



## Notice of annual general meeting

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Notice is hereby given to shareholders that the annual general meeting ("AGM") of the shareholders of Value Group Limited ("the company") will be held at the Value Boardroom, Value City, Essex Road, Tunney, Germiston on Tuesday, 14 October 2014 at 09:00 ("the AGM") to:

- (i) deal with such business as may lawfully be dealt with at the meeting; and
- (ii) if deemed appropriate, pass the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, No 71 of 2008, as amended ("the Act"), as read with the Listings Requirements of the JSE Limited ("JSE Listings Requirements") on which exchange the company's ordinary shares are listed, which meeting is to be participated in and voted at by shareholders.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate or vote at the AGM. Forms of identification include valid identity documents, driver's licence and passports.

### PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the company and its subsidiaries (as approved by the board of directors of the company), incorporating the external auditor, audit committee and directors' reports for the year ended 28 February 2014, are presented to shareholders as required in terms of section 30(3)(d) of the Act.

### REPORT OF THE SOCIAL AND ETHICS COMMITTEE

In accordance with Companies Regulation 43(5)(c), issued in terms of the Act, the chairman of the social and

ethics committee will present a verbal report to shareholders on the activities of the social and ethics committee.

### RESOLUTIONS FOR CONSIDERATION AND APPROVAL

#### Ordinary resolutions 1.1 to 1.2: Re-election of directors

In accordance with the company's Memorandum of Incorporation ("MOI"), to elect, by individual resolutions, the following non-executive directors who were appointed by the board of directors to fill vacancies and are to retire at this AGM but hold themselves available for election as directors, as designated.

"RESOLVED THAT the following non-executive directors be and are hereby re-elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of the company's MOI:

1.1. Mr V Mcobothi

1.2. Mr M Phosa.

Brief profiles in respect of each director offering themselves for re-election are contained on pages 22 to 23 of the integrated annual report.

#### Ordinary resolutions 2.1 to 2.3: Appointment of audit and risk committee members

To appoint, on the board's recommendation, by individual resolutions, the following independent non-executive directors as members of the audit and risk committee of the company and the Group:

"RESOLVED THAT the following independent, non-executive directors are appointed as members of the company audit and risk committee, in terms of section 94(2) of the Act, by separate resolutions and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with effect from the end of this AGM:

2.1 Mr V Mcobothi\*

2.2 Mr IM Groves (chairman)

2.3 Mr CD Stein\*\*\*.

*\*Subject to re-election as a director pursuant to ordinary resolution number 1.1.*

*\*\*Mr CD Stein is currently the chairman of the board and a member of the audit and risk committee as his experience and knowledge of the Group's operations and risks are invaluable to the audit and risk committee.*

Mr CD Stein is an independent, non-executive chairman of the board, therefore he may be a member of the audit committee, and additionally, the company has complied with guidance from the JSE in this circumstance, in that all the other members of the audit and risk committee are independent, non-executive directors:

- Mr CD Stein is not the chairman of the audit committee
- The dual role has been specifically disclosed to shareholders
- Shareholders approved the appointment of the chairman to the audit and risk committee at the AGM.

Brief profiles of the independent non-executive directors offering themselves for election as members of the audit and risk committee are enclosed on pages 22 to 23.

### **Ordinary resolution 3: Reappointment of external auditor**

"RESOLVED THAT, upon the recommendation of the audit committee, Baker Tilly SVG Inc. represented by Mr EL Steyn as the audit partner, be and is hereby reappointed as the independent registered auditor of the company, to report on the financial year ending 28 February 2015, meeting the requirements of section 90(2) of the Act, until the conclusion of the next AGM".

### **Ordinary resolution 4: Advisory, non-binding approval of remuneration policy**

"RESOLVED, by way of a non-binding advisory vote, that the company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees), as set out on page 46 of the integrated annual report, is endorsed."

#### **Additional information**

The King Code of Governance Principles for South Africa, 2009 ("King III") recommends that the remuneration policy of a company be submitted for a non-binding advisory vote by shareholders at each AGM. The objective of a remuneration policy is to guide the board in its decision-making process and in particular the determination of remuneration of non-executive directors, as set out on page 130 of the integrated annual report.

### **Ordinary resolution 5: General authority to directors to allot and issue authorised but unissued ordinary shares**

To authorise the directors as required by the company's MOI and subject to the provisions of section 41 of the Act to allot and issue at their discretion the unissued but authorised ordinary shares in the share capital of the company and/or grant options to subscribe for the unissued shares, representing not more than 10% of the number of ordinary shares in the issued share capital of the company as at the date of this notice, being 19 862 739, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the JSE Limited and are subject to the JSE Listings Requirements which authority shall endure until the next AGM of the company.

"RESOLVED THAT, as required by and subject to the MOI and the requirements of the Act and the JSE Listings Requirements, from time to time, the directors are, as a general authority and approval, authorised, as they in their

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*(continued)*

discretion think fit, to allot and issue the unissued ordinary shares of the company, subject to the following:

- this authority shall only be valid until the next AGM of the company, provided it shall not extend beyond 15 months from the date of this AGM;
  - a paid press announcement giving details, including the impact on net asset value and earnings per share, will be published at the time of any such allotment and issue of shares representing, on a cumulative basis within one financial year, 5% or more of the number of shares of that class in issue prior to any such issues;
  - issues of shares (excluding issues of shares exercised in terms of any company group share incentive scheme) in any one financial year, shall not, in aggregate, exceed 5% of the number of shares of the relevant class of the company's issued share capital; and
  - in determining the price at which an allotment and issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE of the class of shares to be issued measured over the 30 business days prior to the date that the price of issue is determined or agreed between the company and the party/ies subscribing for the shares."
- any such issue of shares shall be to "public shareholders" as defined by the JSE Listings Requirements;
  - this authority shall only be valid until the next AGM of the company, provided it shall not extend beyond 15 months from the date of this AGM;
  - a paid press announcement giving details, including the impact on net asset value and earnings per share, will be published at the time of any such allotment and issue of shares representing, on a cumulative basis within one financial year, 5%, being 9 931 370, or more of the number of shares of that class in issue prior to any such issues;
  - issues of shares (excluding issues of shares exercised in terms of any company group share incentive scheme) in any one financial year, shall not, in aggregate, exceed 5% of the number of shares of the relevant class of the company's issued share capital; and
  - in determining the price at which an allotment and issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE of the class of shares to be issued measured over the 30 business days prior to the date that the price of issue is determined or agreed between the company and the party/ies subscribing for the shares."

## **Ordinary resolution 6: General authority to allot and issue ordinary shares for cash**

"RESOLVED THAT, subject to renewal of the general authority proposed in terms of ordinary resolution number 5 above and the JSE Listings Requirements, the directors are authorised to allot and issue ordinary shares in the capital of the company for cash, as and when suitable situations arise, on the following conditions:

## **Ordinary resolution 7: Signing authority**

"RESOLVED to authorise any one director or the secretary of the company to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM."

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## SPECIAL RESOLUTIONS

### Special resolution 1: General authority to directors to repurchase company shares

“RESOLVED THAT the company and/or any subsidiary of the company is hereby authorised, by way of a general authority, from time to time, to acquire ordinary shares in the share capital of the company from any person in accordance with the requirements of the company’s MOI, the Act and the JSE Listings Requirements, from time to time, provided that:

- this general authority be valid until the company’s next AGM, provided that it shall not extend beyond 15 months from the date of passing of this resolution (whichever period is shorter);
- the repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counterparty;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction was effected;
- an announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% of the initial number of ordinary shares, and for each 3% in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- the number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% of the company’s issued share capital as at the date of passing of this special resolution or 10% of the company’s issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;
- the company’s sponsor confirming the adequacy of the company’s working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE prior to the company entering the market to proceed with the repurchase;
- the company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period;
- at any point in time the company only appointing one agent to effect any repurchases on its behalf;
- the board of directors passing a resolution that they authorised the repurchase and that the company passed the solvency and liquidity test set out in section 4 of the Act and that since the test was done there have been no material changes to the financial position of the Group.

The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 months after the date of the notice of the AGM and at the actual date of the repurchase:

- the company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the company and the Group will be adequate for ordinary business purposes;
- the assets of the company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the Group;
- the company’s and the Group’s ordinary share capital and reserves will be adequate for ordinary business purposes.

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(continued)

## Special resolution 2: Approval of remuneration of non-executive directors

To pass the following resolution as a special resolution:

"RESOLVED THAT the payment of non-executive directors' fees in respect of the financial year ending 28 February 2015 be and it is hereby approved on the following basis:

"RESOLVED, in terms of the company's MOI, that the remuneration payable, with effect from 1 March 2015, to the company's non-executive directors for their services as directors and chairman of the company, respectively, be set as follows:

	Proposed fee 2016 R	Approved fee 2015 R
<b>Board:</b>		
– CD Stein Chairman (shareholder meetings)	13 105	12 247
Board member:		
– CD Stein	33 059	30 896
– IM Groves	27 400	25 607
– NM Phosa	47 831	44 703
– VW Mcobothi	20 021	18 711
<b>Audit and risk committee:</b>		
– CD Stein	33 059	30 896
– IM Groves	27 400	25 607
– VW Mcobothi	20 021	18 711
<b>Remuneration and nominations committee:</b>		
– CD Stein	16 530	15 449
– IM Groves	13 700	12 804
<b>Social and ethics committee:</b>		
– VW Mcobothi	10 010	9 356
– CD Stein	16 530	15 449
– IM Groves	13 700	12 804
<b>Monthly retainer:</b>		
– CD Stein	31 396	29 342
– IM Groves	25 117	23 473
– NM Phosa	19 930	18 626
– VW Mcobothi	16 684	15 593
<b>Annual totals:</b>		
– CD Stein	753 509	704 214
– IM Groves	602 807	563 371
– NM Phosa	478 314	447 023
– VW Mcobothi	400 415	374 220

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## ADDITIONAL INFORMATION

The following additional information, some of which may appear elsewhere in the integrated report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the company's shares set out in special resolution number 1 above:

- directors and management – pages 22 to 23
- major shareholders – page 20
- directors' interests in ordinary shares – page 113
- share capital of the company – page 93 and 123
- Material change – there were no material changes in the integrated annual report
- Responsibility statement – page 62.

## LITIGATION STATEMENT

The directors in office whose names appear on pages 22 to 23 of the integrated annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 months from the date of this integrated annual report, a material effect on the Group's financial position.

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on pages 22 to 23 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2.1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

## MATERIAL CHANGES

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company

and its subsidiaries since the company's financial year end and the date of signature of the integrated annual report.

## ELECTRONIC PARTICIPATION

Should any shareholder of the company wish to participate in the AGM by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the AGM. Shareholders who wish to participate in the meeting by dialling in must note that they will not be able to vote electronically. Should such shareholders wish to have their votes counted at the meeting, they are welcome to cast their votes via representation at the meeting either by proxy or by letter of representation, as provided for in this notice of AGM. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation. The company cannot be held liable for any loss, damage, penalty or claim arising in any way from the use of the telecommunication facility whether or not as a result of any act or omission on the part of the company or anyone else.

## RECORD DATES, PROXIES AND VOTING

In terms of section 59(1)(a) and (b) of the Act, the board of the company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the company's securities register in order to receive notice of the AGM) as 22 August 2014;
- participate in and vote at the AGM (being the date on which a shareholder must be registered in the company's securities register in order to participate in and vote at the AGM) as 3 October 2014;
- The last day to trade in order to participate and vote at the AGM is 26 September 2014.

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Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a show of hands or poll. It is requested that proxy forms be forwarded so as to reach the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, (70 Marshall Street, Corner Sauer Street, Johannesburg; PO Box 61051, Marshalltown, 2107), by not later than 48 (forty eight) hours before the commencement of the AGM. If shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM do not deliver proxy forms to the transfer secretaries by the relevant time, such shareholders will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, in accordance with the instructions therein, with the chairman of the AGM.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so. If unable to attend the AGM, the letter of representation to allow the chairman of the meeting to vote on behalf of the shareholder.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the company.

## VOTING

For the purpose of resolutions proposed in terms of the JSE Listings Requirements wherein any votes are to be excluded from that resolution, any proxy given by a holder of securities to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution.

By order of the board

23 July 2014

### PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

At the AGM, the directors must present the annual financial statement for the year ended 28 February 2014 to shareholders, together with the reports of the directors, the audit and risk committee and the auditors. These are contained within the integrated annual report.

#### Ordinary resolutions 1.1 to 1.2: Re-election of directors

In accordance with the company's MOI, one third of the directors is required to retire at each AGM and may offer themselves for re-election. In addition, any person appointed to the board of directors following the previous AGM is similarly required to retire and is eligible for re-election at the next AGM.

The following directors are eligible for re-election:

- Mr V Mcobothi
- Mr M Phosa.

Brief biographical details of each of the above directors and the remaining members of the board are contained on pages 22 to 23 of the integrated annual report of which this notice forms part.

#### Ordinary resolution 2.1 to 2.3: Appointment of audit and risk committee members

In terms of section 94(2) of the Act, a public company must at each AGM elect an audit and risk committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one third of the members of the audit and risk committee must have appropriate academic qualifications or experience in the areas as listed in the regulation. The board of directors of the company is satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

#### Ordinary resolution 3: Reappointment of external auditors

Baker Tilly SVG, and the individually registered auditor, Mr EL Steyn, have indicated their willingness to continue in

office and ordinary resolution 3 proposes the reappointment of that firm as the company's auditors with effect from 1 March 2014. Section 90(3) of the Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Act.

The board of directors of the company is satisfied that both Baker Tilly SVG and the designated auditor meet the relevant requirements.

#### Ordinary resolution 4: Approval of remuneration philosophy by way of a non-binding, advisory note

The King Report on Corporate Governance for South Africa, 2009 recommends that the remuneration philosophy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration philosophy and policy of the company.

#### Ordinary resolutions 5 and 6: Authority to directors to allot and issue unissued ordinary shares

In terms of the Act, directors are authorised to allot and issue the unissued shares of the company, unless otherwise provided in the company's MOI or in instances as listed in section 41 of the Act. The JSE requires that the MOI should provide that shareholders in a general meeting may authorise the directors to issue unissued securities and/or grant options to subscribe for unissued securities as the directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and are subject to the JSE Listings Requirements. Directors confirm that there is no specific intention to issue any shares, other than as part of and in terms of the rules of the company's share incentive scheme, as at the date of this notice. For this reason, the maximum number of unissued shares that may be issued by the directors in terms of this authority is limited to 10% of the number of issued shares as at 28 February 2014.

Also, in terms of the JSE Listings Requirements, the authority to issue shares for cash as set out in ordinary resolution 6 requires the approval of a 75% majority of the

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votes cast by shareholders present or represented by proxy at the AGM for ordinary resolution number 6 to become effective.

### **Ordinary resolution 7: Providing signing authority**

Authority is required to do all such things and sign all documents and take all such action as necessary to implement the resolutions set out in the notice and approved at the AGM. It is proposed that the company secretary and/or director be authorised accordingly.

General shareholders and proxies attending the AGM on behalf of shareholders are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

### **Special resolution 1: Authority to directors to repurchase company shares**

Section 48 of the Act authorises the board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46

having been met. The JSE Listings Requirements require the shareholders of the company to approve the authority to repurchase shares and the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for special resolution number 1 to become effective.

### **Special resolution 2: Approval of remuneration of non-executive directors**

In terms of section 66(8) and section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the company and as such, the resolution as included in the notice requests approval of the remuneration paid to non-executive directors for their services as directors of the company. Proposed fees for the 2016 financial year have been included in the resolution for approval by shareholders.



Value Group Limited  
 Incorporated in the Republic of South Africa Registration number 1997/002203/06  
 ("Value" or "the company")  
 JSE share code: VLE ISIN code: ZAE000016507

FORM OF PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD IN THE VALUE BOARDROOM, VALUE CITY, ESSEX ROAD, TUNNEY, GERMISTON, ON 14 OCTOBER 2014 AT 09:00

**FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS AND DEMATERIALIZED ORDINARY SHAREHOLDERS WITH 'OWN NAME' REGISTRATION ONLY**

Holders of dematerialised ordinary shares other than 'own name' registration must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP to issue them with the necessary authorisation to attend the annual general meeting in person or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented thereat.

I/We

of \_\_\_\_\_ (address)

being the registered holder(s) of \_\_\_\_\_ ordinary shares in the capital of the company do hereby appoint

1. \_\_\_\_\_ or, failing him/her

2. \_\_\_\_\_ or, failing him/her

the chairman of the annual general meeting as my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the company which will be held on 14 October 2014 at 09:00 and at any adjournment thereof for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

**Ordinary resolutions**

**For Against Abstain**

1. Approval of re-election of directors

1.1 Mr V Mcobothi

1.2 Mr M Phosa

2. Approval of election of audit and risk committee members

2.1 Mr V Mcobothi\*

2.2 Mr IM Groves (chairman)

2.3 Mr CD Stein

*\*Subject to re-election as a director pursuant to ordinary resolution number 1.1*

3. Approval of reappointment of external auditor

4. Approval of the remuneration philosophy by way of a non-binding, advisory vote

5. Approval of general authority to directors to allot and issue authorised but unissued ordinary shares

6. General approval of authority to allot and issue ordinary shares for cash

7. Approval of signing authority

**Special resolutions**

1. Approval of general authority to acquire (repurchase) company shares

2. Approval of the remuneration of the non-executive directors

Please indicate with an 'X' in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Assisted by me, where applicable (name and signature) \_\_\_\_\_

## Notes to the form of proxy and summary of applicable rights established by section 58 of the Companies Act, 2008 (“the Act”)

1. An ordinary shareholder holding dematerialised shares by ‘own name’ registration, or who holds shares that are not dematerialised, is entitled to appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder. Such ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder’s choice in the space provided, with or without deleting ‘the chairman of the annual general meeting’, provided that any such deletion must be signed in full by the shareholder.

The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this will be exercised by the chairman of the annual general meeting. A proxy need not be a shareholder of the company.
2. All resolutions put to the vote shall be decided by way of a poll. An ordinary shareholder is entitled on a poll, to 1 (one) vote per ordinary share held. An ordinary shareholder’s instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the ordinary shareholder in the appropriate box(es). An ‘X’ in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will result in the proxy not being authorised to vote or to abstain from voting at the annual general meeting in respect of the shareholder’s votes, except in the case where the chairman of the annual general meeting is the proxy. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable by the ordinary shareholder, or to cast all those votes exercised in the same way, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the ordinary shareholder.
3. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
4. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatory.
5. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form, unless previously recorded by the company or waived by the chairman of the annual general meeting.
6. A minor must be assisted by his/her parent/guardian and the relevant documentary evidence establishing his/her legal capacity must be attached to this form of proxy unless previously recorded by the company or waived by the chairman of the annual general meeting.
7. When there are joint holders of shares, any one holder may sign the proxy form.
8. The chairman of the annual general meeting may reject or accept any proxy form which is completed and/or received other than in compliance with these notes.
9. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person other than the chairman of the annual general meeting.
10. The appointment of a proxy or proxies:
  - a. is suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  - b. is revocable in which case the shareholder may revoke the proxy appointment by:
    - i. cancelling it in writing or making a later inconsistent appointment of a proxy; and
    - ii. delivering a copy of the revocation instrument to the proxy and to the company.
11. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as the appointment remains in effect, any notice that is required by the Companies Act or the company’s Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to:
  - a. the shareholder; or
  - b. the proxy or proxies, if the shareholder has directed the company to do so in writing and has paid any reasonable fee charged by the company for doing so.
12. The proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
13. If it is requested that this proxy form should be completed and returned to the company’s transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), so as to reach them by not later than 10 October 2014.

ADDITIONAL FORMS OF PROXY ARE AVAILABLE FROM THE TRANSFER SECRETARIES ON REQUEST.

G3.1		INDICATOR	DESCRIPTION	PAGE NO.
STRATEGY	1.1		Statement presenting overall vision and importance of sustainability	34
	2.1		Name of organisation	Front cover
ORGANISATIONAL PROFILE	2.2		Primary brands, products and/or services	12 – 15
	2.3		Operational structure of the organisation	14 – 15
	2.4		Location of organisation's head office	Corporate information
	2.5		Countries of operation	16 – 17
	2.6		Nature of ownership and legal form	14
	2.7		Markets served	12 – 17
	2.8		Scale of the reporting organisation – Number of employees – Net sales – Total capitalisation in terms of total assets and equity	6 – 9, 38
	2.9		Significant changes during the reporting period	n/a
	2.10		Awards received in the reporting period	4
	REPORTING PARAMETERS	3.1		Reporting period
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PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP</p>		
<p><b>Principle 1.1:</b> <b>The board should provide effective leadership based on an ethical foundation.</b></p>	<p>The board is the focal point for corporate governance and responsible to set the tone for ethical leadership throughout the organisation. Decisions and actions taken by the board are based on the Group's ethical values and principles. The Integrated Annual Report provides further detail on how the board has discharged its responsibilities in 2014.</p>	<p>The effective leadership is reflected throughout the Integrated Annual Report in areas such as the chairman's and the combined chief executive officer's and group financial director's reports (pages 24 to 32), stakeholder engagement (pages 18 to 19), corporate governance report (pages 53 to 59)</p>
<p><b>Principle 1.2:</b> <b>The board should ensure that the company is and is seen to be a responsible corporate citizen.</b></p>	<p>The board's role is to exercise sound leadership and judgement in directing the Group to achieve sustainable growth, having due consideration to a balanced financial, social and environmental performance, and taking into account the legitimate expectations of its stakeholders in making decisions in the best interest of the Group. The social and ethics committee ensures that the Group formulates collaborative responses to sustainability challenges.</p>	<p>There is a continued focus on sustainability and CSI initiatives. Refer to sustainability report (pages 34 to 51)</p>
<p><b>Principle 1.3:</b> <b>The board should ensure that the company's ethics are managed effectively.</b></p>	<p>The board ensures that the Group's ethical standards are clearly articulated and supported. All employees are required to maintain ethical standards in ensuring the Group's business practices is beyond reproach. The ethical standards guiding the Group's relationship with stakeholders are governed by the Group's code of conduct.</p> <p>Internal audit annually assesses the Group's ethical performance and provides reports to the audit and risk and social and ethics committees.</p>	<p>Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)</p>
<p>CHAPTER 2: BOARD AND DIRECTORS</p>		
<p><b>Principle 2.1:</b> <b>The board should act as the focal point for and custodian of corporate governance.</b></p>	<p>The board has a charter setting out its role, powers and responsibilities both in terms of the latest governance developments as well as the requirements for its composition, meeting procedures and work plan.</p>	<p>Corporate governance report (pages 53 to 59)</p>

## King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 2: BOARD AND DIRECTORS (continued)</p>		
<p><b>Principle 2.2:</b> <b>The board should appreciate that strategy, risk, performance and sustainability are inseparable.</b></p>	<p>The board appreciates that strategy, risk, performance and sustainability are inseparable and as a result the Integrated Annual Report is presented.</p>	<p>Integrated Annual Report presented</p>
<p><b>Principle 2.3:</b> <b>The board should provide effective leadership based on an ethical foundation.</b></p>	<p>The board is the focal point for corporate governance and responsible to set the tone for ethical leadership throughout the organisation. Decisions and actions taken by the board are based on the Group's ethical values and principles. The Integrated Annual Report provides further detail on how the board has discharged its responsibilities in 2014.</p>	<p>The values are discussed in the 2014 Integrated Annual Report and these are led by the board</p>
<p><b>Principle 2.4:</b> <b>The board should ensure that the company is and is seen to be a responsible corporate citizen.</b></p>	<p>The Integrated Annual Report highlights the Group's performance with regards to sustainability. With the strategic direction provided by the board, the Group seeks to protect, enhance and invest in the wellbeing of stakeholders. The social and ethics committee ensures that the Group formulates collaborative responses to sustainability challenges, which is overseen by the board.</p>	<p>Refer to Principles 2.1 and 2.3</p>
<p><b>Principle 2.5:</b> <b>The board should ensure that the company's ethics are managed effectively.</b></p>	<p>The management of ethics within the Group forms an important aspect of the board's focus and responsibility and is closely monitored at each meeting of the social and ethics committee.</p>	<p>Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 2.6:</b> <b>The board should ensure that the company has an effective and independent audit committee.</b></p>	<p>An effective and independent audit and risk committee is in place. The committee consists of three independent non-executive members. The committee's terms of reference outline the roles, powers, responsibilities and membership.</p>	<p>Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 2.7:</b> <b>The board should be responsible for the governance of risk.</b></p>	<p>The board is responsible for the governance of risk and the audit and risk committee assists the board in executing this responsibility.</p>	<p>Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)</p>

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 2: BOARD AND DIRECTORS <i>(continued)</i>		
<b>Principle 2.8:</b> <b>The board should be responsible for information technology (IT) governance.</b>	The board is responsible for IT governance and the audit and risk committee assist the board in executing this responsibility. An IT steering committee is in place and the chief information officer ("CIO") is a member of this committee. The CIO presents a status report on IT applications and development and on the IT infrastructure department at each quarterly meeting of the audit and risk committee.	Corporate governance report (pages 53 to 59)
<b>Principle 2.9:</b> <b>The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.</b>	A legal compliance policy has been adopted by the board and a legal and compliance report is monitored at each meeting.	Corporate governance report (pages 53 to 59)
<b>Principle 2.10:</b> <b>The board should ensure that there is an effective risk-based internal audit.</b>	An effective risk-based internal audit function is in place.	Audit and risk committee report (pages 64 to 65)
<b>Principle 2.11:</b> <b>The board should appreciate that stakeholders' perceptions affect the company's reputation.</b>	Stakeholders' perceptions and the potential effect that it may have on the reputation of the Group is appreciated and focused on by the board. A board-endorsed stakeholder engagement process has been adopted across the business.	Stakeholder engagement (pages 18 to 19)
<b>Principle 2.12:</b> <b>The board should ensure the integrity of the company's integrated report.</b>	The board approves the integrated report after satisfying itself with respect to the accuracy and integrity of the report.	Refer to Principle 9.1 and the Integrated Annual Report (page 62)
<b>Principle 2.13:</b> <b>The board should report on the effectiveness of the company's system of internal controls.</b>	Annually, internal audit reviews the overall effectiveness of the Group's system of financial controls and presents its opinion to the audit and risk committee and the board. The board uses this assurance and reports on the effectiveness of controls.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)

# King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 2: BOARD AND DIRECTORS (continued)</p>		
<p><b>Principle 2.14:</b> <b>The board and its directors should act in the best interests of the company.</b></p>	<p>The board and directors are cognisant of their fiduciary and other duties and responsibilities under the Companies Act and King III. Directors are required to exercise objective judgement. The board acts in the best interests of the Group by ensuring that individual directors:</p> <ul style="list-style-type: none"> <li>● adhere to legal standards of conduct as set out in the Companies Act</li> <li>● exercise their fiduciary duties with the best interest of the Group at heart</li> <li>● are permitted to take independent advice in connection with their duties following an agreed procedure</li> <li>● disclose real or perceived conflicts to the board and deal with them accordingly</li> <li>● deal in securities only in accordance with the policy adopted by the board which is in line with statutory requirements.</li> </ul>	<p>Corporate governance report (pages 53 to 59)</p>
<p><b>Principle 2.15:</b> <b>The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.</b></p>	<p>The board is apprised of the Group's going-concern status at meetings. Additionally, monthly management accounts detailing the Group's financial performance is issued to the executive directors for their examination. As a result, the board monitors the solvency and liquidity of the company on a regular basis. This enables the board to consider business rescue should the need arise.</p>	<p>Corporate governance report (pages 53 to 59)</p>
<p><b>Principle 2.16:</b> <b>The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.</b></p>	<p>The chairman of the board is an experienced independent non-executive director, free of conflict upon appointment and is elected annually by the board. The CEO does not fulfil this function. The CEO and chairman's roles are separate. The board's charter formalises the role of the chairman and his performance is assessed annually.</p>	<p>Corporate governance report (pages 53 to 59) Directors (pages 22 to 23)</p>

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 2: BOARD AND DIRECTORS <i>(continued)</i>		
<b>Principle 2.17:</b> <b>The board should appoint the chief executive officer and establish a framework for the delegation of authority.</b>	The board appointed the CEO and provides input into senior management appointments who function in terms of a framework wherein the board defines and delegates functions of management appropriately. The role and function of the CEO is formalised and the board evaluates the performance of the CEO annually. Succession plans are in place for the CEO and senior management.	Corporate governance report (pages 53 to 59)
<b>Principle 2.18:</b> <b>The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.</b>	The majority of board members are independent non-executive directors. Directors are appointed through a formal process and the knowledge, skills and resources required by the board are considered. The size and diversity of the board allows for the board to conduct its business effectively.	Board of directors (pages 22 to 23) Corporate governance report (pages 53 to 59)
<b>Principle 2.19:</b> <b>Directors should be appointed through a formal process.</b>	Appointments to the board are a matter for the consideration of the board as a whole and are made in a formal and transparent manner. In this process, a remuneration and nominations committee is in place and assists in identifying suitable members that will address the board's requirements in terms of knowledge, skills and resources.  All appointments comply with the requirements of the Companies Act and the company's Memorandum of Incorporation.  Non-executive directors are formally appointed with a letter of appointment.	Board of directors (pages 22 to 23) Corporate governance report (pages 53 to 59)
<b>Principle 2.20:</b> <b>The induction of and on-going training and development of directors should be conducted through formal processes.</b>	The remuneration and nominations committee ensures that new directors undergo an appropriate induction process and recommends to the chairman of the board the need for board participation in continued education programmes.	Corporate governance report (pages 53 to 59)

## King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 2: BOARD AND DIRECTORS <i>(continued)</i></p>		
<p><b>Principle 2.21:</b> <b>The board should be assisted by a competent, suitably qualified and experienced company secretary.</b></p>	<p>iThemba Governance and Statutory Solutions (Pty) Ltd (represented by Ms Claire Middlemiss), is the appointed company secretary. The board believes the company secretary is competent, experienced and is suitably qualified to fulfil the role's functions in assisting the board and committees appropriately and on an objective, arm's length basis.</p> <p>The appointment and functions of the company secretary are in line with the requirements of the Companies Act.</p>	<p>Corporate governance report (pages 53 to 59)</p>
<p><b>Principle 2.22:</b> <b>The evaluation of the board, its committees and the individual directors should be performed every year.</b></p>	<p>The board's charter requires the board to conduct annual evaluations of its performance against its roles and responsibilities, as well as that of individual directors. Each committee evaluates its own performance and the remuneration and nomination committee monitors and reports to the board periodically on the performance of the committees. An overview of this process is disclosed in the Integrated Annual Report.</p>	<p>Corporate governance report (pages 53 to 59)</p>
<p><b>Principle 2.23:</b> <b>The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.</b></p>	<p>The following board and statutory committees are in place:</p> <ul style="list-style-type: none"> <li>● Audit and risk</li> <li>● Remuneration and nominations</li> <li>● Social and ethics</li> </ul> <p>All board and statutory committees operate under formal terms of reference which are reviewed annually. The terms of reference sets out roles, powers and responsibilities of each committee and are in line with all statutory requirements.</p> <p>The composition of each committee, as well as a description of their terms of reference, is disclosed in the Integrated Annual Report.</p>	<p>Corporate governance report (pages 53 to 59)</p>
<p><b>Principle 2.24:</b> <b>A governance framework should be agreed between the group and its subsidiary boards.</b></p>	<p>The board of directors recognises the statutory and fiduciary duties of the directors of a subsidiary company and in particular their duty to act in the best interests of the subsidiary company at all times. All subsidiaries apply the policies and procedures of the holding company.</p>	<p>Referenced in roles and responsibilities of senior management and directors of the subsidiaries</p>

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 2: BOARD AND DIRECTORS <i>(continued)</i>		
<b>Principle 2.25:</b> <b>Companies should remunerate directors and executives fairly and responsibly.</b>	A remuneration and nominations committee is in place and assists the board in ensuring the Group's remuneration policy is aligned with the Group's strategy and goals. The committee also reviews and approves remuneration of executive directors and senior management, proposes non-executive fees, reviews participation in and detail of share-based and other long-term incentive schemes.	Corporate governance report (pages 53 to 59)
<b>Principle 2.26:</b> <b>Companies should disclose the remuneration of each individual director and certain senior executives.</b>	The Integrated Annual Report discloses the details of the remuneration for all directors and prescribed officers of the Group, in accordance with the requirements of the Companies Act, the Listings Requirements of the JSE and King III.	Consolidated financial statements (pages 96 to 97) Remuneration report (page 130)
CHAPTER 3: AUDIT COMMITTEE		
<b>Principle 3.1:</b> <b>The board should ensure that the company has an effective and independent audit committee.</b>	The Group has an audit and risk committee comprising at least three independent, non-executive directors who were nominated by the remuneration and nominations committee and elected at the AGM by the shareholders.  The audit and risk committee has clear terms of reference, approved by the board, which complies with section 94 of the Companies Act and King III, which outlines the audit and risk committee's agenda and work plan.	Corporate governance report (page 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 3.2:</b> <b>Audit committee members should be suitably skilled and experienced independent non-executive directors.</b>	The audit and risk committee members are independent, non-executive directors, suitably skilled and experienced to carry out their duties.	Board of directors (pages 22 to 23) Corporate governance report (pages 53 to 59) Audit and risk committee report (page 64 to 65)
<b>Principle 3.3:</b> <b>The audit committee should be chaired by an independent non-executive director.</b>	The audit and risk committee is chaired by a suitably qualified, independent non-executive director, namely Mr Mike Groves.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)

## King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 3: AUDIT COMMITTEE (continued)</p>		
<p><b>Principle 3.4:</b> <b>The audit committee should oversee integrated reporting.</b></p>	<p>The terms of reference of the audit and risk committee requires the committee to oversee, and take responsibility for the integrity of the Integrated Annual Report and imposes suitable duties upon the committee to ensure that this is attended to. The review of the audit and risk committee includes not only the primary financial information, but also includes all relevant narrative information to present a balanced view of the Group's performance. The committee understands how the board and the external auditor evaluate materiality for integrated reporting purposes.</p>	<p>Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 3.5:</b> <b>The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.</b></p>	<p>The terms of reference of the audit and risk committee requires the committee to ensure that an appropriate combined assurance model, which addresses all the significant risks of the Group is implemented. The audit and risk committee reviews the combined assurance framework to be satisfied that significant risks are addressed within the Group. The framework considers assurances provided by internal audit, external audit and specialist agencies.</p>	<p>Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 3.6:</b> <b>The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.</b></p>	<p>The terms of reference of the audit and risk committee requires the committee to annually review the appropriateness of the expertise and adequacy of the resources on the finance function and the experience of the senior members of management responsible for the financial function. The results of such a review are disclosed in the integrated report.</p>	<p>Audit and risk committee report (pages 64 to 65) Audit and risk committee's terms of reference</p>
<p><b>Principle 3.7:</b> <b>The audit committee should be responsible for overseeing of internal audit.</b></p>	<p>The audit and risk committee is responsible for overseeing internal audit.</p> <p>A chief audit executive ("CAE") heads up the internal audit function. The audit and risk committee is responsible for the appointment, performance management and dismissal of the CAE.</p> <p>The audit and risk committee ensures that the internal audit function is subjected to a quality review on a regular basis and the CAE reports functionally to the chairman of the audit and risk committee.</p>	<p>Audit and risk committee report (pages 64 to 65)</p>

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 3: AUDIT COMMITTEE <i>(continued)</i>		
<b>Principle 3.8:</b> <b>The audit committee should be an integral component of the risk management.</b>	The terms of reference of the audit and risk committee requires the committee to oversee the Group's risk management process .	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 3.9:</b> <b>The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.</b>	The terms of reference of the audit and risk committee encapsulate the requirements of the Companies Act and details the committee's responsibilities in respect of the external auditor's nomination (for appointment by shareholders), the terms of engagement and remuneration, the policy for non-audit services, reportable irregularities and the quality and effectiveness of the external auditor.	Audit and risk committee report (pages 64 to 65)
<b>Principle 3.10:</b> <b>The audit committee should report to the board and shareholders on how it has discharged its duties.</b>	The audit and risk committee reports to shareholders on how it has discharged its duties at the AGM and a written report is included in the Integrated Annual Report and annual financial statements.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
CHAPTER 4: THE GOVERNANCE OF RISK		
<b>Principle 4.1:</b> <b>The board should be responsible for the governance of risk.</b>	The board takes responsibility for the governance of risk within the Group and is assisted by the audit and risk committee.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 4.2:</b> <b>The board should determine the levels of risk tolerance.</b>	A risk management policy was approved by the board and has been implemented by management, through the risk management steering committee.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 4.3:</b> <b>The risk committee or audit committee should assist the board in carrying out its risk responsibilities.</b>	The audit and risk committee regularly reviews the group risk assessment and satisfies itself that the responses and mitigations are adequate as reported by the risk management steering committee.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 4.4:</b> <b>The board should delegate to management the responsibility to design, implement and monitor the risk management plan.</b>	The risk management policy has been delegated to management. The Group has a dedicated risk management function. The chief risk officer is supported by the risk management steering committee to affect and implement risk management plans, which are approved by the audit and risk committee and board.	Principle 4.1

## King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 4: THE GOVERNANCE OF RISK (continued)		
<b>Principle 4.5:</b> The board should ensure that risk assessment is performed on a continual basis.	The Group's risk management policy which is approved by the audit and risk committee and the board of directors outlines the importance and continual assessment of risks at each level of employment within the Group.	Enterprise risk management (page 10) Corporate governance report (pages 53 to 59)
<b>Principle 4.6:</b> The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	The Group's risk management plan has been implemented and the process for identifying, monitoring and responding to risks has been rolled out to the Group.	Enterprise risk management (page 10) Corporate governance report (pages 53 to 59)
<b>Principle 4.7:</b> The board should ensure that management considers and implements risk responses.	The Group's risk management plan has been implemented and the process for identifying, monitoring and responding to risks has been rolled out to the Group.	Enterprise risk management (page 10) Corporate governance report (pages 53 to 59)
<b>Principle 4.8:</b> The board should ensure continual risk-monitoring by management.	The Group's risk management plan outlines responsibilities of management and their responsibilities toward continual risk monitoring. Risk management forms part of management's functions.	Enterprise risk management (page 10) Corporate governance report (pages 53 to 59)
<b>Principle 4.9:</b> The board should receive assurance regarding the effectiveness of the risk management process.	Internal audit provides assurance on the effectiveness of controls and risk management for the Group and reports its findings to the audit and risk committee.	Audit and risk committee report (pages 64 to 65)
<b>Principle 4.10:</b> The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Risk disclosure provided to stakeholders according to the Group's risk management policy.	Enterprise risk management (page 10) Corporate governance report (pages 53 to 59)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY (IT)		
<b>Principle 5.1:</b> The board should be responsible for information technology (IT) governance.	The board is responsible for IT governance, understands the strategic importance of IT in achievement of the Group's strategic objectives.	Principle 2.8
<b>Principle 5.2:</b> IT should be aligned with the performance and sustainability objectives of the company.	The IT strategy is integrated with the Group's strategic and business processes.	Corporate governance report (pages 53 to 59)
<b>Principle 5.3:</b> The board should delegate to management the responsibility for the implementation of an IT governance framework.	An IT governance framework has been implemented and forms part of the risk management plan.	Corporate governance report (pages 53 to 59)
<b>Principle 5.4:</b> The board should monitor and evaluate significant IT investments and expenditure.	The board monitors and evaluates significant IT investments and expenditure.	Corporate governance report (pages 53 to 59)
<b>Principle 5.5:</b> IT should form an integral part of the company's risk management.	IT is an integral part of the Group's strategic and business processes and forms part of the Group's risk management plan.	Corporate governance report (pages 53 to 59)
<b>Principle 5.6:</b> The board should ensure that information assets are managed effectively.	An information management strategy is in place which monitors the management of information security.	Corporate governance report (pages 53 to 59)
<b>Principle 5.7:</b> A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	The audit and risk committee regularly considers IT risks and controls, business continuity and data recovery related to IT, information security and privacy.	Corporate governance report (pages 53 to 59)

## King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
CHAPTER 6: COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS		
<b>Principle 6.1:</b> The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	The Group has adequate systems and functions in place to ensure that it complies with all applicable laws and any instances in respect of exceptions are resolved timeously. The board is continually kept up to date with the progress of any such instances.	Corporate governance report (pages 53 to 59)
<b>Principle 6.2:</b> The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards of the company and its business.	The Group's board members are suitably skilled and experienced with regard to the applicable laws, rules, codes and standards of the Group's business. Processes are in place to ensure that the board is continually informed of relevant laws, rules, codes and standards including any changes made.	Corporate governance report (pages 53 to 59)
<b>Principle 6.3:</b> Compliance risk should form an integral part of the company's risk management process.	Compliance risk forms an integral part of the Group's risk management plan. Legislative and regulatory compliance is monitored by the head of Group's legal department and the chief risk officer.	Corporate governance report (pages 53 to 59)
<b>Principle 6.4:</b> The board should delegate to management the implementation of an effective compliance framework and processes.	Compliance risk forms an integral part of the Group's risk management plan. Legislative and regulatory compliance is monitored by the head of Group's legal department and the chief risk officer.	Corporate governance report (pages 53 to 59)
CHAPTER 7: INTERNAL AUDIT		
<b>Principle 7.1:</b> The board should ensure that there is an effective risk-based internal audit.	The role of internal audit is outlined in the terms of reference of the audit and risk committee as well as the internal audit charter. The annual internal audit plan is approved by the committee and addresses, amongst others, all the areas as recommended by King III.	Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)
<b>Principle 7.2:</b> Internal audit should follow a risk-based approach to its plan.	Internal audit follows a risk-based audit plan by incorporation of the Group's strategy and risks.	Corporate governance report (pages 53 to 59)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 7: INTERNAL AUDIT <i>(continued)</i></p>		
<p><b>Principle 7.3:</b> <b>Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.</b></p>	<p>Internal audit forms part of the combined assurance model as the internal assurance provider providing assessments to the audit and risk committee on the effectiveness of internal controls and risk management.</p>	<p>Corporate governance report (pages 53 to 59) Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 7.4:</b> <b>The audit committee should be responsible for overseeing internal audit.</b></p>	<p>The CAE head of internal audit is appointed by the committee and reports functionally to the chairman of the audit and risk committee. (Principle 3.7)</p>	<p>Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 7.5:</b> <b>Internal audit should be strategically positioned to achieve its objectives.</b></p>	<p>The internal audit function is independent and objective and reports to the audit and risk committee. The committee reviews the resources and skills of the function on an annual basis to ensure it is adequate to address risk and assurance requirements.</p>	<p>Audit and risk committee report (pages 64 to 65)</p>
<p>CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS</p>		
<p><b>Principle 8.1:</b> <b>The board should appreciate that stakeholders' perceptions affect a company's reputation.</b></p>	<p>The Group has adopted a stakeholder engagement process, the description of which is in the Integrated Annual Report and is applied across all divisions in the Group's business. Stakeholder engagement results are discussed at board meetings.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>
<p><b>Principle 8.2:</b> <b>The board should delegate to management to proactively deal with stakeholder relationships.</b></p>	<p>The Group has adopted a stakeholder engagement process, the description of which is in the Integrated Annual Report and is applied across all divisions in the Group's business. Stakeholder engagement results are discussed at board meetings.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>
<p><b>Principle 8.3:</b> <b>The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.</b></p>	<p>The Group has adopted a stakeholder engagement process, the description of which is in the Integrated Annual Report and is applied across all divisions in the Group's business. Stakeholder engagement results are discussed at board meetings.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>

# King III application summary

(continued)

PRINCIPLE	APPLICATION	FURTHER COMMENTS IF APPLICABLE
<p>CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS <i>(continued)</i></p>		
<p><b>Principle 8.4:</b> Companies should ensure the equitable treatment of shareholders.</p>	<p>In compliance with its responsibilities under the Companies Act and the listings requirements of the JSE, the board is cognisant of its duty to ensure that all shareholders are treated equitably.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>
<p><b>Principle 8.5:</b> Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.</p>	<p>The Group provides complete, timely, relevant, accurate, honest and accessible information to its stakeholders whilst having regard to legal and strategic considerations.</p> <p>The degree of transparency and communication is considered with reference to the company stakeholder policies, relevant legal requirements and the maintenance of the Group's competitive advantage.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>
<p><b>Principle 8.6:</b> The board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible.</p>	<p>The board is apprised on significant disputes by the CEO, CFO and the Group's legal officer. There are policies in place to resolve internal disputes with HR.</p>	<p>Stakeholder engagement (pages 18 to 19)</p>
<p>CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE</p>		
<p><b>Principle 9.1:</b> The board should ensure the integrity of the company's integrated report.</p>	<p>The board, assisted by the audit and risk committee, assumes responsibility for the Integrated Annual Report and ensures that the report fairly represents the performance of the Group and ensures that there are controls in place to enable it to verify and safeguard the integrity of the integrated report. In addition, the audit and risk committee evaluates sustainability disclosures.</p>	<p>Integrated annual report (page 62) Audit and risk committee report (pages 64 to 65)</p>
<p><b>Principle 9.2:</b> Sustainability reporting and disclosure should be integrated with the company's financial reporting.</p>	<p>The Integrated Annual Report includes the Group's summary of financial statements and commentary that allows the reader to contextualise the financial results by providing sufficient information on the key issues effecting the Group, its stakeholders and the community it operates in.</p>	<p>Sustainability reporting and disclosure have been integrated with the Group's financial reporting</p>
<p><b>Principle 9.3:</b> Sustainability reporting and disclosure should be independently assured.</p>	<p>The Group is refining its internal processes, thus the Group nominated a "C" application level for the Global Reporting Initiative reporting framework, although the Group has selected broad-based black economic empowerment for verification by an accredited specialists.</p>	<p>Reporting framework (page 3)</p>