

KING IV COMPLIANCE

Principle	Compliance	Comments
1 The governing body should lead ethically and effectively.	Applied	<p>The Board of directors of SilverBridge Holdings Limited hold one another accountable for decision-making and ethical behaviour. The Chairman of the Board oversees this on an ongoing basis. This responsibility is contained in the Board Charter, which includes the Board Code of Conduct.</p> <p>No fraud or unethical behaviour was detected during the external audit for the 2017/2018 period.</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 established a Social and Ethics Committee responsible for monitoring and governance of the ethics of the Company. The role and responsibility of the Social and Ethics Committee is contained in a Board-approved terms of reference.</p> <p>The Company's Code of Ethics guides the interaction between employees, clients, stakeholders, suppliers and the communities within which it operates.</p>
3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Applied	<p>The Social and Ethics Committee monitors the Company's activities in relation to Corporate Citizenship. The Company participates in community and well-being activities, such as the Eaglenest Home for Orphans in the Mofolo Village area in Soweto.</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 CEO is mandated to implement the Company's strategy to ensure that the Company's ability to create value in a sustainable manner is illustrated throughout its business model.</p> <p>The Board as a whole remains responsible for the governance of risk and has delegated this responsibility to the Audit and Risk Committee. This Committee assists the Board with the governance of risk and continuous monitoring of risks, while ensuring that effective mitigating factors are in place. This responsibility is contained in the Board Charter and the Audit and Risk Committee terms of reference.</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 Board approved the Integrated Annual Report which informs stakeholders of the organisation's performance, as well as the medium and longer-term strategy, on recommendation of the Audit and Risk Committee.</p>
6 The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	Applied	<p>The Board acts in accordance with a Board Charter and is the focal point and custodian of corporate governance within the Company. The Board delegated some of its functions to Board committees such as:</p> <ul style="list-style-type: none"> ■ Audit and Risk Committee; ■ Social and Ethics Committee; ■ Investment Committee; ■ Remuneration Committee; and ■ Nomination Committee.
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.	Applied	<p>The Board and its Board committees consider on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities.</p> <p>The Board was satisfied that it comprises the appropriate balance of skills, experience, diversity, independence and knowledge to discharge its role. The Board conducted a self-assessment of the Board and its committees and was satisfied with the outcome thereof and that no remedial action was required.</p>
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.	Applied	<p>The Board committees were restructured to ensure that its composition is aligned with the requirements in terms of King IV. The Board and its committees fully comply with the requirements of King IV.</p> <p>Furthermore, there is a clear balance of power that ensures that no individual/s has undue/unfettered decision-making powers.</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.	Applied	<p>The Board and all Board-committees terms of reference include the onus of annual assessments. An annual assessment of the performance of the Board was conducted and going forward, assessments of the performance of the Board, its committees and the company secretary will continue to be conducted annually by way of internal evaluation processes.</p>

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10	Partially	<p>The Delegation of Authority between the Board and the CEO is largely governed by the principles of King IV and the requirements of the JSE Limited. This delegation is also included in the Board Charter.</p> <p>A Delegation of Authority policy and framework indicating the matters reserved for the Board and senior management has been developed.</p> <p>The Chief Financial Officer 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 Chief Financial Officer's performance is conducted annually by the Audit and Risk Committee and confirmed in the Integrated Report.</p>
11	Partially	<p>The Audit and Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Company.</p> <p>The Audit and Risk Committee delegates to management the responsibility to continuously identify, assess, mitigate and manage risks within the operating environment.</p>
12	Partially	<p>The Board, together with the Audit and Risk 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.</p>
13	Partially	<p>The Board through the Social and Ethics Committee, monitors compliance with the various regulations the Company is subject to.</p> <p>There were no contraventions or areas of non-compliance for the period under review, relating to breaches of the requirements of the JSE Limited and the Companies Act.</p>
14	Applied	<p>The Board, assisted by the Remuneration Committee ensures that staff members are remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in a sustainable manner. In this regard, the Remuneration Policy has been drafted and regularly considered by the Remuneration Committee.</p> <p>These responsibilities are also contained in the terms of reference of the Remuneration Committee.</p>
15	Applied	<p>The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. The Board relied on the Audit and Risk Committee for the results that are presented in the Integrated Annual Report and approved same on recommendation of the said Committee.</p> <p>This responsibility is contained in the terms of reference of the Audit and Risk Committee and the Board Charter.</p>
16	Applied	<p>The main stakeholders of the Company are interacted with on a regular basis to determine their expectations with regards to their needs and interests in the Company.</p>
17	N/A	N/A – SilverBridge Holdings Limited is not an institutional investor.