

King III application as at 31 December 2016

The company continuously reviews the extent to which Wesizwe applies the principles and recommended practices in King III. This review identifies the governance principles already being applied and those which the company needs to address or further entrench. The review also identifies areas of improvement or ways in which our governance practices could be enhanced.

The table below summarises the group's application of the principles contained in chapter two of King III. The company will report on the application of King IV in the next reporting period.

Principle	Principle Description	Applied/Partially Applied/Not Applied	IoDSA GAI Score
Principle 2.1	The board acts as the focal point for, and custodian of, corporate governance.	Applied	AAA
Principle 2.2	The board appreciates that strategy, risk, performance and sustainability are inseparable.	Applied	AAA
Principle 2.3	The board provides effective leadership based on ethical foundations.	Applied	AAA
Principle 2.4	The board ensures that the company is, and is seen to be, a responsible corporate citizen.	Applied	AAA
Principle 2.5	The board ensures that company ethics are managed effectively.	Applied	AAA
Principle 2.6	CHAPTER 3: Audit committees.	Applied	AAA
Principle 2.7	CHAPTER 4: The governance of risk.	Applied	AAA
Principle 2.8	CHAPTER 5: The governance of information technology.	Applied	AAA
Principle 2.9	CHAPTER 6: Compliance with laws, rules, codes and standards.	Applied	AAA
Principle 2.10	CHAPTER 7: Internal audit.	Applied	AAA
Principle 2.11	CHAPTER 8: Governing stakeholder relationships.	Applied	AAA
Principle 2.12	CHAPTER 9: Integrated reporting and disclosure.	Applied	AAA
Principle 2.13	CHAPTER 7 & 9: The board reports on the effectiveness of the company's internal controls.	Applied	AAA

Principle 2.14	The board and its directors act in the best interests of the company.	Applied	AAA
Principle 2.15	The board will/has considered business rescue proceedings or other turnaround mechanisms as soon as the company has been/may be financially distressed as defined in the Company's Act, 71 of 2008.	Applied	AAA
Principle 2.16	The board has elected a chairman of the board who is an independent non-executive director. The CEO of the company does not also fulfill the role of chairman of the board.	Applied	AAA
Principle 2.17	The board has appointed the chief executive officer and has established a framework for the delegation of authority.	Applied	AAA
Principle 2.18	The board comprises a balance of power, with a majority of non-executive directors. The majority of non-executive directors are independent.	Applied	AAA
Principle 2.19	Directors are appointed through a formal process.	Applied	AAA
Principle 2.20	The induction of and ongoing training, as well as the development of directors is conducted through a formal process.	Applied	AAA
Principle 2.21	The board is assisted by a competent, suitably qualified and experienced company secretary.	Applied	AAA
Principle 2.22	An evaluation of the board, its committees and individual directors is performed every year.	Applied	AAA
Principle 2.23	The board delegates certain functions to well-structured committees without abdicating from its own responsibilities.	Applied	AAA
Principle 2.24	A governance framework has been agreed upon between the group and its subsidiary boards.	Applied	AAA
Principle 2.25	The company remunerates its directors and executives fairly.	Applied	AAA
Principle 2.26	The company has disclosed the remuneration of each individual director and prescribed officer.	Applied	AAA

Principle 2.27	The shareholders have approved the company's remuneration policy.	Applied	AAA
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