



SEPHAKU
HOLDINGS LTD

KING IV APPLICATION REGISTER 2022

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The Sephaku Holdings Limited (“SepHold or the Company”) applied the King IV code to the furthest possible extent and below is the register on SepHold’s application of the King IV™ code (“the code”) as disclosed in the FY 2022 integrated annual report for the period ended 31 March 2022. The register provides the location of the relevant disclosure in the reporting suite and or Company website. The Integrated Annual Report can be accessed at: www.sephakuholdings.com

King IV™ principle	Disclosure requirement	Page reference to application disclosure
ETHICAL LEADERSHIP		
<p>Principle 1 <i>The governing body should lead ethically and effectively.</i></p>	<ol style="list-style-type: none"> 1. Members of the governing body to individually and collectively cultivate and exhibit integrity, competence, responsibility, accountability, and fairness in their conduct 2. The arrangements by which the members of the governing body are being held to account for ethical and effective leadership should be disclosed. 3. These arrangements would include, but are not limited to, codes of conduct and performance evaluations of the governing body and its members. 	<p>The Board must comply to the Company code of ethics, which can be accessed from the website through the link: www.sephakuholdings.com/our-business/corporate-governance</p> <p>Refer to page 3 for board accountability to the ethics code.</p> <p>Refer to page 34 for board evaluation process and outcome. Board members unanimously agreed that they are ethically and effectively conducting their duties.</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
ORGANISATIONAL ETHICS		
Principle 2 <i>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</i>	<ol style="list-style-type: none">1. An overview of the arrangements for governing and managing ethics.2. Key areas of focus during the reporting period.3. Measures taken to monitor organisational ethics and how the outcomes were addressed.4. Planned areas of future focus.	<p>SepHold code of ethics applicable to all Company stakeholders including service providers and suppliers. Operational management committed to promoting ethical culture.</p> <p>Combined social and ethics committee meetings for SepHold board representatives and operational companies' boards ensure coherent application of ethical best practices and monitoring in the group companies.</p> <p>Refer to pages 20 – 30 and 36 - 38 for application of ethical leadership.</p>
RESPONSIBLE CORPORATE CITIZENSHIP		
Principle 3 <i>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</i>	<ol style="list-style-type: none">1. An overview of the arrangements for governing and managing responsible corporate citizenship.2. Key areas of focus during the reporting period.3. Measures taken to monitor corporate citizenship and how the outcomes were addressed.4. Planned areas of future focus.	<p>Refer to page 14 – 15 for the Chairman's report.</p> <p>The board is actively involved in the development and or review of policies that promote responsible corporate citizenship including environmental, and management protocols. Refer to page 36 - 38.</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
STRATEGY AND PERFORMANCE		
<p>Principle 4 <i>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.</i></p>	<p>The code does not provide disclosure requirement for this principle. Recommended practices applied at SepHold include;</p> <ol style="list-style-type: none">1. The governing body should delegate to management the formulation and development of the organisation's short, medium, and long-term strategy.2. The governing body should ensure that it approves the policies and operational plans developed by management to give effect to the approved strategy. These should include the key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium, and long term.3. The governing body should oversee that the organisation continually assesses, and responsibly responds to the negative consequences of its activities and outputs on the triple context in which it operates, and the capitals which it uses and affects.	<p>Refer to pages 4 - 6 for performance against strategic objectives and the application of the value creation pillars.</p> <p>The board reviews and approves the strategic plans and budgets presented by management. The board considers the overarching elements of risk, stakeholder engagement and operational management to inform the group's response to the prevailing trading environment. Refer to pages 6 - 9.</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
REPORTING		
<p>Principle 5: <i>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.</i></p>	<p>The code does not provide disclosure requirement for this principle. Recommended practices applied at SepHold include;</p> <ol style="list-style-type: none">1. The governing body should assume responsibility for the organisation's reporting by setting the direction for how it should be approached and conducted.2. The governing body should approve management's determination of the reporting frameworks (including reporting standards) to be used, considering legal requirements and the intended audience and purpose of each report.3. The governing body should oversee that reports such as the annual financial statements, sustainability reports, social and ethics committee reports, or other online or printed information or reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.	<p>Refer to pages 11 - 13 for details on the material matters.</p> <p>The board through the audit and risk committees determined the direction of reporting and has complied with all the reporting requirements. To access the reports:</p> <p>www.sephakuholdings.com/investor-centre/results-and-reports/</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY		
Principle 6 <i>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</i>	The following should be disclosed in relation to the primary role and responsibilities of the governing body: <ol style="list-style-type: none">1. The number of meetings held during the reporting period, and attendance at those meetings.2. Whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.	Reference to page 31.
COMPOSITION OF THE GOVERNING BODY		
Principle 7 <i>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.</i>	A brief professional profile of each candidate standing for election at the annual general meeting (AGM), including details of existing professional commitments, should accompany the notice of the AGM, together with a statement from the governing body confirming whether it supports the candidate's election or re-election.	Refer to pages 32 – 33 and Annexure 2 of the AGM notice of meeting.

KING IV APPLICATION REGISTER 2022



	<p>The following should be disclosed with regards to the composition of the governing body:</p> <ol style="list-style-type: none">1. Whether the governing body is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity, and independence.2. The targets set for gender and race representation in the membership of the governing body, and progress made against these targets.3. When a non-executive member of the governing body has been serving for longer than nine years, a summary of the views of the governing body on the independence of the member.4. The reasons why any members of the governing body have been removed, resigned, or retired.5. Whether the chair is independent.	<p>Internal and external training provided to members of the governing body to increase their understanding and knowledge of the industry, governance development amongst other objectives.</p>
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KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
COMMITTEES OF THE GOVERNING BODY		
<p>Principle 8 <i>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.</i></p>	<p>The following should be disclosed in relation to each committee of the governing body:</p> <ol style="list-style-type: none">1. Its overall role and associated responsibilities and functions.2. Its composition, including each member's qualifications and experience.3. Any external advisers or invitees who regularly attend committee meetings.4. Key areas of focus during the reporting period.5. The number of meetings held during the reporting period and attendance at those meetings.6. Whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. <p>In addition to required statutory disclosure, the following should also be disclosed in relation to the audit committee:</p> <ol style="list-style-type: none">1. A statement as to whether the audit committee is satisfied that the external auditor is	<p>Refer to pages 35 – 40 of the IAR</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
	<p>independent of the organisation.</p> <ol style="list-style-type: none">2. Significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by the committee.3. The audit committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.4. The audit committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit.5. The audit committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption, or error.	



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
EVALUATION OF THE PERFORMANCE OF THE GOVERNING BODY		
<p>Principle 9 <i>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.</i></p>	<p>The following should be disclosed in relation to the evaluation of the performance of the governing body:</p> <ol style="list-style-type: none">1. A description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not.2. An overview of the evaluation results and remedial actions taken.3. Whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness.	<p>Refer to page 34.</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
APPOINTMENT AND DELEGATION TO MANAGEMENT		
Principle 10 <i>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.</i>	The following should be disclosed in relation to the CEO: The notice period stipulated in the CEO's employment contract and the contractual conditions related to termination.	Refer to page 41 on the CEO's contract terms.
RISK GOVERNANCE		
Principle 11 <i>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</i>	In addition, the following should be disclosed in relation to risk: <ol style="list-style-type: none">1. An overview of the arrangements for governing and managing risk.2. Key areas of focus during the reporting period, including objectives, the key risks that the organisation faces, as well as undue, unexpected, or unusual risks and risks taken outside of risk tolerance levels.3. Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed.4. Planned areas of future focus.	Refer to pages 10 - 11 on how the Group risk is managed.



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
TECHNOLOGY AND INFORMATION GOVERNANCE		
<p>Principle 12 <i>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</i></p>	<p>The following should be disclosed in relation to technology and information:</p> <p>An overview of the arrangements for governing and managing technology and information. Key areas of focus during the reporting period, including; objectives, significant changes in policy, significant acquisitions and remedial actions taken because of major incidents.</p> <p>Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed. Planned areas of future focus.</p>	<p>Refer to pages 10 and 35 on operational response to data security.</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
COMPLIANCE GOVERNANCE		
<p>Principle 13 <i>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.</i></p>	<p>The following should be disclosed in relation to compliance:</p> <ol style="list-style-type: none">1. An overview of the arrangements for governing and managing compliance.2. Key areas of focus during the reporting period.3. Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed.4. Planned areas of future focus.	<p>Refer to pages 22, 24 and 27 – 30 to understand how environmental management and compliance is approached and implemented.</p> <p>Page 34 of the IAR provides disclosure on the governing body's approach on compliance</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
REMUNERATION GOVERNANCE		
<p>Principle 14 <i>The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</i></p>	<p>The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts:</p> <ol style="list-style-type: none">1. A background statement.2. An overview of the main provisions of the remuneration policy.3. An implementation report which contains details of all remuneration awarded to individual members of the governing body and executive management during the reporting period.	<p>Refer to pages 39 - 46 of the IAR or the standalone report on the link: http://sephakuholdings.com/corporate-governance/governance-documents/</p>



KING IV APPLICATION REGISTER 2022

King IV™ principle	Disclosure requirement	Page reference to application disclosure
ASSURANCE		
Principle 15 <i>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.</i>	External reports should disclose information about the type of assurance process applied to each report, in addition to the independent, external audit opinions provided in terms of legal requirements.	Refer to page 2.
STAKEHOLDER ENGAGEMENT		
Principle 16 <i>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.</i>	The following should be disclosed in relation to stakeholder relationships: <ol style="list-style-type: none">1. An overview of the arrangements for governing and managing stakeholder relationships.2. Key areas of focus during the reporting period.3. Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.4. Future areas of focus.	Refer to pages 7 - 9.