

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

Principle 1	The governing body should lead ethically and effectively.	King IV™ Outcome	King IV™ Reference
	<p>AEEI Board of directors (the Board) exercises effective leadership, adhering to the duties of a director. The directors have the necessary competence and act ethically in discharging their responsibility to provide strategic direction and control of the Company as provided for in the Board Charter, Duties of Directors and the MOI of the Company.</p> <p>The Board of directors provides leadership and strategic guidance aimed at safeguarding shareholder value creation and is guided within a framework of ethic control which supports the establishment of an ethical culture.</p> <p>The performance of individual Board members is assessed through the Board evaluation process.</p> <p>Board members are individually and collectively accountable for their ethical and effective leadership and are required to conduct themselves in accordance with the Groups Code of Conduct and Code of Ethics and their legal duties as directors of a public listed entity and under the Companies Act of 2008.</p> <p>Board members subscribe to the Code of Ethics, thereby committing to high ethical standards and to conducting themselves honestly, scrupulously and with integrity. The Board reviews the Group's values to ensure that it adheres to the highest standards of ethics and corporate behaviour and that the Code of Conduct that addresses conflicts of interest is in place for this purpose.</p> <p>Board members table their conflicts of interest at each Board meeting for full disclosure and transparency.</p> <p>The performance of individual board members are assessed through the board evaluation process.</p> <p>The Social, Ethics and Transformation Committee monitors all ethical requirements in terms of the Companies Ac and regulations and all other issues in terms of the Code of Ethics and Code of Conduct (including compliance by directors and staff) and related policies.</p>	<p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>K IV™ P1 Prac 1.a.i</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	Refer to the Integrated Report and the online Corporate Governance Report		
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.		
		King IV™ Outcome	King IV™ Reference
	<p>The Board ensures that the Group subscribes to the highest levels of professionalism and integrity in conducting its businesses and dealing with all stakeholders. All employees are expected to share its commitment to high moral, ethical practices, moral conduct and legal standards.</p> <p>The Board provides effective leadership based on a principled foundation and the Group subscribes to high ethical standards and conduct. AEEI's leadership is characterised by the values of responsibility, accountability, fairness and transparency. One of AEEI's fundamental objectives has always been to do business ethically while building a Company that is sustainable taking into account the short, medium and long-term activities on the economy, society and the environment.</p> <p>The Board has delegated the responsibility to management for the implementation and execution of the Code of Ethics ("the Code") and the Code of Conduct and the Board, with the assistance of the Social, Ethics and Transformation Committee, exercises ongoing oversight of the management of ethics, monitoring AEEI's activities with regard to ethics and ensuring it is integrated in the operations of the Company.</p> <p>In executing its responsibilities, the Social, Ethics and Transformation Committee considers and monitors the Group's activities, having regard to legislation, human rights and prevailing practice in matters relating to social and economic development including compliance with the 10 principles of the United Nations Global Compact and labour and employment activities</p> <p>The Code has clear guidelines with regard to interaction with all stakeholders of the Group, including employees and addresses the key ethical risks of the Company. The whistle-blowing mechanisms and management of the independent ethics reporting line to detect breaches of ethical standards, as well as the dedicated effort to create awareness, detect and resolve any ethical violations as well as providing training on anti-corruption and anti-competitive behaviour, all contribute to a strong ethical foundation.</p>	<p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>K IV™ P2 Prac 4</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>The Company has institutionalised ethics and created a culture of ethics and awareness by incorporating principles of ethics into relevant policies, practices and training.</p> <p>The Code is published on the Company's website and is incorporated as part of the induction programme to all new employees and in employee contracts as well as suppliers. A high-level overview for governing and managing ethics is disclosed in the online Corporate Governance Report.</p>		
Principle 3	<p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>In accordance with its role of overseeing the Company's conduct as a good corporate citizen, the Board approves the strategy and priorities of the Company, including its material matters and, more specifically, those related to sustainability. Through stakeholder engagement and collaboration, the Company has committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them in finding lasting solutions to sustainability challenges.</p> <p>It is a AEEI Group imperative to be a values-driven organisation, to deliver on the South African transformation agenda and to fulfil its legal and moral obligations as a good corporate citizen.</p> <p>The Board, with the support of the Social, Ethics and Transformation Committee and the Executive Committee, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen. The Company's commitment to sustainable development involves ensuring that the Group conducts operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs.</p> <p>The Company's Integrated Report, supplemented by web-based sustainability reporting, details the Group's progress against its priorities and sustainability framework, within the context of material sustainability challenges, governance, ethics and human rights, safety, developing and retaining a skilled and diverse workforce, responding to the changing regulatory context, addressing climate change and promoting water stewardship, highlighting planned future focus.</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P3 Prac 11</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>Detailed information can be found in the Integrated Report and the online Sustainability Report covering the following:?</p> <ul style="list-style-type: none"> • An overview of the arrangements for governing and managing responsible corporate citizenship; • Key focus areas during the reporting period; • Measures taken to monitor corporate citizenship and how outcomes were addressed; and • Planned areas of future focus 		
<p>Principle 4</p>	<p>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.</p> <p>Strategy and performance are one of the primary responsibilities of the Board. Risks and opportunities, performance, the business model and sustainable development matters, as identified are considered in terms of the Group's vision, long-term goals and values.</p> <p>The Board informs and approves the strategy with clear time lines and parameters which is aligned with the purpose of the Company, the value drivers of our various business units and the legitimate expectations of our stakeholders. The major trends in our operating environment are identified taking into account the macroeconomic, social, technological, regulatory and environmental drivers. Engagement with internal and external stakeholders takes and their needs and expectations are considered. Our stakeholders include our employees, clients, shareholders, regulatory bodies and communities. Through this process any material matters are highlighted and actioned accordingly.</p> <p>With the support of its Committees, the Board oversees and monitors the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance by, amongst others, reporting balanced, accurate and accessible assessment of our strategy, performance and opportunities in relation to material financial, economic, social, and environmental and governance issues and disclosures.</p> <p>Our material matters identified are ranked in terms of the relevance and the highest potential impact on the viability of the Company and relationships with our stakeholders. Risks and opportunities arising from the material matters are identified and their impact on both the short, medium and long-term strategy is</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P4 Prac 1</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>assessed.</p> <p>Further details regarding the Company's performance against its strategic objectives are reported on in the Integrated Report.</p>		
<p>Principle 5</p>	<p>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long term prospects.</p>		
	<p>The Board with the support of the Audit and Risk Committee is ultimately responsible for the system of internal control which is designed to identify, evaluate, manage and provide reasonable assurance against material matters. The Board, through the Audit and Risk Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the integrated report and any other disclosures. The Company complies with all required disclosures. Reporting frameworks and materiality are approved by the Audit and Risk Committee to ensure compliance with legal requirements and relevance to stakeholders.</p> <p>The Audit and Risk Committee applies a combined assurance model to seek and optimise the assurance provided by management, the Group internal auditor and external assurance providers to ensure a strong ethical climate and to ensure compliance.</p> <p>The Audit Committee oversees the integrated reporting process and reviews the audited financial statements.</p> <p>Information relating to the required disclosures appear in the Integrated, Corporate Governance, Responsible Investments and Sustainability Reports including the Annual Financial Statements. These include matters relating to our strategy and detailed sections regarding our long-term goals in relation to the Group's value creation process. This enables stakeholders to extract the relevant value from such information.</p> <p>The Company ensures that the information related to the required disclosures and any other relevant information to stakeholders is published on the Company's website.</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P5 Prac 9</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	Refer to the Integrated Report and online suite of reports		
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.		
		King IV™ Outcome	King IV™ Reference
	<p>The Board embraced the governance practices and principles and has ultimate responsibility and accountability for the performance of the Company including good governance practices and principles. The Board has taken steps in terms of its custodianship of governance, which include Board continuity and effectiveness to determine the way forward in terms of the Company's strategic direction.</p> <p>The Board has an approved charter which it reviews annually. The charter sets out the Board's governance responsibilities, including the role, responsibilities, membership requirements and procedural conduct. It serves as the focal point and custodian of corporate governance for the Group. Through the Nominations and Social and Ethics Committees, the Board implements and monitors the governance practices within the Group.</p> <p>Board and committee charters are reviewed and aligned annually with the principles of King IV.</p> <p>The Board as well as any director or Committee may obtain independent, external professional advice at the Company's expense concerning matters within the scope of their duties and the directors may request documentation from and set up meetings with management as and when required.</p> <p>An appropriate governance framework and the necessary policies and processes are in place to ensure all subsidiaries in the Group adhere to essential Group requirements and minimum governance standards. As a direct or indirect shareholder, the Company exercises its rights and is involved in the decision-making of its subsidiaries on material matters. Subsidiaries have adopted the governance framework as appropriate and have aligned it to their MOI's and shareholders' agreements' as may be required.</p> <p>The Company's governance framework and corporate governance practices are disclosed in the Integrated and Corporate Governance Reports.</p>	Ethical Culture Good Performance Effective Control Legitimacy	K IV™ P6 Prac 1.a

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

Principle 7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	
	King IV™ Outcome	King IV™ Reference
	<p>As defined in the JSE Listings Requirements, the capacity of each director is categorised while also taking into consideration the Board Charter and King IV. The Board comprises a majority of non-executive directors. A rigorous review of the independence and performance of non-executive directors serving more than 9 years is undertaken by the Board with the support of the Nominations Committee. Where directors are reaching tenure and retirement age, board continuity is ensured through succession planning</p> <p>In terms of the Company's MOI, all of the directors for the time being, shall retire from office, provided that if a Director is appointed as an executive director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of directors. When considering appointment or re-election of directors, the Board, with the support of the Nominations Committee, gives consideration to the knowledge, skills and resources required for conducting the business as well as considering its size, diversity and demographics to ensure its effectiveness.</p> <p>The roles of the Chairman and CEO are clearly defined and these positions are occupied by separate individuals. In accordance with King IV, a lead independent director has been appointed to deal with any perceived issues flowing from the limited area of potential non-independence or conflict of interests.</p> <p>The Board adopted a policy on the promotion of diversity at board level and reports in the Integrated Report on how it has considered and applied the policy. The Board is satisfied with the current composition in terms of race and diversity. The process for appointment and election of directors is set out in the Company's MOI. The Nominations Committee assists with the process of identifying suitable candidates to be proposed for appointment to the Board and election by the shareholders, taking into consideration the annual review of the Board's effectiveness, which includes, amongst others, its composition. All facets of diversity, having regard to the Board's Diversity Policy, are considered in determining the optimal composition of the Board, which should be balanced appropriately and enable the Board to discharge its duties and responsibilities effectively.</p>	<p>Ethical Culture Good Performance Effective Control Legitimacy</p> <p>K IV™ P7 Prac 6</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>The Board composition is aligned with the requirements of King IV regarding the number of executive versus non-executive directors. Refer to the Integrated and Corporate Governance Reports on the composition, skills, experience and tenure of board members.</p> <p>A brief CV for each director standing for election or re-election at the Annual General Meeting (AGM) accompanies the Notice of the AGM.</p> <p>Directors and newly appointed directors are inducted in AEEI's business, board matters, their duties and governance responsibilities as directors, in accordance with each director's specific needs. Directors are provided with an opportunity to visit the Group's operations and receive regular briefings on new legal developments and changes in the risk and general business environment on an on-going basis.</p> <p>The succession plan of directors is reviewed annually by the Nominations Committee and includes the identification, mentorship and development of current and future candidates.</p> <p>Refer to the Integrated Report and online suite of reports.</p>		
<p>Principle 8</p>	<p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p> <p>In order for the Board to discharge its responsibilities effectively, they have established a number of Committees. The Committees of the Board comprise the Audit and Risk Committee, the Nominations Committee, the Remuneration Committee, the Social, Ethics Committee and Transformation Committee and the Investment Committee.</p> <p>The various Committees are appropriately constituted and members are appointed by the Board, with the exception of the Audit and Risk Committee and the Social, Ethics and Transformation Committee whose members are nominated by the Board and elected by shareholders. The Nominations Committee reviews the composition of Board committees and makes recommendations to the Board with regard to their composition, including appointment of the chairman of each committee, taking into account factors such as skills, diversity and the spread of power and authority evenly.</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P8 Prac 39</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

External advisors, executive directors and members of management attend Committee meetings by invitation. The Committees play an important role in enhancing the highest standards of governance and achieving increased effectiveness within the Group. Formal terms of reference are established and approved for each Committee, which are reviewed annually. The terms of reference of the Committees can be viewed on the Company's website.

The Board considers the allocation of roles and associated responsibilities and the composition of membership across all its Committees holistically in order to achieve the following:

- There is a balanced distribution of power in respect of membership across the Committees to ensure that no individual has the ability to dominate decision making, and no undue reliance is placed on any individual.
- Effective collaboration through cross-membership between Committees, where required; with coordinated timing of meetings; and avoidance or duplication or fragmented functioning in so far as possible.
- Where more than one Committee has jurisdiction to deal with a similar matter, the specific role and positioning of each Committee in relation to such matter is defined to ensure complementary rather than competing approaches.

A delegation by the Board of its responsibilities to a Committee will not by or of itself constitute a discharge of the Board's accountability.

The Board applies its collective mind to the information, opinions, recommendations, reports and statements presented by the chairman of a Committee.

Audit and Risk Committee - Committee responsible for Audit and Risk Committee members of the Board

The Board has an Audit and Risk Committee comprising of non-executive directors and its independence and effectiveness is reviewed on an annual basis. The Audit and Risk Committee is constituted as a statutory committee of the Company in respect of its statutory duties in terms of section 94(7) of the Companies Act and a committee of the Board in respect of all other duties assigned to it by the Board.

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

The Committee performs the functions as set out in the Companies Act. Structures and adequate processes have been implemented to assist the Committee in providing oversight and ensuring the integrity of financial reporting, internal control and other governance matters relating to subsidiaries.

The Audit and Risk Committee consists of 3 non-executive directors. The Chairman of the Board is not a member of the Committee. Members of the Committee are elected by shareholders. All Committee members are financially literate and have extensive Audit and Risk Committee experience.

The Committee provides independent oversight of, among others, the effectiveness of the Company's assurance services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function and the integrity of the Annual Financial Statements (AFS) and, to the extent delegated by the Board, other external reports issued by the Company. The Committee also considers annually, and satisfies itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the finance function.

The performance of the Audit and Risk Committee and significant issues dealt with during the year are set described in the Report of the Audit and Risk Committee included in the AFS.

Nomination Committee - Committee responsible for nomination of members of the Board

The Board has delegated oversight of, amongst others, the following to the Nominations Committee (i) the process for nominating, electing and appointing members of the Board, (ii) succession planning of directors and (iii) evaluation of the performance of the Board and its Committees.

All members of the Nominations Committee are non-executive directors and the Chairman of the Board is the Chairman of the Committee.

Remuneration Committee - Committee responsible for remuneration

The Remuneration Committee is responsible for overseeing remuneration. All members of the Committee are non-executive directors. The Chairman of the Board is a member of the Committee.

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

Social, Ethics and Transformation Committee - Committee responsible for social, ethics and transformation matters

The Social, Ethics and Transformation Committee is responsible to oversee and report on ethics, responsible corporate citizenship, sustainable development, stakeholder relationships and transformation. It is also responsible to execute on the statutory duties set out in the Companies Act. The members of the Social, Ethics and Transformation Committee stand for election/re-election at the Annual General Meeting of the Company by shareholders.

Investment Committee - Committee responsible for strategic investments

The Investment Committee has an independent role, operating as an overseer and makes recommendations to the Board for its consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The committee performed all the functions as is necessary to fulfil its role as set out in the charter.

All committees have a formal charter in place.

Refer to the Integrated Report and Corporate Governance Report.

Principle 10

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.

Also applicable: JSE-3.84(h): The Company Secretary.

Executive Committee (EC)

King IV™ Outcome

Ethical Culture
Good Performance
Effective Control
Legitimacy

King IV™ Reference

K IV™ P10 Prac 76

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

The CEO is appointed by the Chairman on the recommendation of the Nominations Committee. The role and function of the CEO is specified in the Board charter and the performance of the CEO is evaluated by the Board against the criteria specified.

The Board appoints members of the EC upon recommendation of the CEO and the Nominations Committee and, with the assistance of the Nominations Committee, is responsible for ensuring that succession plans are in place for the position of CEO and other members of the EC.

The Board approves and regularly reviews the framework and top level delegation of authority in terms of which matters are delegated to the CEO. The CEO has the highest executive decision-making authority of the Group and is delegated with authority and accountable to the Board for the successful implementation of the Group's vision, strategy, business plans and the overall management and performance of the Group, with the primary aim of enhancing long-term shareholder value.

Specific matters have been reserved that require a joint decision by the Board. In terms of the delegation of authority framework, the EC supports the CEO in the implementation of the Group strategy and the overall management and performance of the Group. The CEO may sub-delegate all matters not specifically reserved for decision-making by the Board or shareholders.

The CEO is not a member of the Remuneration, Audit and Risk and Nominations Committees, but may attend any meeting, or part thereof, by invitation if needed to contribute pertinent insights and information.

The CEO and the Board will agree on whether the CEO may take up additional professional positions, including membership on other governing bodies outside of the Company. Time constraints and potential conflicts of interests will be considered and balanced against the opportunity for professional development.

The Board evaluates the performance of the CEO annually against agreed performance measures and targets.

The Company Secretary

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>Mr Damien Terblanche is the Company Secretary, duly appointed by the Board in accordance with the Companies Act. Mr Terblanche is not a director of the Company. The Board considers the competence, qualifications and experience of the Company Secretary annually and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary.</p> <p>The Company Secretary has a direct channel of communication to the Chairman, while maintaining an arm's-length relationship with the Board and the directors as far as reasonably possible. The role and responsibilities of the Company Secretary are described in the Board charter.</p> <p>Refer to the Integrated Report and Corporate Governance Report.</p>		
<p>Principle 11</p>	<p>The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p> <p>The Board has direct responsibility for the governance of risk and approved the Company's risk policy that gives effect to its set direction on risk. AEEI's risk policy re-affirms that the Company is committed to effective risk management in pursuit of its strategic objectives, with the ultimate aim to grow value sustainably for all stakeholders by embedding risk management into key decision-making processes. The Board also approved the AEEI's Group top risk profile and financial risk appetite and tolerance levels, ensuring that risks are managed within these levels and considers the risk environment on a quarterly basis and as deemed appropriate and based on materiality and changes in the external and internal environments.</p> <p>To support the Board in ensuring effective risk management oversight, the Board Committees are responsible for ensuring the effective monitoring of relevant Group top risks, in compliance with AEEI's Risk Management framework and risk policy, within the ambit of each Committee's scope. In monitoring and providing oversight on AEEI's risk, each Committee will consider potential risks and/or opportunities as appropriate.</p> <p>The Board is provided with assurance that AEEI's approved Risk Management framework, process and methodology remain in accordance with best practice and good governance requirements. AEEI's approach to increasing the probability of anticipating unpredictable risks includes regular monitoring of key</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P11 Prac 1.a</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>developments in the external and internal environment, as well as identifying and monitoring developments associated with emerging risks. At a Group level, AEEI continues to strengthen its business continuity capabilities including Group crisis management.</p> <p>The Group Internal Auditor undertakes the audit of the Risk Management process in the Group.</p> <p>AEEI's Risk Management framework, process and methodology, entails the determination and development of top risk profiles, has been rolled out into subsidiaries. Risks are considered at a Group level through the management of the Group's top risks and emerging risks that may potentially impact AEEI's ability to achieve its strategic objectives. Risks at subsidiary level are considered in achieving AEEI's business objectives and that they are aligned to AEEI's Group strategy. Risks at the process level also include the management of operational, project, financial and legal compliance risks.</p> <p>Oversight of risk management level takes place through the accountable executives and executive committees, supported by the Risk Management Forum and the Group Internal Audit, who has suitable experience and is responsible for ensuring that a Risk Management process is in place.</p> <p>For more information regarding the top risks in AEEI, refer to the Integrated Report, Corporate Governance Report and Responsible Investments Report.</p>		
<p>Principle 12</p>	<p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>The Board is ultimately accountable for the governance of information and technology management and delegated this authority to the Audit and Risk Committee and the IT Steering Committee to support it with this role. The Board, through the Audit and Risk Committee, oversees and monitors the governance of information technology (IT) in the Group with the assistance of the IT Steering Committee.</p> <p>The Information Management (IM) function is delegated to the IT Steering Committee who is accountable for the operational governance of the technology and information function, which includes IT, in the AEEI Group.</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P12 Prac 10</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

Assurance is provided that the IM controls in place are effective, information management risks are addressed and the return on major IT investments is aligned to AEEI's strategy and is monitored by the Audit and Risk Committee. The external auditors and internal audit perform assessments as part of their audit of IM-related controls. All significant IM-related audit findings are reported to the Audit and Risk Committee and the Board and managed accordingly.

The IM strategy is aligned to AEEI business needs and sustainability objectives.

The IM risk management framework is aligned to the Group's risk management framework, including third-party management and disaster recovery measures. All technology solutions impacting financial reporting are part of the internal and external auditing scope.

Measures to ensure compliance to all relevant laws, information security and the protection of personal information are in place including frameworks and a policy. The committee receives reports from management.

Refer to the Integrated, Corporate Governance and Responsible Investments Reports.

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.

King IV™ Outcome

King IV™ Reference

AEEI's policy requires all Group companies, their directors and employees to comply with all applicable laws. Legal compliance systems and processes are in place and are continuously improved to mitigate the risk of non-compliance with the laws in the various jurisdictions in which AEEI does business and also to ensure appropriate responses to changes and developments in the regulatory environment.

Ethical Culture
Good Performance
Effective Control
Legitimacy

K IV™ P13 Prac 18

The Nominations and Social, Ethics and Transformation Committees receive regular reports on compliance matters. To the extent that legal and regulatory matters have an impact on the financial statements, reports are presented to the Audit and Risk Committee. Specific areas of law have been identified as key Group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas.

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>Competition law, anti-bribery and anti-corruption laws, sanction laws and safety, health and environmental laws, have been identified as key Group legal compliance risk areas, and enjoys management's focus to ensure compliance.</p> <p>AEEI has a suitably skilled and experienced individual who reports directly to Chairman of the Social, Ethics and Transformation Committee.</p> <p>Refer to the Integrated and Corporate Governance Reports.</p>		
Principle 14	<p>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.</p> <p><i>Also applicable: JSE LR 3.84(k): The remuneration policy and the implementation report.</i></p> <p>AEEI has rewards strategy, philosophy and policy translates into approval and competitive rewards outcomes. AEEI's policy and the implementation report are reported on in detail in the remuneration report in the Integrated Report.</p> <p>AEEI's Remuneration Committee is tasked by the Board to independently approve and oversee the implementation of a remuneration policy that will encourage the achievement of AEEI's strategy and grow stakeholder value sustainably.</p> <p>AEEI's remuneration policy is aimed at aligning remuneration practices that will enable it to achieve the Group's strategic objectives, translating into market-related yet affordable performance-linked rewards, and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long term and ultimately enable the attraction and retention of valuable talent. AEEI's approach to remuneration aligns to our ethics, corporate governance philosophy, and shared values and best practices.</p> <p>The remuneration policy is designed to achieve the following strategic objectives:</p> <ul style="list-style-type: none"> - Support the attainment of AEEI's strategic business objectives and strategies; 	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P14 Prac 26</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

- To attract, retain and motivate key and talented individuals;
- Compete in the marketplace to be an employer of choice;
- Reward individual, team and business performance and encourage superior performance;
- Support the key values of AEEI;
- To promote the achievement of the Group's strategic objectives within the organisations risk appetite;
- To promote positive outcomes; and
- To promote an ethical culture and responsible corporate citizenship.

The Remuneration Committee considers shareholders' contributions thoroughly and incorporates them into the policy where these enhancements align with the Group's strategy.

At the previous, more than 95% of votes cast were cast in favour of the policy.

AEEI discloses the remuneration of each director and prescribed officer individually in its Integrated Report and AFS.

In line with the recommended practices in King IV, both the remuneration policy and the implementation report are tabled for separate non-binding advisory votes by the shareholders at the Company's AGM annually.

The remuneration policy provides for the measures that AEEI commits to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the AGM.

Refer to the Integrated Report and Corporate Governance Report.

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

Principle 15	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.	
	King IV™ Outcome	King IV™ Reference
	<p>The Audit and Risk Committee is responsible for the quality and integrity of AEEI's integrated reporting. The Board, with the support of the Audit and Risk Committee, satisfies itself that the combined assurance model is effective and sufficiently robust for the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Company's external reports.</p> <p>Based on the results of the review of AEEI's systems of internal control and risk management, including the design, implementation and effectiveness of internal financial controls through a formal documented management self-assessment process during the year, and considering information and explanations provided by management and discussions with the external auditor on the results of the external audit, the Group Internal Audit concluded that AEEI's systems of internal control and risk management are effective.</p> <p>The Group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The new IT system currently being implemented will be able to identify deficiencies with corrective action.</p> <p>A combined assurance approach has been implemented that assists in addressing control over the key risks facing the Group. Such risks and their mitigating controls are identified and controlled by management, within a risk management framework determined by the Board, and the process is monitored and evaluated under the direction of Group internal auditor. The traditional three lines of defence have also been expanded as recommended in King IV where appropriate.</p> <p>The Group Internal Audit is responsible for amongst others, assisting the Board and management in maintaining an effective internal control environment, ensuring the integration of assurance provided and monitoring the adequacy and effectiveness of combined assurance over AEEI's risk management process.</p>	<p>Ethical Culture Good Performance Effective Control Legitimacy</p> <p>K IV™ P15 Prac 40.a</p>

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

An internal audit charter is in place and outlines the responsibilities of the internal audit function. The Audit and Risk Committee has been delegated the responsibility for overseeing that assurance services are executed in line with the charter.

The audit plan, approved by the Audit and Risk Committee is updated regularly to ensure it is responsive to change, is based on an assessment of risk areas identified by Group internal audit and management, as well as focus areas highlighted by the Audit and Risk Committee, executives and management. It includes activities that support the achievement of an effective internal control environment, which in turn supports the integrity of information.

A Group internal audit is appointed, and may be removed, by the Audit and Risk Committee. He reports to the Chairman of the Audit and Risk Committee on the performance of duties and functions that relate to assurance services and the internal audit charter gives him direct access to the CEO, the CFO and the chairmen of the other Board committees.

He functions independently from management and has the necessary authority, which includes unfettered access to meetings, minutes, documentation and risk registers of AEEI's businesses and functions. His performance is evaluated annually by the Audit and Risk Committee who confirms that he has the necessary competence and independence. The Committee also assesses quarterly whether the necessary arrangements are in place to ensure that adequate skills and resources are in place and that assurance services is supplemented as required by specialists, and as applicable, external services.

The internal audit function is required to undergo an independent quality review at least every five years and will be subjected to such review in the coming year. It was concluded that currently the function conforms to the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and, using an internationally accepted maturity assessment model, defined Internal Audit as a "Significantly Leading Edge" internal audit function.

Refer to the Integrated Report and Corporate Governance Report.

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 stakeholders in the best interests of the organisation over time.

King IV™ Outcome

King IV™ Reference

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

<p>AEEI strives to ensure a systematic and integrated approach to stakeholder engagement across the Group, facilitated through engagement programmes aimed at a more systematic and integrated approach to stakeholder engagement across the Group to enable increased assurance to the Board that all stakeholder issues have been identified, prioritised and appropriately addressed.</p> <p>The Board, through the Social, Ethics and Transformation Committee considers issues around stakeholder perceptions. The Committee has oversight of stakeholder engagement and management. Through regular reporting by management to the Social, Ethics and Transformation Committee and the Chairman of the Committee to the Board, the Board is equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making.</p> <p>It is a business imperative that AEEI understands and is responsive to the needs and interests of our key stakeholder groups which includes: shareholders, investment community, providers of capital, employees, clients, suppliers, joint venture partners, regulators, business partners and communities. The individual stakeholders within these groups are highly diverse. AEEI constantly seeks to improve the way in which it engages with its stakeholders to effectively respond to their needs.</p> <p>Interaction with stakeholders happens during the normal course of business at multiple levels across the AEEI Group and AEEI strives to resolve disputes with its stakeholders effectively and expeditiously. The role of the Corporate Affairs Function, the custodian of the stakeholder engagement approach, associated processes and standards, ensures a coordinated and consistent approach across the Group. The function acts as an enabler to the organisation with the goal to systematically embed and continuously improve how stakeholders are managed.</p> <p>To ensure that the Company communicates with its smaller shareholders and those stakeholders who lack access to electronic media, the Company publishes and reports on details of its corporate actions and performance (including its interim and final financial results) in the main South African daily newspapers. The Company also publishes its most recent financial and operational performance and provides recent historical information, including its annual reports, on its website. AEEI invites all shareholders to attend its AGM and also facilitates participation by way of focused proxy solicitation and electronic means. The CEO, the CFO and Investor Relations function conduct presentations on the Group's performance and strategy to analysts, institutional investors and the media in South Africa.</p>	<p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>K IV™ P16 Prac 1</p>
--	--	-------------------------

King IV™ Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06

	<p>The Corporate Affairs function, assists and meets with management to provide input on the strategic direction on Group-wide stakeholder relations, to ensure the achievement of balanced and integrated economic, social and environmental performance.</p> <p>Refer to the Integrated Report and Corporate Governance Report.</p>		
<p>Principle 17</p>	<p>The governing body of an institutional investor organisation 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.</p>	<p>King IV™ Outcome</p> <p>Ethical Culture Good Performance Effective Control Legitimacy</p>	<p>King IV™ Reference</p> <p>K IV™ P17 Prac 23</p>

King IVTM Report Summarised by Practice - Preview

African Equity Empowerment Investments Limited

Registration Number: 1996/006093/06