



KING III APPLICATION REGISTER

Herewith the detailed King III application register in respect of the 75 principles in chapter 2 of King III:

	PRINCIPLE	APPLICATION	COMMENTARY
1.	Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation	Applied	An ethical environment is promoted throughout the group and the board promotes the highest standard of integrity and good corporate governance.
1.2	The board should ensure that the company is, and is seen to be, a responsible corporate citizen	Applied	In the pursuit of being a responsible corporate citizen, a commitment to the promotion of sound safety, health, environmental and financial performance is reflected in the structures and support functions in place.
1.3	The board should ensure that the company's ethics are managed effectively	Applied	The board has established a social and ethics committee to ensure that the ethics are managed effectively.
2.	Board and directors		
2.1	The board should act as the focal point for and custodian of corporate governance	Applied	The board is the focal point of corporate governance.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	Applied	The board ensures that company strategy and risks are aligned together to ensure that the company performs profitably in a sustainable manner.
2.3	The board should provide effective leadership based on an ethical foundation	Applied	An ethical environment is promoted throughout the group and the Board promotes the highest standard of integrity and good corporate governance.
2.4	The board should ensure that the company is, and is seen to be, a responsible corporate citizen	Applied	In the pursuit of being a responsible corporate citizen, a commitment to the promotion of sound safety, health, environmental and financial

			performance is reflected in the structures and support functions in place.
2.5	The board should ensure that the company's ethics are managed effectively	Applied	The board has established a social and ethics committee to ensure that the ethics are managed effectively. In addition, the company has accepted a Code of Business Conduct and Ethics that clearly sets out expectations regarding ethical business dealings.
2.6	The board should ensure that the company has an effective and independent audit committee	Applied	An independent audit and risk committee is established and effectively operates according to their approved mandate.
2.7	The board should be responsible for the governance of risk	Applied	The Board is responsible and seen to be responsible for the governance of risk. They are assisted in this regard by the audit and risk committee.
2.8	The board should be responsible for information technology (IT) governance	Applied	The Board is responsible and seen to be responsible for IT governance. They are assisted in this regard by the audit and risk committee.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	Ongoing communication with external parties during the year (Legal counsel / SARS / JSE sponsor) as well as experienced senior management ensures compliance with laws and regulations.
2.10	The board should ensure that there is an effective risk-based internal audit	Applied	An effective, risk based Internal Audit function has been established, who reports to the audit and risk committee.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	Applied	The company engages its stakeholders on multiple levels and this allows the company to manage issues effectively and timeously and also mitigate/reduces the likelihood of reputational risks.
2.12	The board should ensure the integrity of the company's integrated report	Not applied	Given the current size and scope of the company, an integrated report was not considered necessary and all necessary items have been disclosed in this annual report and financial statements. An integrated report will be prepared should these circumstances change.
2.13	The board should report on the effectiveness of the company's system of internal controls	Applied	A written assessment of the effectiveness of the company's system of internal controls and risk management relating to the finance function is made in the Annual Report.

2.14	The board and its directors should act in the best interests of the company	Applied	Directors are guided with respect to their duties to act in accordance with applicable legislation, and in the best interest of the company at all times.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	Applied	The board would consider turnaround mechanisms should the company experience financial distress. The company is currently trading as a going concern.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	Applied	The chairman of the board is an independent non-executive director. The roles of CEO and Chairman are performed by two individuals.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	Applied	The board has appointed a CEO and has established a framework for the delegation of authority.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Applied	The company has a board that comprises 5 directors, the majority of whom are non-executive with all of the non-executives being independent.
2.19	Directors should be appointed through a formal process	Applied	Directors are appointed through a formal process and are recommended by the nominations committee to the board.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Applied	Current directors are taken through personal orientation on a regular basis. If a new director is appointed, formal induction will be considered
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	Applied	The board is assisted by a competent company secretary who is evaluated annually by the board.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	Applied	The Chairman of the board, the company secretary and all retiring directors are evaluated annually, prior to re-election. The evaluations of the board and its sub-committees are conducted every two years to allow for a reasonable time between assessments.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities	Applied	The board has established well-structured committees which function according to board approved terms of reference in executing their mandates for which the board remains ultimately

			responsible.
2.24	A governance framework should be agreed between the group and its subsidiary boards	Not applicable	The company has no listed subsidiaries in the group.
2.25	Companies should remunerate directors and executives fairly and responsibly	Applied	The remuneration committee oversees the remuneration of executive and non-executive directors. Non-executive directors are paid a quarterly board fee as opposed to a base and attendance fee, irrespective of the number of meetings attended.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	Applied	The company discloses the remuneration as required by King.
2.27	Shareholders should approve the company's remuneration policy	Applied	A non-binding advisory vote is proposed to shareholders on the company's yearly remuneration policy and the board determines the remuneration of executive directors in accordance with the remuneration policy put to shareholder's vote.
3.	Audit committees		
3.1	The board should ensure that the company has an effective and independent audit committee	Applied	An independent audit and risk committee is established and effectively operates according to their approved mandate.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors	Applied	The audit and risk committee comprises independent non-executive directors who bring independence of thought to the affairs of the company.
3.3	The audit committee should be chaired by an independent non-executive director	Applied	The board has appointed a suitably qualified independent non-executive director to chair the audit and risk committee.
3.4	The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents	Applied	All reports as mentioned are presented and scrutinized by the audit and risk committee prior to approval by the board.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	Applied	The audit and risk committee ensures that a combined assurance model is applied to assurance activities. Given the scope of activities and current assurance providers the combined assurance model focuses on mostly financial controls.

3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	Applied	The audit and risk committee formally assesses, and discloses the results of that assessment of the finance function of the company in their report to the shareholders annually in the annual report.
3.7	The audit committee should be responsible for overseeing of the internal audit	Applied	The appointment of the Internal Auditors and the annual plan and conclusions are approved by the audit and risk committee.
3.8	The audit committee should be an integral component of the risk management process	Applied	The audit and risk committee has been combined to act as one committee.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	Applied	The audit and risk committee recommends the appointment of the external auditors, and approves the engagement letter and audit fees of the external auditors on an annual basis.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	Applied	The chairman of the audit and risk committee reports to the board on how the committee has discharged its duties. A report to the shareholders is included in the annual report.
4.	The governance of risk		
4.1	The board should be responsible for the governance of risk	Applied	The audit and risk committee has been delegated by the board to monitor the risk activities of the company whilst the board remains ultimately accountable.
4.2	The board should determine the levels of risk tolerance	Applied	The board sets limits for the levels of risk tolerance and appetite which is disclosed in the annual risk report presented to shareholders.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	Applied	The board has established an audit and risk committee to focus specifically on overseeing risks associated with the business.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	Applied	A formally documented risk policy and -management plan has been approved by the Audit and Risk Committee and the document is updated annually with any significant changes.

4.5	The board should ensure that risk assessments are performed on a continual basis	Applied	A comprehensive risk assessment has been conducted, and the resultant Risk Register is utilised as a working document in the Risk Management Process.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	Applied	The audit and risk committee reports to the board regarding the implementation of methodologies to increase the probability of anticipating unpredictable risks.
4.7	The board should ensure that management considers and implements appropriate risk responses	Applied	The audit and risk committee considers risk responses continually throughout the year. Any risk not considered appropriately mitigated will be discussed, and a more appropriate risk response will be implemented by management and monitored by the audit and risk committee.
4.8	The board should ensure continual risk monitoring by management	Applied	A risk register is maintained by management and presented to the board annually to assist the board to monitor the management of risk.
4.9	The board should receive assurance regarding the effectiveness of the risk management process	Applied	The internal audit function provides assurance to the board regarding the efficacy of integration of the daily risk activities relating to the finance function into business processes. With regards to other operational risks assurance is received from management as well as other assurance provider like the legal counsel.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	Applied	Risk disclosure is made annually to shareholders in the Company's Annual Report.
5.	The governance of information technology		
5.1	The board should be responsible for information technology (IT) governance	Applied	The board has delegated overseeing the governance of Information Technology to the audit and risk committee, while still remaining ultimately accountable.
5.2	IT should be aligned with the performance and sustainability objectives of the company	Applied	IT is a support function to the core business.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	Applied	The board has delegated overseeing the governance of Information Technology to the audit and risk committee, while still remaining ultimately

			accountable. Management remains responsible for the day to day management of IT within the governance framework established by the board.
5.4	The board should monitor and evaluate significant IT investments and expenditure	Applied	The Audit and Risk committee reports to the board on material IT expenditure and investments if applicable.
5.5	IT should form an integral part of the company's risk management	Applied	IT risks are evaluated and assessed as part of the risk management process to mitigate risks in this area.
5.6	The board should ensure that information assets are managed effectively	Applied	Information is currently managed effectively and efficiently, taking cognisance of security and privacy of data.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	Applied	The board has delegated overseeing the governance of Information Technology to the audit and risk committee, while still remaining ultimately accountable
6.	Compliance with laws, codes, rules and standards		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	Ongoing communication with external parties during the year (Legal counsel / SARS / JSE sponsor) as well as experienced senior management ensures compliance with laws and regulations.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	Applied	Board members are experienced individuals, and are committed to ongoing training to keep abreast of any changes or updates in relevant laws, rules, codes and standards as applicable to the company.
6.3	Compliance risk should form an integral part of the company's risk management process	Applied	Compliance with applicable laws, codes, rules and standards are considered on an ongoing basis by management and formally assessed as part of the company's risk management process. Ongoing communication with external parties during the year (Legal counsel / SARS / JSE sponsor) ensures compliance with laws and regulations.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	Applied	The board has delegated the responsibility of implementation through the audit and risk committee that oversees the risk management process.
7.	Internal audit		
7.1	The board should ensure that there is an effective risk-based internal audit	Applied	An effective, risk-based internal audit function has

			been established.
7.2	Internal audit should follow a risk-based approach to its plan	Applied	There is an internal audit function in place to conduct risk-based internal audits.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	Applied	A written assessment of the effectiveness of the company's system of internal controls and risk management relating to the finance function is made in the Annual Report.
7.4	The audit committee should be responsible for overseeing internal audit	Applied	The audit and risk committee is responsible for overseeing the internal audit function. The internal auditors report back to the committee on their findings.
7.5	Internal audit should be strategically positioned to achieve its objectives	Applied	The internal audit executive has a standing invitation to attend the audit and risk committee meetings.
8.	Governing stakeholder relationships		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	Applied	The company engages its stakeholders on multiple levels and this allows the company to manage issues effectively and timeously and also mitigate/reduces the likelihood of reputational risks.
8.2	The board should delegate to management the responsibility to proactively deal with stakeholder relationships	Applied	Management effectively deals with stakeholder relationships as and when needed.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	Applied	The company engages its stakeholders on multiple levels and this allows the company to manage issues effectively and timeously and also mitigate/reduces the likelihood of reputational risks.
8.4	Companies should ensure the equitable treatment of shareholders	Applied	Management is committed to the equitable treatment of shareholders and involve all affected parties in the course of doing business as and when deemed appropriate.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	Applied	There are structures in place to ensure that timely, relevant, accurate and honest information is provided to the stakeholders.

8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	Applied	The board is committed to resolve any disputes as effectively, efficiently and expeditiously as possible.
9.	Integrated reporting and disclosure		
9.1	The board should ensure the integrity of the company's integrated report	Not applied	Given the current size and scope of the company, an integrated report was not considered necessary and all necessary items have been disclosed in this annual report and financial statements. An integrated report will be prepared should these circumstances change.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	Not applied	Given the current size and scope of the company, an integrated report was not considered necessary and all necessary items have been disclosed in this annual report and financial statements. An integrated report will be prepared should these circumstances change.
9.3	Sustainability reporting and disclosure should be independently assured	Not applied	Given the current size and scope of the company, an integrated report was not considered necessary and all necessary items have been disclosed in this annual report and financial statements. An integrated report will be prepared should these circumstances change.