applicable, delegation of responsibilities to committees of the holding company                              |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 16.c   | - extent to which holding company policies have been adopted by a subsidiary                                      |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 16.d   | - engagement with the subsidiary before appointing directors  |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 16.e   | - arrangements to address legal duty risks of directors on multiple group boards                                  |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 17   | Group governance policy has been implemented across the group   |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 18   | Holding company has disclosed an overview of group governance framework   |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 16 RP 19   | Subsidiary has disclosed delegations to holding company   |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
| PR 16 RP 19   | Subsidiary has disclosed policies and procedures adopted from holding company |   |   |  | Not applicable.  |                          |                   |  |  | √                          |   |   |
|   |   | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>  | The Board has identified its stakeholders and set the direction for how stakeholder relationships should be approached through active and ongoing engagement and monitoring. The Board is satisfied that it actively manages the legitimate and reasonable needs, interests and expectations of its stakeholders. |  |                  |                          |                   |  |  |                            | <b>OVERALL APPLICATION OF PRINCIPLE 16:</b> |   |
| <b>RESPONSIBILITIES OF INSTITUTIONAL INVESTORS</b>  |   |   |   |  |                  |                          |                   |  |  |                            |   |   |
| Principle 17: The governing body of an institutional investor should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests. | PR 17 RP 20   | Direction set for how responsible investing should be approached and conducted                                    |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 17 RP 21   | Responsible investment policy approved  |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 17 RP 22   | Management of responsible investment delegated  |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 17 RP 23   | Formal mandate with responsible investment policy issued to outsourced service provider                           |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 17 RP 24   | Service providers held accountable with mandate   |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   | PR 17 RP 25   | Responsible investment code and application disclosed   |   |  |                  | Not applicable.          |                   |  |  |                            | √   |   |
|   |   | <b>GENERAL COMMENT FOR THIS PRINCIPLE IN RESPECT OF APPLY AND EXPLAIN:</b>  | The principle is not applicable to the organisation.  |  |                  |                          |                   |  |  |                            | √   | <b>OVERALL APPLICATION OF PRINCIPLE 17:</b> |
|   |   |   |   |  |                  |                          |                   |  |  |                            |   |   |
|   |   |   |   |  |                  |                          |                   |  |  |                            |   |   |
|   |   |   |   |  |                  |                          |                   |  |  |                            |   |   |

**ARB Holdings Limited**  
King 4 implementation analysis



| King 4 Reference | Recommended practice | Role of the Board | Board commentary | Supporting documentation | How well applied? | Additional notes / actions |
|------------------|----------------------|-------------------|------------------|--------------------------|-------------------|----------------------------|
|------------------|----------------------|-------------------|------------------|--------------------------|-------------------|----------------------------|

**KING IV TM PRINCIPLES AND GENERAL EXPLANATIONS OF THEIR APPLICATION**

**LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP**

|              |   |  |  |  |  |  |
|--------------|---|--|--|--|--|--|
| Principle 1: | <b>The governing body should lead ethically and effectively.</b><br><br>The Board assesses itself and its individual members annually through an informal evaluation process with a view to improving its leadership qualities. Individual members of the Board are also held accountable for their leadership performance by the board against the results and performance reviews. The Board as adopted and implemented policies and procedures to govern the ethics of the organisation and is satisfied that its practices otherwise prove ethical and effective leadership through the collective and the individual behaviours of all of its members.   |  |  |  |  | <b>LEADERSHIP</b>                        |
| Principle 2: | <b>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</b><br><br>The Board has set the tone for organisational ethics through the adoption of appropriate governing policies and has delegated the responsibility for monitoring organisational ethics to its Social & Ethics Committee. A semi-independent whistle-blowing hotline exists and any incidents reported will be investigated by the Social & Ethics Committee and the recommended actions will be taken. An area of future focus will be the incorporation of King IV Code (TM) values into the proposed 'Values Statement' of the organisation. The Board is satisfied that the awareness of ethical requirements are adequate and its processes effective. |  |  |  |  | <b>ORGANISATIONAL ETHICS</b>             |
| Principle 3: | <b>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</b><br><br>The Board has set the direction for how good corporate citizenship should be conducted and addressed through the adoption its governing policies and culture and has delegated the responsibility for monitoring of the corporate citizenship to its Social & Ethics Committee and CEO's. The Board is satisfied that the practice of the core purpose, values and strategy of the organisation is consistent with it being a responsible corporate citizen and that it has made disclosures in the Integrated Report in this regard.  |  |  |  |  | <b>RESPONSIBLE CORPORATE CITIZENSHIP</b> |

**STRATEGY, PERFORMANCE AND REPORTING**

|              |   |  |  |  |  |                                 |
|--------------|---|--|--|--|--|---------------------------------|
| Principle 4: | <b>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</b><br><br>The Board has considered the strategies for the operational divisions, delegated these to management and aligned the incentives of management appropriately. The Board is satisfied that the organisation's purpose are being realised and steered through strategy and regular monitoring. |  |  |  |  | <b>STRATEGY AND PERFORMANCE</b> |
| Principle 5: | <b>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisations performance, and its short, medium and long-term prospects.</b><br><br>The Board has made its integrated annual report, its annual financial statements, presentations to Share Holders and investment analysts, SENS announcements, relevant reports and any disclosures of materiality available to stakeholders through publication on its website.  |  |  |  |  | <b>REPORTING</b>                |

**GOVERNING STRUCTURES AND DELEGATION**

|               |   |  |  |  |  |  |
|---------------|---|--|--|--|--|--|
| Principle 6:  | <b>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</b><br><br>The role, responsibilities and procedural conduct of the Board have been set out and approved in a Board Charter, which emphasises the Board's role as the focal point and custodian of corporate governance in the organisation. Board Sub Committee charters and various formal policies reinforce this position. The integrated annual report has disclosed meetings held and attendance at each and the Board's satisfaction in terms of meeting its responsibilities.  |  |  |  |  | <b>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</b> |
| Principle 7:  | <b>The governing body should compromise the appropriate balance of knowledge , skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectivity and effectively.</b><br><br>The Board considers its composition in terms of the balance of its members annually. This is done in conjunction with inputs from the Nomination Committee and the informal evaluation processes conducted at Board and Committee level. The Integrated annual report has disclosed all recommended matters. The Board is further satisfied that has an appropriate balance of knowledge, skills, experience and independence. A diversity policy is in place for future appointments.   |  |  |  |  | <b>COMPOSITIONS OF THE GOVERNING BODY</b>                      |
| Principle 8:  | <b>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.</b><br><br>The Board has formally established all compulsory committees and approved all their charters. The Board has considered and reviewed its Committees and is satisfied that they experience a suitable balance of members and objective review and decision making over their affairs. The Board has considered and is satisfied with its committee structure, balance of authority across its Committees and their reporting standards. The integrated report contains appropriate governance and procedural disclosures relating to the Committees of the organisation. |  |  |  |  | <b>COMMITTEES OF THE GOVERNING BODY</b>                        |
| Principle 9:  | <b>The governing body should ensure that the evaluation of its own performance and that of its committees, its chairman and its individual members, support continued improvement in its performance and effectiveness.</b><br><br>Internal self evaluations performance evaluations have been carried out on the Board, its Committees and individual members. No material issues were identified and the contributions, value and participation of the Board, its chairman, Committees and members were adjudged to be satisfactory and positive. The recommended disclosures regarding this have been made in the integrated annual report. Informal performance evaluations on subcommittee chairmen and individual members done and recorded in the minutes                                |  |  |  |  | <b>EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY</b>    |
| Principle 10: | <b>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.</b><br><br>The Board has approved a Delegation of Authority matrix. The Board is satisfied that the organisation is adequately resourced. The CEO reports to the Board and has no extraneous work commitments and a succession plan is being put in place. An internal performance evaluation has been carried out on the Company Secretary and the Board is satisfied that the function is performing well. The required disclosures have been made in the integrated annual report.   |  |  |  |  | <b>APPOINTMENT AND DELEGATION TO MANAGEMENT</b>                |

**GOVERNANCE AND FUNCTIONAL AREAS**

|               |   |  |  |  |  |                        |
|---------------|---|--|--|--|--|------------------------|
| Principle 11: | <b>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</b> |  |  |  |  | <b>RISK GOVERNANCE</b> |
|---------------|---|--|--|--|--|------------------------|



| King 4 Reference          | Recommended practice   | Role of the Board   | Board commentary | Supporting documentation | How well applied? | Additional notes / actions                  |
|---------------------------|--|---|------------------|--------------------------|-------------------|---|
|                           | The Board has set the direction for how risk should be approached and has addressed this through the adoption of appropriate policies and has delegated the responsibility for monitoring risk to its Risk Committee. Risks are continually being identified, assessed, mitigated and managed through a formal review process and recorded in the risk register. Other aspects such as the potential opportunities posed by risks and formalisation of the risk policy are planned.  |   |                  |                          |                   |   |
| Principle 12:             | <b>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</b><br>The Board has reviewed and is satisfied that the monitoring and management of information and technology is effectively attended to by a specialist Subsidiary Company or outsourced service providers, given the nature of the organisation's business and proportionality considerations. Business resilience is addressed through data recovery plans. The Board intends to review its technology policy in order to specifically address information management matters.   |   |                  |                          |                   | TECHNOLOGY AND INFORMATION GOVERNANCE       |
| Principle 13:             | <b>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</b><br>The Board has set the direction for how governance and compliance should be approached and addressed through practice, Board Annual Work Plans, structured agendas and reports from its Committees. The monitoring of governance and compliance has been delegated to the Audit Committee and the Risk Committee. There have been no material or repeated regulatory penalties, sanctions or fines imposed on the organisation, the Board, its members or officers for any contravention of, or non-compliance with, statutory obligations. |   |                  |                          |                   | COMPLIANCE GOVERNANCE                       |
| Principle 14:             | <b>The governing body should ensure that the organisation remunerates fairly, responsibly and transparency so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</b><br>The Board has set the direction for how remuneration should be approached and addressed through the adoption of appropriate policies and has delegated the responsibility for monitoring remuneration to its Remuneration and Nomination Committees. The Board has considered its remuneration policy and is satisfied that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation.   |   |                  |                          |                   | REMUNERATION GOVERNANCE                     |
| Principle 15:             | <b>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 organisation's external reports.</b><br>The Board has set the direction for how assurance services and functions should be approached and addressed through the delegation of this responsibility to the Audit Committee and the Risk Committee. The role of the internal audit function is clarified through an internal audit charter. The Board has considered the resulting internal and external controls of the organisation and is assured with the integrity of the information used in its reports.                                    |   |                  |                          |                   | ASSURANCE                                   |
| STAKEHOLDER RELATIONSHIPS | Principle 16:  | <b>In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations and material stakeholders in the best interests of the organisation over time.</b><br>The Board has identified its stakeholders and set the direction for how stakeholder relationships should be approached through active and ongoing engagement and monitoring. The Board is satisfied that it actively manages the legitimate and reasonable needs, interests and expectations of its stakeholders. |                  |                          |                   | STAKEHOLDERS                                |
|                           | Principle 17:  | <b>The governing body of an institutional investor should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.</b><br>The principle is not applicable to the organisation.  |                  |                          |                   | RESPONSIBILITIES OF INSTITUTIONAL INVESTORS |



**ARB Holdings Limited**  
**King 4 implementation analysis**

|   |
|---|
| Board steers and sets strategic direction |
| Board approves POLICY and planning        |
| Board OVERSEES & monitors                 |
| Board ENSURES consistently implemented    |

|              |
|--------------|
| Satisfactory |
| WIP          |
| Not applied  |
| N/A          |

|  | King 4 Reference | Recommended practice | Role of the Board | Board commentary | Supporting documentation | How well applied? | Additional notes / actions |
|--|------------------|----------------------|-------------------|------------------|--------------------------|-------------------|----------------------------|
|--|------------------|----------------------|-------------------|------------------|--------------------------|-------------------|----------------------------|