

SAB ZENZELE KABILI HOLDINGS (RF) LIMITED ("SAB Zenzele Kabili" or "Company")

KING IV REGISTER

KING IV PRINCIPLES	SAB Zenzele Kabili
<p>General comments</p>	<p>Corporate governance</p> <p>SAB Zenzele Kabili considers sound corporate governance practices to be a critical element in delivering sustainable growth for the benefit of all stakeholders.</p> <p>In conducting the affairs of the Company, the Board of directors of the Company (the Board) endorses the principles of integrity, competence, responsibility, accountability, fairness and transparency advocated by the principles of the King IV Report on Corporate Governance™ for South Africa (King Code).</p> <p>In regularly reviewing the Company's governance structures, the Board exercises and ensures effective and ethical leadership, always acting in the best interests of the Company, at the same time concerning itself with the sustainability of its business operations.</p> <p>This register aims to provide an overview of SAB Zenzele Kabili's application of the principles in the King Code.</p>
<p>LEADERSHIP</p> <p>Principle 1: The governing body should lead ethically and effectively.</p>	<p>The directors of the Company (Directors) hold one another accountable for decision-making based on integrity, competence, responsibility, fairness and transparency through their commitment to lead SAB Zenzele Kabili. The Chairman oversees this process on an ongoing basis.</p>
<p>ORGANISATIONAL ETHICS</p> <p>Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Board sets the example and tone for an ethical culture in SAB Zenzele Kabili. The Board is assisted with ongoing oversight of ethics management by the Social and Ethics Committee and the Audit Committee.</p> <p>As a result of the fact that the Company is a newly incorporated entity that has been dormant since its incorporation in December 2019 and a code of conduct has not been put in place as yet. However, a Board charter and the social and ethics committee terms of reference are in place and provide valuable guidance to the Board in establishing an ethical culture within the Company. The Board will put in place a code of conduct to ensure compliance taking into account the provisions of this requirement.</p> <p>Due to the nature of the Company being an investment holding company, it does not have an executive management team. The Board therefore cannot delegate the responsibility to implement and execute its code of conduct to executive management. In this regard, the Board will delegate certain specific</p>

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	<p>responsibilities to the Audit Committee and the Social and Ethics committee without abdicating its own responsibilities.</p>
<p>RESPONSIBLE CORPORATE CITIZENSHIP</p> <p>Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>The Board, assisted by the Social and Ethics Committee, provides strategic direction for SAB Zenzele Kabili to be a responsible corporate citizen and to respond appropriately to the economic, social and environmental outcomes of its activities.</p> <p>The Board, assisted by the Social and Ethics Committee, will annually review the corporate responsibility strategy, priorities and action plans of the company.</p>
<p>STRATEGY AND PERFORMANCE</p> <p>Principle 4: 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>The Board assumes responsibility for organisational performance by steering and setting the direction for the realisation of the organisation's core purpose, and the development of its short, medium and long-term strategy. The Board informs and approves strategy, as opposed to being a passive recipient of strategy as proposed by management.</p> <p>Due to the nature of the Company it does not have an executive management team. It is intended that Board committees will assist the Board in discharging its duties and responsibilities. These committees will operate in accordance with written terms of reference approved by the Board and reviewed annually.</p>
<p>REPORTING</p> <p>Principle 5: 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, assisted by the Audit and Risk Committee, is responsible for the integrity and transparency of reporting and oversees the issue of the Company's annual financial statements and annual integrated reports. The Company's annual integrated reports will aim to present material information in an integrated manner and provides users with holistic, clear and concise information about SAB Zenzele Kabili's performance, measured against its objectives and SAB Zenzele Kabili's short, medium and long-term prospects.</p>
<p>PRIMARY ROLE OF THE BOARD</p> <p>Principle 6: The governing body should serve as the focal point and</p>	<p>The Board is the focal point and custodian of corporate governance. The Board's role and responsibilities and the way it executes its duties and decision-making are set out in the Board charter and the terms of reference and work plans of its various committees.</p>

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custodian of corporate governance in the organisation.	
COMPOSITION OF THE BOARD 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.	<p>The Board assumes responsibility for its composition by assessing whether it contains the appropriate diversity, independence, skills and experience on a regular basis. In the event the Board identifies a weakness it directs the process to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.</p> <p>The Board comprises a majority of non-executive Directors of which the majority are independent non-executive Directors. The Board currently comprises of 5 Directors of which: 3 are independent non-executive and 2 are non-executive.</p> <p>The Board does not have a CEO and a CFO due to the fact that the Company is a special purpose vehicle whose sole business is to hold shares, collect and distribute dividends to the shareholders.</p> <p>The chair of the Board is an independent non-executive Director as required by the Board Charter.</p>
COMMITTEES OF THE BOARD Principle 8: The governing body should ensure that its arrangements for delegation within its structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	<p>The Board may delegate to individual members, groups of members, standing or ad hoc committees. The standing committees of the Board comprise the Audit Committee and the Social and Ethics Committee.</p> <p>The composition of the Board and its committees are in line with the King Code. There is a clear balance of power to ensure that no individual has undue decision making powers. Each committee has formal terms of reference, approved by the Board, recording the responsibilities delegated to it. Each committee has sufficient capability and capacity to function effectively.</p>
BOARD PERFORMANCE EVALUATION Principle 9: The governing body should ensure that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	<p>The Board evaluates the performance of its members and its Board committees annually. The performance of individual Directors is normally evaluated before reappointment. The Chairman's performance is evaluated by the Board annually under the leadership of the lead independent Director.</p> <p>The Board follows a process of evaluating the performance of each Director including the allocation of a lead independent non-executive Director to evaluate the chair of the Board.</p>

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	<p>A formal process will be implemented in accordance with methodology approved by the Board to evaluate the performance of the Board, its committees, its chair and its individual Directors annually</p>
<p>APPOINTMENT AND DELEGATION TO MANAGEMENT</p> <p>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.</p>	<p>Owing to the nature of the Company being a special purpose vehicle whose sole function is to hold shares, collect and distribute dividends to shareholders, the Company does not have a CEO and CFO.</p> <p>SAB Zenzele Kabili's Company Secretary has the necessary experience, expertise and qualifications at the appropriate level of seniority to discharge the role effectively. The King Code recommendations for the Company Secretary in respect of appointment, reporting lines, independence, duties and performance evaluation are met.</p>
<p>RISK GOVERNANCE</p> <p>Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p>	<p>The Audit Committee assists the Board with the governance of risk. The Board is committed to the governance of risk in a way that supports the Company in setting and achieving strategic objectives.</p>
<p>TECHNOLOGY AND INFORMATION GOVERNANCE</p> <p>Principle 12: The governing body should govern technology and information in a way that supports the organisation in setting and achieving strategic objectives.</p>	<p>The Board assumes responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the organisation.</p> <p>As a result of the fact that the Company is newly incorporated entity that has been dormant since its incorporation in December 2019, the IT governance framework has not yet been finalised. The Board will be responsible for the implementation of the IT governance framework, once this framework has been finalised by the Board.</p>
<p>COMPLIANCE GOVERNANCE</p> <p>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.</p>	<p>SAB Zenzele Kabili's commitment to act as a responsible corporate citizen includes compliance with all laws and regulations in the countries and jurisdictions where SAB Zenzele Kabili operates.</p> <p>The Board will regularly consider the need to receive independent assurance on the effectiveness of its risk management and, if deemed necessary, put measures in place in line with such assurance.</p> <p>Significant legal and regulatory matters and compliance risks are will be reported to the Audit Committee.</p>

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REMUNERATION GOVERNANCE Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	<p>The Board is responsible setting and administering remuneration policies for all levels in the Company.</p> <p>The Company currently does not have any employees. The remuneration of the Directors (all of whom are non-executive) is determined by the Company's shareholders at the Company's annual general meetings.</p>
ASSURANCE 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.	<p>The Board ultimately remains responsible for an effective internal control environment and has delegated oversight of the internal audit function to the Audit Committee.</p> <p>The Audit Committee is responsible for oversight of assurance on the effectiveness of governance, risk management and control at SAB Zenzele Kabili.</p>
STAKEHOLDERS 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.	<p>Stakeholder relationships are critical for the Company and the Board is responsible for dealing proactively with stakeholder relationships.</p> <p>Financial results, trading updates and announcements will be published in accordance with the JSE Listings Requirements and results announcements, the integrated report will also published on the Company's website.</p> <p>The Board will encourage shareholders to attend the Company's annual general meetings and all Directors of the Company shall be present at the annual general meetings if possible with at least the chair of the Audit Committee and the chair of the Board present.</p>
RESPONSIBILITIES OF INSTITUTIONAL INVESTORS Principle 17: The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests.	<p>N/A – SAB Zenzele Kabili is not an institutional investor but subscribes to the principle of responsible investment.</p>