

## KING IV COMPLIANCE

PRINCIPLE		COMPLIANCE	COMMENTS
1	The governing body should lead ethically and effectively.	Applied	<p>The board of directors (“the Board”) of SilverBridge Holdings Limited (“SilverBridge” or “the Company”), as governing body, hold one another accountable for decision-making and ethical behaviour. The Chairman of the Board oversees this on an ongoing basis.</p> <p>The Board’s role and responsibility as set out in the Board Charter include, amongst others, disclosure, and management of conflicts of interest, representing the interests of all stakeholders and establishing and adhering to ethical standards.</p> <p>The Company Secretary maintains a register of all directors’ disclosure of interest.</p> <p>The directors have the necessary competence and control of the Company as provided for in the Board Charter and the Company’s Memorandum of Incorporation (“MOI”).</p> <p>Directors are encouraged to obtain independent, external, professional advice concerning matters within the scope of their duties at the Company’s expense. All directors have unrestricted access to all Company information, records, and documents. The directors may request documentation or set up meetings with executive management as and when required.</p> <p>SilverBridge has a written Code of Conduct, which applies to all directors and staff in order to ensure that the company maintains the highest level of integrity and ethical conduct.</p> <p>The induction of new directors ensures that directors are equipped and have the necessary knowledge and competence to fulfil their duties.</p> <p>No fraud or unethical behaviour was detected during the external audit for the year ended 30 June 2021.</p>
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	<p>The Board, through the Social and Ethics Committee, is responsible for the monitoring and governance of the ethics of the Company. This is contained in the terms of reference of the Social and Ethics Committee.</p> <p>The Company’s management is responsible for management of ethics, including implementation of the Code of Ethics and the application of ethical practices, however the governance of the Company’s ethics remains the Board’s responsibility. The Social and Ethics Committee reports on an ongoing basis to the Board on the general state of ethics within the Group.</p> <p>The Board has established procedures to enable the directors, prescribed officers, and employees to notify the Company of any actual or potential conflict situation and to declare any significant interest in the Company or its contracts. Where a conflict arises, directors must recuse themselves from discussions. As far as possible, the Company requires that directors avoid potential conflicts of interest.</p> <p>SilverBridge’s Code of Ethics, as approved by the Board, provides guidelines on the standards of behaviour expected of employees in performing their duties or interacting with stakeholders like fellow employees, clients, shareholders, government, and the general public.</p> <p>The content and principles embodied in the Code of Ethics are also integrated in employee training.</p>

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3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Applied	<p>The Board oversees the Company's conduct as a good corporate citizen. It delegates the responsibility for oversight and monitoring of the overall corporate citizenship performance and the impact of the operations and activities of the Company on its status as a responsible corporate citizen to the Social and Ethics Committee, with the support of the Audit, Risk and IT Committee and the executive management team.</p> <p>These include the Company's ongoing social investments. Oversight of the Company's social investments vests with the Social and Ethics Committee, to monitor the impact of the Company's activities against targets and limits set by the Board.</p> <p>Matters identified by the Social and Ethics Committee are referred to the Board and dealt with at Board level.</p>
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.	Applied	<p>The Board approves the strategy and priorities of the business, including the Company's material matters, and more specifically, those related to sustainability.</p> <p>The Audit, Risk and IT Committee assists the Board with the governance of risk and continuously monitors risks and ensures the implementation of various mitigating controls. This responsibility is contained in the Board Charter, as well as the terms of reference of the Audit, Risk, and IT Committee. Additionally, the Audit, Risk and IT Committee and the Board review the risk assessment and ranking methodology. The Audit, Risk and IT Committee also reviews a documented assessment, performed by management, of the going concern premise of the Company.</p> <p>The Board annually reviews and approve the Company's strategy, developed by executive management, that considers opportunities, related risks, sustainability, and stakeholder interests. Management is responsible of the implementation of the strategic plan and achievement of the performance targets contained therein.</p>
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.	Applied	<p>The Company's Integrated Annual Report provides an assessment of its performance. In addition, the Company issues unaudited interim results and audit consolidated financial statements for the year-end results. The publication of press releases and releases on the Stock Exchange News Services ("SENS") on the Company's website, enable stakeholders to make informed assessments of the Company's performance in the short-, medium- and long-term.</p> <p>The Board, through the Audit, Risk, and IT Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the annual reports and any other disclosures. Reporting frameworks and materiality are approved by the Audit, Risk, and IT Committee to ensure compliance with legal requirements with regard to reporting. The Audit, Risk and IT Committee oversees the integrated reporting process and reviews the audited financial statements.</p> <p>The Board, assisted by its various sub-committees, oversees that the various reports are compliant with legal reporting requirements and meet the reasonable and legitimate needs of the stakeholders.</p> <p>The Committee Chairmen provide feedback to the Board after each meeting on relevant matters.</p>

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<p>6 The governing body should serve as the focal point and custodian of the corporate governance in the organisation.</p>	<p>Applied</p>	<p>The Board is the focal point and custodian of corporate governance within the Company. The Board Charter, the Company's MOI, the listings requirements of the JSE Limited, the Companies Act and King IV™, guide the Board in the execution of its role and responsibilities in an ethical manner and based on principles of good corporate governance. The Board is supported by various Committees which have a delegated responsibility to assist the Board in fulfilling specific functions. They are governed by terms of reference and provide a report to the Board at every Board meeting.</p> <p>The Board and its Committees comply with the requirements in terms of King IV™. There is a clear balance of power both in the Board and its Committees to ensure that no individual/s has undue decision-making powers. The Board continuously monitors the governance practices within the Company and is always seeking to further enhance its practices. The Board meets quarterly and on an ad hoc basis, if required.</p> <p>Board Committees are entitled to obtain independent professional advice at the cost of the Company on any issue within the ambit of their scope and subject to following a Board approved process.</p> <p>The governance structures have been aligned to King IV™ and the Company has materially applied all the principles.</p> <p>The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period.</p>

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<p>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>	<p>Applied</p>	<p><b>Board composition</b></p> <p>The Board's composition provides for diversity and independence to enable it to discharge its duties effectively and objectively. The majority of the Board members are independent non-executive directors. The Board's composition is regularly reviewed by the Nomination Committee.</p> <p>The Board is satisfied that its composition is appropriate, considering the size of the Company, requirements of knowledge, skills, experience, independence, committees, quorum requirements and regulatory requirements.</p> <p>The Chief Executive Officer and Financial Director are executive members of the Board. The division of responsibilities of the Chairman of the Board and the Chief Executive Officer has been documented and approved by the Board to ensure a balance of power. There is a clear division between the role of the Chairman of the Board and the Chief Executive Officer, the latter being fully responsible and accountable for the Company's operations. The Chairman of the Board is responsible for leading the Board and for its effectiveness.</p> <p>The Board Charter and terms of reference of the various Committees also ensure that a balance of power exists and that conflicts of interest are detected and managed appropriately. Declarations of interest are tabled at every Board meeting. The declarations of interest is also a formal agenda item at each Board meeting. Should a matter arise in which a director has an interest, the director is not permitted to vote on the matter and is required to recuse him- or herself from any meeting where the matter is discussed.</p> <p>The Chairman of the Board is an independent non-executive director, is a member of the Remuneration Committee but not its chair, a member of the Social and Ethics Committee, as well as a member of the Audit, Risk, and IT Committee. The Board acknowledges the recommended practice contained in King IV™ relating to the Chairman of the Board who should not be a member of the audit and risk committee but was satisfied that his knowledge, experience, skill, and contribution to the committee are invaluable. The Board believes that the current structure of the Audit, Risk and IT Committee still provides the required independent views in terms of the responsibilities associated with an audit and risk committee.</p> <p>The Board annually assesses the independence of nonexecutive directors serving on the board for longer than 9 years.</p> <p><b>Nomination, election and appointment of members to the Board</b></p> <p>A Nomination Committee, chaired by the board chair, has been established with a formal terms of reference and tasked with amongst others, recommending candidates to fill vacancies on the Board.</p> <p>The Board charter includes a formal and transparent process for the nomination, election, and appointment of directors to the Board.</p> <p>The Board remains committed to diversity at Board level. In this regard, Ms J Makhubela was appointed as an independent non-executive director during the reporting period, thereby increasing diversity on the Board.</p>

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8	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>Applied</p> <p>The Board Charter and the Company's MOI provide that the Board may delegate particular roles and responsibilities to standing Committees. The Board Committee comprise:</p> <ul style="list-style-type: none"> <li>» the Audit, Risk, and IT Committee</li> <li>» the Remuneration Committee</li> <li>» the Nomination Committee</li> <li>» the Social and Ethics Committee</li> <li>» the Investment Committee.</li> </ul> <p>The delegation of authority to committees does not mitigate or discharge the Board and Directors from their duties and responsibilities. The Board ensures that it fulfils those responsibilities that have not been delegated to a specific committee.</p> <p>The Committees are appropriately constituted, with each committee having at least three members appointed by the Board, with the exception of the Audit, Risk and IT Committee whose members are nominated by the Board and approved by shareholders. Each of the committees have approved Terms of Reference in place. The Board is also satisfied that the current composition of the board committees contributes to effective collaboration as well as a balanced distribution of power so that no individual has the ability to dominate decision-making and no undue reliance is placed on any individual.</p> <p>The composition of all board committees complies with the statutory requirements as well as the recommended practices of King IV™, save for the composition of the Audit, Risk, and IT Committee's composition. The Audit, Risk and IT Committee comprises four independent Non-Executive directors, however, the Chairman of the Board is a member of this committee. The Board remains satisfied that the Chairman of the Board has the necessary skill, experience and expertise required on an audit committee.</p> <p>Any member of the Board is entitled to attend any committee meeting as an observer. Board committees may allow management to attend by standing or ad hoc invitation. The Board and its committees fully complied with their terms of reference during the reporting period.</p> <p>In instances 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 in the terms of reference of the Committee to ensure complementary rather than competing approaches.</p> <p>Additional information on the Committees is disclosed in the Company's Integrated Report.</p>
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	<p>Applied</p> <p>In line with the King IV™ recommendations, the Board, bi-annually, conducts an assessment of its own performance and of the appropriateness and effectiveness of its procedures and processes. During the reporting period, an evaluation of the performance of the Board and its individual directors was conducted with the assistance of the Company Secretary.</p> <p>In addition, evaluations of the performance of the Remuneration Committee and the Audit, Risk and IT Committee were conducted during the period under review. The assessments are conducted through self-evaluation forms in the form of a questionnaire to be completed. Findings and recommendations were communicated to the Board, the Chairman of the Remuneration Committee and the Chairman of the Audit, Risk, and IT Committee respectively.</p> <p>The company secretary's performance was also evaluated, and the Board was satisfied with its competency and that an arm's length relationship between the Board and the company secretary exists.</p> <p>The Audit, Risk, and IT Committee annually considers the competence of the Financial Director, as reported in the Integrated Annual Report.</p>

PRINCIPLE		COMPLIANCE	COMMENTS
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	Applied	<p>The Board is overall responsible for the Company and delegates authority to executive management to manage the day-to-day business and affairs of the business.</p> <p>The Chief Executive Officer has a clearly defined role and is assisted by other members of executive management under his leadership.</p> <p>The Board has approved and implemented a delegation of authority policy, which details the powers and matters reserved for itself and those to be delegated to management via the Chief Executive Officer. The delegation of authority policy is reviewed annually by the Board. The Board Charter and the Company's MOI also address the Board's and executive management's responsibilities and powers. The delegation of authority policy addresses all operational aspects of the business and details the levels of authority and required approvals for these aspects.</p> <p>The Financial Director oversees the finance function and is assisted by suitable qualified staff. An effective outsourced internal audit function is in place. An assessment of the effectiveness of the Financial Director's performance is conducted annually by the Audit, Risk and IT Committee and confirmed in the Integrated Report.</p> <p>The Board is satisfied that the Company is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.</p>
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	<p>The Board is ultimately responsible for ensuring that risks are managed effectively. The Board accepts that it is responsible for the governance of risk and has the ultimate responsibility for risk management as well as for developing the risk appetite and monitoring risk tolerance levels assisted by the Audit, Risk and IT Committee and management.</p> <p>The Audit, Risk, and IT Committee implements processes by which the risks to the sustainability of the business are identified and managed within acceptable parameters. It regularly reviews the risk register and reports to the Board on the risk management principles in the Company.</p> <p>The Audit, Risk, and IT Committee delegates to management to continuously identify, assess, mitigate, and manage risks within the existing operating environment. Mitigating controls are in place to address these risks which are monitored on a continuous basis.</p> <p>A combined assurance model has been adopted by the Board. This model gives the Board the assurance, through the audit and risk committees, that all significant risks and associated opportunities are adequately managed.</p>
12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Applied	<p>Technology and information have been identified as being of key importance to the achievement of the Company's strategy. The Board, through the Audit, Risk, and IT Committee oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Company's strategy. Various policies, including an IT governance framework, have been approved and implemented to guide and monitor the information technology environment. IT risk management forms part of the IT governance framework as well as the risk management framework. As such, it is proactively embedded into the risk management process of the Company.</p> <p>Compliance within the information technology environment is regularly reported to the Audit, Risk and IT Committee.</p>

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<p>13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.</p>	<p>Applied</p>	<p>The Board is ultimately responsible for the governance of compliance with applicable laws and adopted non-binding rules, codes, and standards. Compliance with laws, rules, regulations, and relevant codes is integral to the Company's risk management process. The Social and Ethics Committee assumes oversight of the compliance function within the Company, to monitor compliance with the various regulations to which the Company is subject.</p> <p>The Board receives assurance on the effectiveness of the controls around compliance with laws, rules, codes, and standards from procedures performed by the internal auditors.</p> <p>There were no contraventions or areas of non-compliance for the period under review, relating to breaches of the listings requirements of the JSE Limited and the Companies Act.</p>
<p>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 short, medium and long term.</p>	<p>Applied</p>	<p>The Company is committed to remunerate fairly, responsibly, and transparently to achieve the strategic objectives of the Company in the short-, medium- and long-term. The Remuneration Committee, on behalf of the Board, annually reviews the Remuneration Policy and Implementation Report, which are approved by the Board and tabled at the annual general meeting each year for a non-binding shareholder advisory vote. This helps to ensure that shareholders are able to express their views on the implementation of the Company's Remuneration Policy. This Remuneration Committee further ensures that the Company's remuneration policy is aligned with its strategy and the interests of stakeholders. The Committee also reviews and approves the remuneration of executive directors and senior managers.</p> <p>The Directors, Executives and employees are remunerated fairly and responsibly in line with the Remuneration Policy. The Board is satisfied that the Remuneration Policy achieves its objectives.</p> <p>At the Company's 2020 AGM, shareholders voted in favour of, and endorsed both the Remuneration Policy (99.95%) and implementation report (97.15%). The Remuneration Policy and the Implementation Report will again be tabled at the 2021 AGM for separate non-binding advisory votes. The Board will take the outcome of the votes into consideration when considering amendments to the Remuneration Policy and the implementation thereof. Should 25% or more of the votes exercised in respect of the Remuneration Policy and the Implementation Report be against the resolution, the Company will issue an invitation to the dissenting shareholders to engage with the Company.</p>
<p>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>	<p>Applied</p>	<p>The Board has delegated the oversight of the internal audit to the Audit, Risk, and IT Committee. This Committee's terms of reference provide for internal and external audit responsibilities, which are in line with good practice and the principles of combined assurance and is responsible for ensuring that the Company's internal audit function is independent and has the necessary standing and authority in the Company to discharge its duties.</p> <p>The Board is satisfied that the assurance results indicate an adequate and effective control environment and the integrity of reports for better decision-making. Assurances are currently obtained from audits performed by the internal and external auditors together with tests performed by management on a regular basis</p> <p>The Board relied on the Audit, Risk, and IT Committee for the results that are presented in the Integrated Annual Report and approved same on recommendation of the said Committee. This responsibility is contained in the Terms of Reference of the Audit, Risk and IT Committee and the Board Charter.</p>

PRINCIPLE		COMPLIANCE	COMMENTS
16	In the execution of its governance roles 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.	Applied	<p>The Company is committed to a stakeholder inclusive approach that balances the needs, interest and expectations of material stakeholders in the best interests of the Company.</p> <p>Key stakeholders are identified by management and the Board. The Board encourages proactive engagement with shareholders.</p> <p>Transparent communication and engagement with stakeholders are vital to ensure that the principles on stakeholder management are adopted in line with King IV™. The Board believes in the principle that all shareholders should receive equal consideration regardless of the size of their shareholdings.</p>
17	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.	N/A	N/A – SilverBridge Holdings Limited is not an institutional investor.