

**Preamble**

Corporate governance principles and practices are dynamic and evolve.

This Code of governance, which deals with the Principles, should be studied with the Report in which the best practices for each principle are provided.

All entities should apply the principles in the Code and consider the best practice recommendations in the Report. All entities should by way of explanation make a positive statement about how the principles have been applied or have not been applied. This level of disclosure will allow stakeholders to comment on and challenge the board on the quality of its governance. The application will differ for each entity and is likely to change as the aspirational nature of the Code should drive entities to continuously improve governance practices. It is important to understand that the 'apply and explain' approach requires more consideration and explanation of what has actually been done to implement the principles and best practice recommendations of governance.

Each principle is of equal importance and together forms a holistic approach to governance. Consequently, 'substantial' application of this Code and the Report does not achieve compliance.

Detailed implementation guidance and tools are provided in the Practice Notes.

Although the terms 'company', 'boards' and 'directors' are used, this Code and the Report refer to the functional responsibility of those charged with governance in any entity and should be adapted as appropriate.

**Preparation of checklist**

Checklist extracted from the King Code of Governance Principles for South Africa 2016.

Company secretary and CFO checked current compliance and provided recommendations to correct non-adherence.

Governance element	Principle(s)	Recommended Practice	Count	Compliance Yes/No	Explanation if non-compliance not to be addressed	Action if non-compliance must be addressed	Other comments
<b>A. Leadership, Ethics and Corporate Citizenship</b>							
Leadership	1	The governing body should lead ethically and effectively.	Members of governing body should:				
		1.1	cultivate and exhibit the following characteristics:				
			- Integrity;	1	Yes		
			- Competency;	1	Yes		
			- Responsibility;	1	Yes		
			- Accountability;	1	Yes		
			- Fairness;	1	Yes		
			- Transparency;	1	Yes		
		1.2	in order to offer effective leadership that results in achieving strategic objectives and positive outcomes.	1	Yes		
		1.3	disclosure through codes of conduct and performance evaluations of the governing body and its members should be done.	1	Yes		
Organisational ethics	2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The governing body should:				
		2.1	set the direction for how ethics should be approached and addressed by the organisation;	1	Yes		The ethical performance of the company and its representatives are pro-actively and effectively managed and reported on by the board. Reference is made to this in the Board charter.
		2.2	approve codes of conduct and ethics policies that articulate and give effect to its direction on organisational ethics;	1	Yes		The code of conduct is approved annually by the board.
		2.3	ensure the set codes of conduct and ethics policies address the organisation's interaction with all stakeholders, as well as the key ethical risks of the organisation;	1	Yes		The interaction with all stakeholders and key ethical risks are addressed in the code of conduct.

	2.4	ensure that set codes of conduct and ethics policies provide for arrangements to familiarise employees and other stakeholders with the organisation's ethical standards;	1	Yes		Ethical standards to be incorporated for the selection and contracting of suppliers and customers. Incorporation by reference, of the relevant code of conduct and policies in supplier contracts.	Reference is made to the code of conduct in all employment contracts, and is incorporated as part of the induction process. Trade references on customers are obtained to confirm an ethical culture. The company's code of conduct and policies are published on the organisation's website.
	2.5	delegate responsibility for implementation and execution of the codes of conduct and ethics policies been to management;	1	Yes			An annual corporate governance "compliance certification" is completed by management. The code of conduct, risk management policy and a list of laws and regulations accompanies the annual certification for completion.
	2.6	exercise ongoing oversight of the management of ethics.	1	Yes			Fraud and theft incidents are reported on a monthly basis. The SESCOM gives guidance to nurture a culture of ethical leadership in Afrimat based on Afrimat values, workplace and business ethics caring for its employees, customers and stakeholders. The committee also reviews the quality of ethical leadership demonstrated and provides feedback on ethical violations and ethical results to the board on an ongoing basis. A whistle blowing hotline has been provided to all parties as a means to report on any breach of the code of conduct.
	2.7	Disclosure of how ethics are managed, what the key focus areas are during the reporting period, what measures have been implemented to monitor organisational ethics and planned areas of the future focus.	1	Yes			Disclosure is made in the intergrated report which is published on the Company's website.
Responsible corporate citizen	3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The governing body should ensure that:				
	3.1	assume responsibility for corporate citizenship by setting the direction for how corporate citizenship should be approached and addressed by the organisation;	1	Yes			Refer to 2.6
	3.2	the organisation's corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies;	1	Yes			An annual corporate governance "compliance certification" is completed by management. The list of laws and regulations accompanies the annual certification for completion. The organisation hereby confirms compliance with the Constitution of South Africa, all laws, leading standards and code of conduct. As part of the certification management confirms that the code of conduct together with laws and regulations have been distributed and discussed with all relevant employees that they are responsible for.
	3.3	oversee that the organisation's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen;	1	Yes			Corporate citizenship enforced through B-BBEE, mining license compliance, various laws adherence, JSE rules, King IV. The 'Afrimat Way' reinforces the vision, mission and values of the organisation and is congruent with it being a responsible corporate citizen.
	3.4	oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen;	1	Yes			The board and executive management recognise that developing and nurturing positive relationships with its significant stakeholders are key drivers of success that inform business strategy and enable the group to better understand and address the impact of its activities on society. Oversight and monitoring is performed against measures agreed with management in the following areas: Workplace (incl. safety&health of employees), Economy (detection and response to fraud and corruption), Society (incl. breathalysers, perimeter dust monitoring, community forums, allocation of dedicated areas on entering premises) and Environment. A report on the outcome of environmental impact i.t.o. electricity consumed, water usage, carbon emissions, waste management and bio-diversity will be reported on annually in Integrated Annual Report.
	3.5	disclosure of the following items should be made: - an overview of the arrangements for governing and managing responsible corporate citizenship. - key areas of focus during the reporting period. - measures taken to monitor corporate citizenship and how the outcomes were addressed. - planned areas of future focus.					Disclosure is made in the intergrated report which is published on the Company's website.

B. Strategy, Performance and Reporting								
Strategy and performance	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.	The governing body should:					
		4.1	set the direction for the realisation of the organisation's core purpose and values through its strategy;	1	Yes			<p>An internal quarterly strategy meeting is held to set the direction for the realisation of the organisation's core purpose and values. The governing body meets four times a year to discuss the long term vision and strategy of the organisation. The CEO is responsible for proposing, updating, implementing and maintaining the strategic direction of Afrimat as well as ensuring appropriately supervised and controlled daily operations. In this regard, the CEO is assisted by the CFO and another executive director.</p> <p>The governing body considers the risks, opportunities and other significant matters connected to management's strategy. When doing this they consider the triple bottom line context in which the organisation operates.</p> <p>The approved strategy is delegated to management who implements and executes approved policies and operational plans.</p> <p>Quarterly board strategy meetings are held to measure the implementation of the strategy and operational plans by management, against agreed performance measures and targets.</p> <p>The governing body through its committees has extensive processes in place to address all negative consequences to its activities on the triple context and the six capitals which it uses and affects. Detailed outcomes on the usage and effects of the six capitals were addressed in the F2022 group integrated annual report. Report on group performance in relation to strategic objectives identified, by means of a timeline approach.</p> <p>The governing body reviews group cash flow and financial position forecasts on a regular basis and in light of this review is satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future. In assessing risk, Afrimat reviews performance in terms of profit growth, return on new investments and debt levels against targets set during the annual budget process. In addition the group monitors profitability, utilisation of assets, liquidity/solvency, and productivity levels on a monthly basis.</p>
		4.2	delegate to management the formulation and development of the organisation's short, medium and long-term strategy;	1	Yes			
		4.3	approve the organisation's short, medium and long-term strategy as formulated and developed by management, after constructively challenging significant aspects of the strategy;	1	Yes			
		4.4	approve policies and operational plans developed by management to give effect to the approved strategy;	1	Yes			
		4.5	delegate to management the responsibility to implement and execute the approved policies and operational plans;	1	Yes			
		4.6	practice ongoing oversight of the implementation of strategy and operational plans by management against agreed performance measures and targets;	1	Yes			
		4.7	oversee that the organisation continually assesses, and responsibly respond to, the negative consequences of its activities and outputs on the triple context in which it operates and the capital which it uses and affects.	1	Yes			
		4.8	stay alert to the general viability of the organisation with regard to its reliance and effects on the capitals, its solvency and liquidity, and its status as a going concern.	1	Yes			
Reporting	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.	The governing body should:					
		5.1	set the direction for how the organisation's reporting should be approached and conducted;	1	Yes			<p>The governing body sets direction on how the organisation's reporting is conducted. They also ensure the integrity of the integrated report, which is included in their terms of reference as part of their roles and responsibilities.</p> <p>The governing body through the Audit &amp; Risk Committee ('AUDITCOM') ensured that the annual financial statements were prepared in accordance with International Financial Reporting Standards ('IFRS') and in the manner required by the Companies Act. The following reporting frameworks have been approved by the governing body and its committees: JSE Listing Requirements, King IV, Framework for Integrated Reporting and the Mining Charter.</p>
		5.2	approve management's determination of the reporting frameworks (including reporting standards) to be used, taking into account legal requirements and the intended audience and purpose of each report;	1	Yes			

		5.3	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 meet the legitimate and reasonable information needs of material stakeholders;	1	Yes			The integrated annual report is approved by the governing body, on referral of acceptance by the AUDITCOM. All online or publicly available information is approved by the governing body before publishing. The governing body ensures the organisation reports on the short, medium and long-term prospects of the organisation, without containing forward-looking statements, in the integrated annual report.
		5.4	oversee that the organisation issues an integrated report at least annually, either as a stand-alone report or as part of another report;	1	Yes			The integrated annual report is approved by the governing body, on referral of acceptance by the AUDITCOM.
		5.5	approve management's basis for determining materiality for the purpose of deciding which information should be included in external reports;	1	Yes			Materiality in terms of determining strategic risks and objectives are considered by the governing body on a quarterly basis.
		5.6	ensure the integrity of external reports as provided for in Principles 11-15 (refer Part 5.4 of the Code);	1	Yes			As part of the governing body's duties, the board is required to ensure the integrity of external reports. This is included in the board's terms of reference.
		5.7	oversee that the following information is published as is appropriate for access by stakeholders: - Corporate governance disclosures required in terms of this Code. - Integrated reports. - Annual financial statements and other external reports.	1 1 1 1	Yes Yes Yes Yes			The governing body through the Company Secretary ensures that the relevant information is publicly available by means of publishing the documents on the organisation's website.
<b>C. Governing Structures and Delegation</b>								
Primary Role and responsibilities of the governing body	6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	6.1	The governing body should exercise its leadership role by:  - steering the organisation and setting the strategic direction;  - approving policy and planning that give effect to the direction provided; - overseeing and monitoring of implementation and execution by management, and - ensuring accountability for organisational performance by means of reporting and disclosure.	1 1 1 1 1	Yes Yes Yes Yes Yes		The board is the focal point and custodian of corporate governance at Afrimat. In accordance with the Board Charter, the board is committed to the highest standards of corporate governance.
			6.2	The governing body should ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a charter;	1	Yes		The composition, roles and responsibilities of the governing body are set out in the Board Charter.
			6.3	The governing body should approve the protocol followed in the event that it or any of its members or committees need to obtain independent external professional advice at the cost of the organisation on matters within the scope of their duties;	1	Yes		The Board shall approve a procedure in terms of which any director may take independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with his/her statutory and/or fiduciary duties and responsibilities.
			6.4	The governing body should approve the protocol followed to by its non-executive members for requisitioning documentation from and setting up meetings with management.	1	Yes		The directors are entitled to have access, at reasonable times, to all relevant Company information and to management. Such access shall be arranged through the Chairman or the chief executive officer. Any Board member may, in consultation with the Chairman, request additional board meetings to be held as and when deemed appropriate.
			6.5	Disclosure of the following should be made: - number of meetings held during the reporting period and attendance at those meetings - whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.				Disclosure is made in the integrated report which is published on the Company's website.
Composition of the governing body	7		7.1	The governing body should assume responsibility for its composition by setting the direction and approving the processes to attain the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	1	Yes		The governing body through the Remuneration & Nominations Committee (REMCOM) assumes responsibility for identifying and nominating candidates to fill Board vacancies as and when they arise, ensuring that they consider candidates from a wide range of backgrounds.

Composition							
7.2	When determining the requisite number of members the following factors should be considered;	<p>- The appropriate mix of knowledge, skills and experience currently contained within the governing body (i.e. business, commercial, industry);</p> <p>- The appropriate mix between executive, non-executive and independent non-executive board members;</p> <p>- The need for a sufficient number of members that qualify to serve on committees;</p> <p>- The need to secure a quorum;</p> <p>- Regulatory requirements;</p> <p>- Diversity targets relating to the composition of the governing body.</p>	1 1 1 1 1 1 1	Yes Yes Yes Yes Yes Yes Yes			<p>The independent non-executive directors and non-executive directors are high merit individuals who objectively contribute a wide range of industry skills, knowledge and experience to the board's decision-making process. These directors are not involved in the daily operations of the company.</p> <p>The board comprises a majority of non-executive directors. It comprises five independent non-executive directors, two non-executive directors and four executive directors.</p> <p>The Board will on an annual basis consider its size, diversity, demographics and skills requirements as part of the assessment of the board and directors' performance. In identifying and considering potential candidates, the REMCOM and Board will, amongst skills, experience, race and age diversity, suitability and the specific requirement to be addressed, take gender diversity into consideration.</p>
7.3	The governing body should comprise a majority of non-executive members, most of whom should be independent.		1	Yes			Refer to 7.2. The responsibilities of the Chairman and CEO, and those of other non-executive and executive directors, are clearly separated to ensure a balance of power and prevent any one director from exercising unfettered powers of decision-making. The Chairman provides leadership to the board in all deliberations ensuring independent input, and oversees its efficient operation.
7.4	The CEO and at least one other executive should be appointed to the governing body to ensure that it has more than one point of direct interaction with management;		1	Yes			The board comprises of amongst others, four executive directors, including the CEO.
7.5	The governing body should promote diversity in its membership across a variety of attributes relevant for better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender;		1	Yes			Refer to 7.2.
7.6	Targets for race and gender representation in its membership should be set;		1	Yes	The organisation should report on the progress made on target set in order to ensure succession takes this into consideration.		<p>To ensure that the Company's policy on employment equity, particularly gender diversity is aligned with that of the 2013 Codes of Good Practice of the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended, namely:</p> <ul style="list-style-type: none"> <li>• 25 percent exercisable voting rights of black female directors as a percentage of all directors; and</li> <li>• 25 percent black executive female directors as a percentage of all executive directors.</li> </ul>
7.7	Arrangements for period, staggered rotation of members so its capabilities by introducing members with new expertise and perspectives while retaining knowledge, skills and experience and maintaining continuity should be establish;		1	Yes			The organisation's MOI provide that one third of the non-executive directors should retire by rotation after a three-year term of office.
7.8	A succession plan for the governing body's membership to be establish. This should include the identification, mentorship and development of future candidates.		1	Yes			The REMCOM ensures that there is proper succession planning for the board. Director appointments are made by the board in a formal and transparent manner and are ratified at the following AGM. Succession planning remains a standing agenda item for discussion in the REMCOM meeting.

<b>Nomination, election and appointment of members to the governing body</b>	7.9	The nomination of candidates for election as members of the governing body should be approved by the governing body as a whole.	1	Yes		The REMCOM of the Board assists with the identification of suitable candidates for appointment to the Board. All nominations of candidates for election as members of the governing body is approved by the governing body as a whole.	
	7.10	The process for nomination, election and appointment of new board members to the governing body should be formal and transparent;	1	Yes		Director appointments are made by the board in a formal and transparent manner and are ratified at the following AGM.	
	7.11	The governing body as a whole should consider knowledge, skills, experience, diversity, fit and appropriateness before a new board member nomination is approved;	1	Yes		Refer to 7.2.	
	7.12	Nomination for re-election of an incumbent of the governing body should be considered by the governing body on the basis of that member's performance, including attendance at meetings and its committees;	1	Yes		Refer to 7.2.	
	7.13	Nominated non-executive candidates should provide the governing body with details of other professional commitments as well as a statement confirming that the candidate has sufficient time available to fulfill the responsibilities of a member of the governing body;	1	Yes		Annual representations on other professional commitments are made by board members to the organisation. All directors will at all times use their best endeavours to devote appropriate preparation time to ensure that he/she is in a position to contribute to board and board committee discussions and to make informed decisions on matters placed before the board and board committee.	
	7.14	Prior to nomination, new candidates' backgrounds should be independently investigated and their qualifications independently verified;	1	No	All new candidate nominations should be independently investigated and verified.		
	7.15	New candidates' nominations should be disclosed in the AGM notice together with a statement from the governing body confirming its support of the candidate's election;	1	Yes	A statement of confirmation should be included in the AGM notice to provide the board's support of all new candidate elections.	All new directors appointed by the board between AGM, to fill a casual vacancy, hold office only until the next AGM and are eligible for election.	
	7.16	Upon elections, the terms and conditions for serving as a member of the governing body should be formalised in a letter of appointment;	1	Yes		A formal induction programme is in place for new directors who will also be provided with a letter of appointment.	
	7.17	New board members should receive induction training to enable them to make a contribution in the shortest time;	1	Yes		Refer 7.16.	
	7.18	A programme of professional development and regular briefing on legal and corporate governance developments, and risks and changes in the external environment of the organisation should be provided to governing body.	1	Yes		The need for continuing professional development programmes is identified as part of the annual assessment of the performance of the directors. Feedback on any changes in the external environment incl. legal and corporate governance is provided to the governing body by the company secretary on a quarterly basis.	
	7.19	Members with no or little governance experience should undergo a mentorship programme;	1	Yes		Inexperienced directors are assisted, with the guidance of the Chairman, to participate in mentoring programmes where available. Development needs of members are identified on an annual basis with discussions held with the Chairman. These needs are addressed by means of internal or external programmes as and when necessary.	
	<b>Independence and conflicts</b>	7.20	Each member of the governing board should submit annual declaration of interests (financial, economic and other);	1	Yes		Annual declaration of interests are provided by all members of the governing body. Quarterly declaration of interests are provided by all members at each subcommittee meeting, relating to the agenda of the day.
		7.21	The governing body or its committee meeting agendas should include an matter whereby attending members get the opportunity to report declare any conflict of interest in respect of any matters on the agenda;	1	Yes		Quarterly interest declarations are performed by all members of the governing body to identify any conflicts of interest in respect of any matters on the board/committee agenda. On identification of a conflict of interest the member of the governing body will be asked to recuse himself from the discussion relating to the agenda item and will not be able to vote in relation thereof.
		7.22	Non-executive members of its governing body may be categorised by the governing body as independent if it concludes that there is no interest, position, association or relationship that is likely to influence unduly or cause bias in decision-making in the best interest of the organisation (refer to principle 28 in King IV for consideration items of independence);	1	Yes		The independence of members of the governing body is established on appointment. Any indication of non-independence will be investigated by the company secretary to establish any tainting of independence i.e. provision of capital, purchase of securities, provision of professional advice and the provision of remuneration dependent on the performance of the organisation.
7.23		A non-executive member may continue to serve in an independent capacity, for longer than nine years if, upon assessment by the governing body conducted every year after nine years, it is concluded that the member exercise objective judgement and there is no interest, position, association or relationship which is likely to influence unduly or cause bias decision -making.	1	Yes/No		A new Chairman was appointed at the AGM (August 2022) according to the succession plan. A rigorous review of independence was performed on the Chairman of the Board and the Chairman of the AUDITCOM during October 2022. A review of independence on members of the governing body serving longer than nine years, are conducted every year after nine years.	

	7.24	The following should be disclosed: - whether the governing body is satisfied to the composition - target set for gender and race representation in the membership and the progress made against these targets - categorisation of each member as executive and non-executive - categorisation of independence and not - qualifications and experience of members - each members period of service - age of each member - other professional positions held by each member - reasons why members have been removed, resigned or retired.				Disclosure is made in the intergrated report which is published on the Company's website.
Chair of governing body	7.25	The Chair of the governing body should be an independent, non-executive member (the CEO can't also be the Chair);	1	Yes		The Chairman is an independent non-executive director, of which his independence has been confirmed by means of a rigorous review performed in F2023.
	7.26	A retired CEO should not become chair, until 3 years has passed between the resignation as CEO and the appointment as Chair;	1	N/A		In the event of a retired CEO to become chair the three year "cooling-off" period will be taken into consideration.
	7.27	The governing body should appoint an independent non-executive member as lead independent to fulfil the following:	1	Yes		A lead independent director was appointed to address the requirements noted.
		- To lead in the absence of the Chair;	1	Yes		
		- To serve as a sounding board for the chair;	1	Yes		
		- To act as an intermediary between chair and other members of the governing body;	1	Yes		
		- To deal with the shareholders' concerns where contact through normal channels have failed to resolve concerns;	1	Yes		
		- To strengthen independence if chair is not an independent non-executive member of the governing body;	1	N/A		
		- To stand in for the Chair where the Chair has a conflict of interest;	1	Yes		
		- To lead the performance appraisal of the Chair.	1	Yes		
	7.28	The Charter document the role, responsibilities and office term of the Chair and the lead independent director;	1	Yes		A lead independent director charter includes the specific role and responsibilities of the lead independent director.
	7.29	The governing body should, together with the chair, formally determine the number of outside professional positions that the chair is allowed to hold;	1	Yes		The chairman, together with the board, will consider the number of outside chairmanships held and the board will ensure a proper succession plan for the position of chairman.
	7.3	The following should apply: - The Chair should not be a member of the audit committee.	1	Yes		
		- The Chair should not be a member of the audit committee.	1	No	All other members of the AUDITCOM are not independent non-executive directors but the non-executive directors have demonstrated the ability to act independently.	The JSE LR no longer require the audit committee to comply with King IV, but only to consider the recommended practices of King IV. The Board is of the opinion Francois Louw and Loyiso Dotwana have both demonstrated to act independently and are making valuable contributions to the Board.
	- The Chair may be a member of the remuneration committee but should not be the chair.	1	Yes		Phuti R Tsukudu an independent, non-executive director is the chair of the Remuneration Committee.	
	- The Chair should be a member of the board nominations committee and may be its chair.	1	Yes		The board chair is the chair of the Nominations Committee.	
	- The Chair may be a member of the risk governance and may also be its Chair.	1	Yes			
	- The Chair may be a member but should not be the chair of the social and ethics committee.	1	Yes		Loyiso Dotwana a non-executive member is the chair of the social, ethics & sustainable committee.	
7.31	The governing body should ensure there is succession planning in place for the position of chair.	1	Yes		The REMCOM ensures that there is proper succession planning for the chairman. Succession planning remains a standing agenda item for discussion in the REMCOM meeting.	

Committees of the governing body	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.	8.1.	The governing body should formally approve and document delegation of roles and responsibilities of the governing body to an individual member or members.	1	Yes		All roles and responsibilities of the board are delegated to standing ad-hoc committee. All responsibilities delegated are formally documented in each committees' terms of reference.	
			8.2	In the event that the governing body determines not to delegate all or some of the responsibilities dealt with in this Code as part of the responsibilities of a specific committee, the governing body should ensure that it fulfils those responsibilities itself.	1	N/A			
			8.3	The delegation should be recorded in writing and approved by the governing body. The record should set out the nature and extent of the responsibilities delegated, as well as decision-making authority, duration of delegation and reporting responsibilities;	1	Yes		All delegations by the governing body have been recorded in formal committee charters which are approved and annually reviewed by the governing body.	
			8.4	Governing body committees should have formally approved terms of reference. These should be reviewed and approved annually (refer to principle 43 in King IV for minimum requirements to be included in the terms of reference);	1	Yes		Refer to 8.3.	
			8.5	The governing body should consider the allocation of roles and associated responsibilities and the composition of membership across committees holistically;	1	Yes		The governing body is guided by a charter which is reviewed annually. The charter includes a delegation of authority, which states the matters to be dealt with by the board committees. A number of governance policies support and frame the delegation of authority, which are reviewed on an annual basis. The board approves all amendments. The composition and membership of all committees are considered annually by the REMCOM and confirmed by the governing body on referral by the Nominations Committee.	
			8.6	The governing body should ensure that each governing body committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively;	1	Yes		Refer to 7.2.	
			8.7	Each committee should have a minimum number of three members each;	1	Yes		All committees have a minimum of three members.	
			8.8	Members of the executive and senior management should be invited to attend committee meetings;	1	Yes		The CEO and CFO are invited to attend all committee meetings.	
			8.9	Members of the governing body attend meetings of committees of which they are not members. There are restrictions on how this member should interact/engage in such a meeting;	1	Yes		The CEO and CFO attend all committee meetings. All board members that attend a committee meeting, but do not form part of that committee do not have a vote and is not entitled to fees for attendance.	
			8.10	Any delegation by the governing body of its responsibilities to a committee or a member of the governing body will not by or of itself constitute a discharge of the governing body's accountability.	1	Yes		The board will delegate certain of its functions to well-structured committees without abdicating its own responsibilities.	
			Audit committee	8.11	The governing body should consider establishing an audit committee, the role of which should be to provide an oversight of, amongst others the effectiveness of the assurance functions and services and the integrity of the annual financial statements.	1	Yes		The organisation has a well functioning AUDITCOM. The committee ensures that the combined assurance model was appropriate to address all significant risks facing the group. The committee reviews the integrated annual report and took appropriate steps to ensure that the annual financial statements were prepared in accordance with IFRS and in the manner required by the Companies Act. The accounting policies were assessed for appropriateness in relation to the current business environment and industry specific requirements. The committee has reviewed the disclosures in the integrated annual report and is satisfied that it is reliable and does not conflict with the annual financial statements.
				8.12	A statutory audit committee has the power to make decisions regarding its statutory duties, and accountability. In additions the board may delegate other responsibilities to the audit committee, but the governing body remains ultimately responsible for such delegated responsibilities. These responsibilities include:	1	Yes		Refer to 8.11. During the year management reviewed the risk policy, which assists the committee in meeting its duty to ensure appropriate risk management processes are in place.
				-	The approval of the AFS;	1	Yes		
-	Risk governance; and	1	Yes						
-	Oversight over the management of financial and other risks that affect the integrity of external reports issued;	1	Yes						
	8.13	The audit committee members including the chair should all be independent, non-executives members of the governing body;	1	Yes/No	All other members of the AUDITCOM are not independent non-executive directors but the non-executive directors have demonstrated the ability to act independently.	Derick van der Merwe, the AUDITCOM chair, is an independent and non-executive director. All members of the committee are not independent as Loyiso Dotwana is currently a member.			

		8.14	The members of the audit committee should as a whole, have the necessary financial literacy, skills and experience to execute their duties effectively; skills, financial literacy and experience of the audit committee members.	1	Yes			All members are suitably qualified chartered accountants and/or experienced business leaders.
		8.15	The audit committee should meet annually with the internal and external auditors, respectively without management being present, to facilitate an exchange of views and concerns;	1	Yes			The committee meets with the external auditors separately without management being present where all concerns on external audit and controls are raised and addressed. The head of internal audit reports to the AUDITCOM and meets with the chairman of the committee independently of management.
	<b>Nominations Committee</b>	8.16	The governing body should consider the oversight of the following to a dedicated committee or adding it to the responsibilities of another committee as is appropriate: - The process for nominating, electing and appointing members of the governing body. - Succession planning in respect of governing body members. - Evaluation of the performance of the governing body.	1	Yes			Refer to 7.1.
		8.17	All members of this committee should be non-executive and the majority independent.	1	Yes			The REMCOM ensures that there is proper succession planning for the board. The performance of the board, chairman and all board committees are reviewed annually by the directors. All members of the REMCOM are non-executive directors of which the majority is independent.
	<b>Risk Governance Committee</b>	8.18	The organisation should consider allocating the oversight of risk governance to a dedicated committee or adding it to another committee as appropriate	1	Yes			The AUDITCOM has been tasked with the risk oversight of the organisation.
		8.19	The composition of the members of this committee should be executive and non-executive members with the majority being non-executive members.	1	No	The CEO and CFO are invited to all committee meetings.		All AUDITCOM members are non-executive directors.
	<b>Remuneration Committee</b>	8.20	The governing body should consider allocating oversight of remuneration to a dedicated committee.	1	Yes			Oversight of remuneration is allocated to the REMCOM.
		8.21	All members of this committee should be non-executive members with the majority being independent.	1	Yes			All members of the REMCOM are non-executive directors of which the majority is independent.
	<b>Social and Ethics Committee</b>	8.22	The chair of this committee should be an independent, non-executive member.	1	Yes			Phuti Tsukudu is an independent, non-executive member of the governing body.
		8.23	The responsibilities of the social and ethics committee should include its statutory duties and any other responsibilities delegated to it by the governing body;	1	Yes			The duties of the SESCOM are governed by their terms of reference and annually reviewed by the board.
		8.24	The composition of the members of this committee should be executive and non-executive members with the majority being non-executive members.	1	Yes			The SESCOM consists of a mix of executive and non-executive members with the majority being non-executive.
Evaluations of the performance of the governing body	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.	9.1	The governing body take responsibility for the evaluation of its own performance and that of its committees, its chair and its individual members by determining how it should be approached and conducted;	1	Yes			The performance of the board, Chairman and all board committees are reviewed annually by the directors.
		9.2	The governing body should appoint an independent, non-executive member to lead the evaluation of the chair's performance if a lead independent is not in place;	1	Yes			A lead independent director was appointed.
		9.3	A formal process, either externally facilitated or not in accordance with methodology approved by the governing body, should be followed for evaluating the performance of the governing body, its committees, its chair and its individual members at least every two years;	1	Yes			A formal process is followed by which all committees, its chair and its individual members are evaluated annually. Feedback on all issues raised are reported back to the board.
		9.4	Every alternate year, the governing body should schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole.	1	Yes	Suggestion is to proceed in performing self-assessments annually by means of using "SurveyMonkey".		A formal process is followed by which all committees, its chair and its individual members are evaluated annually. Feedback on all issues raised are reported back to the board.
Appointment and delegation to management	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.							
	<b>CEO Appointment and role</b>	10.1	The governing body should appoint the CEO;	1	Yes			The board has appointed Andries J van Heerden as CEO and a delegation of authority framework is contained in the Board Charter and reviewed annually.
		10.2	The CEO should be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and should serve as the chief linked between management and governing body;	1	Yes			The board and executive management work closely in determining the strategic objectives of the group. The board delegates authority to the CEO and executive management for the implementation of the strategy and the day-to-day operations of the group.
		10.3	The CEO should be accountable and report to the governing body;	1	Yes			The CEO accepts accountability for his role and quarterly reports to the board by means of a standing agenda item.

	10.4	The CEO should not be a member of the remuneration, audit or nomination committees, but should attend by invitation any meeting to contribute pertinent insights and information;	1	Yes			The CEO is not a member of the remuneration, audit or nomination committee but attends all meetings on invitation.
	10.5	The CEO and the governing body should agree on whether the CEO should take up additional professional positions, including membership of other governing bodies outside the organisation. In making this decision, the governing body should consider the time constraints and potential conflicts of interest in relation to the opportunity for professional development;	1	Yes			The CEO is not on any other governing bodies outside of the organisation.
	10.6	The governing body should satisfy itself that there is succession planning for the CEO position in place to provide continuity of executive leadership. This succession planning to be reviewed periodically and should provide for both emergency situations and succession over the longer term;	1	Yes			The succession of the CEO is discussed at each Remuneration & Nomination Committee meeting held. A current short-term and long-term plan is in place for his replacements if needed.
	10.7	The governing body should formally evaluate the performance of the CEO against agreed performance measures and targets, at least annually.	1	Yes			The Chairman of the board leads the annual evaluation performance of the CEO by means of comparing actual results to Key Performance Indicators identified. The Chairman reports back to the Remuneration & Nomination Committee on an annual basis.
<b>Delegation</b>	10.8	The governing body should set the direction and parameters for the powers which are to be reserved for itself, and those that are to be delegated to management via the CEO;	1	Yes			Covered in the delegation of authority framework.
	10.9	The governing body should approve a delegation of authority framework that articulates its set direction on reservation and delegation of power;	1	Yes			Authorisation limits framework is considered and accepted on board level and revised and approved annually.
	10.10	The governing body should ensure that the delegation of authority framework address the authority to appoint executives who will serve as ex officio-executive members of the governing body and to make other executive appointments;	1	Yes			The board charter delegates the identification and appointment of suitable candidates to the board to the REMCOM.
	10.11	The governing body oversee that key management functions are: - headed by an individual with the necessary competence and authority; and - adequately resourced.	1	Yes			The board is guided by a charter which is reviewed annually. The charter includes a delegation of authority, which states the matters to be dealt with by the board committees.
	10.12	The governing body should satisfy itself that there is succession planning in place for executive management and other key positions to provide continuity of leadership. The succession planning should be reviewed periodically and provide for both emergency situations and succession over the longer term;	1	Yes			Refer to 10.6. The succession of the CFO, CEO and all key management personnel are discussed at each Remuneration & Nomination Committee meeting held. Internal candidates are being developed for this role and external appointments are considered for emergency situations.
<b>Professional corporate governance services to the governing body</b>	10.13	The governing body should ensure that they have access to professional and independent guidance on corporate governance and its legal duties, as well as support to coordinate the functioning of the governing body and its committees;	1	Yes			The board shall have access to independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with his/her statutory and/or fiduciary duties and responsibilities.
	10.14	The company secretary provides professional corporate governance services;	1	Yes			Access to the advice and services of the company secretary and to company records, information, documents and property is unrestricted.
	10.15	The governing body should approve the arrangements for the provision of professional corporate governance services, including whether to outsource them to a juristic person, or to make a full-time or part-time appointment;	1	Yes			Currently the board makes use of the services of the company secretary, who will obtain the services of external consultants as and when necessary.
	10.16	The office of the company secretary or other professional providing corporate governance services should be empowered and the position should carry the necessary authority;	1	Yes			The board of directors is assisted by a competent, suitable qualified and experienced company secretary. The company secretary is Catharine Burger, a chartered accountant. Catharine has been admitted as an Associate Member of the Chartered Secretaries of southern Africa 'ACIS'. The board, through the REMCOM, considered the competence, qualifications and experience of the company secretary and concluded that she is competent to carry out her duties.
	10.17	The governing body should approve the appointment, including the employment contract and remuneration of the company secretary or other professional providing corporate governance services and should oversee that the person appointed has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the organisation;	1	Yes			
	10.18	The governing body should have the primary responsibility for the removal of the company secretary or other professional providing corporate governance services;	1	Yes			In accordance with the board charter the board will appoint and remove the company secretary and empower the company secretary to enable her to properly fulfil her duties.

	10.19	The company secretary should not be a member of the governing body. The company secretary or other professional providing corporate governance services should have unfettered access to the governing body but, for independence reasons, still maintain an arm's length relationship with it and its members;	1	Yes			The company secretary is not a director of Afrimat, reports to the Chairman of the board and is accountable to the board as a whole and accordingly maintains an arm's length relationship with the board of directors.
	10.20	The company secretary or other professional providing corporate governance services should report to the governing body via the chair on all statutory duties and functions performed in connection with the governing body;	1	Yes			The company secretary reports to the Chairman of the board and is accountable to the board as a whole and accordingly maintains an arm's length relationship with the board of directors.
	10.21	The company secretary or other professional providing corporate governance services should report to the designated member of executive management regarding other duties and administrative matters;	1	Yes			The company secretary reports to the CFO on all other duties and administrative matters.
	10.22	The performance and independence of the company secretary or other professional providing corporate governance services should be evaluated at least annually.	1	Yes			Annual company secretary assessments are performed by all board members. All concerns are raised and addressed at the November board meeting.
<b>D. Governance Functional Areas</b>							
Risk Governance	11	The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The governing body should:				
	11.1	assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation;	1	Yes			While the CEO and CFO are key drivers of risk management, the different management teams in the group, executive committee, management committee, AUDITCOM and board, as well as all employees, further assist with identifying, evaluating and managing key risk areas.
	11.2	treat risk as integral to the way it makes decisions and executes its duties;	1	Yes			The board appreciates that strategy, risk, performance and sustainability are inseparable.
	11.3	approve policy that articulates and gives effect to its direction on risk;	1	Yes			A risk management and risk tolerance policy is annually reviewed and approved by the board.
	11.4	evaluate and agree the nature and extent of the risks that the organisation should be willing to take in pursuit of its strategic objectives. In particular the organisations' risk appetite and limit of potential loss.	1	Yes			Shareholder demands/JSE rules controls this by implication and in risk policy. Management evaluates and set levels of risk tolerance and risk appetite once a year.
	11.5	delegate to management the responsibility to implement and execute effective risk management	1	Yes			The board is responsible for the group's systems of internal control and risk management. The AUDITCOM, CFO and internal audit assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes, and monitor whether internal control recommendations made by the CFO, external auditors and internal auditors have been implemented. The internal control framework together with the required assurance is formally documented and reviewed by the AUDITCOM annually.
	11.6	exercise ongoing oversight of risk management and oversee that it results in the following:	1	Yes			
		- assessment of risk and opportunities emanating from the triple context in which the organisation operates and the capitals that the organisation uses and affects;	1	Yes			Risk identification is a continuous process applied frequently to update and accommodate changes in a volatile environment.
		- assessment of potential upside, or opportunity, presented by risks with potential negative effects on achieving organisational objectives;	1	Yes			A formal risk register is maintained and is updated quarterly to inform the directors and senior management. The register incorporates the probability of occurrence and potential impact of a specific risk. The register is reviewed by the Management Committee, the AUDITCOM and board. Unpredictable risks are also included. The risks on the risk register is prioritised and ranked and responses documented.
		- assessment of organisation's dependence on resources and relationships as represented by various forms of capital;	1	Yes			
		- design and implementation of appropriate risk responses;	1	Yes			The board ensures that risk management is effective and that risk monitoring occurs continually.
		- establishment and implementation of business continuity arrangements that allow the organisation to operate under conditions of volatility;	1	Yes			Risks are also considered as those that adversely impact business continuity. These risks are mitigated through various implemented controls monitored by management.
		- integration and embedding of risk management in the business activities and culture of the organisation;	1	Yes			The risk management policy is widely distributed throughout the group and is integrated into the daily activities of the group.
	11.7	consider the need to receive periodic independent assurance on the effectiveness of risk management;	1	Yes			The need for external assurance on effective risk management is regularly considered. Assurance is provided by head office specialists in conjunction with the Chief Audit Executive ('CAE').

		11.8	The nature and extent of the risks and opportunities the organisation is willing to take should be disclosed without compromising sensitive information.	1	Yes			Material risk that affect the group's ability to create value in the immediate and longer term and which impact the group's ability to implement its strategy has been identified and disclosed in the Integrated Annual Report ('IAR'). Risks were monitored to within the risk appetite of the board.
Technology and information governance	12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The governing body should:	1	Yes			
		12.1	assume 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;	1	Yes			The board is responsible for the pro-active and effective governance of information technology.
		12.2	approve policy that articulates and gives effect to its set direction on the employment of technology and information;	1	Yes			The Information Technology and Business Systems Governance Framework is annually reviewed and approved by the board
		12.3	delegate to management the responsibility to implement and execute effective technology and information management;	1	Yes			The policy (referred to in 12.2) clearly articulates the delegation of responsibility of management and implementation of the ITBS governance framework. The IT Steering Committee is responsible for the management and performance of, and the risks pertaining to third-party and outsourced service providers and also the assessment of value delivered to the organisation through significant investments in technology and information.
		12.4	exercise ongoing oversight of technology and information management; in particular the following:	1	Yes			
			- Integration of people, technologies, information and processes	1	Yes			The IT Steering Committee reports back to the board by means of attending and reporting to the AUDITCOM on a quarterly basis. The feedback made by the 'Technology and Systems' Cluster Head includes the pro-active monitoring of intelligence to identify and respond to incidents, including cyber-attacks. A 'Technology and Systems' strategy are presented bi-annually and the Disaster recovery plan are reviewed annually.
			- Assessment of value generated in significant investments of technology and information	1	Yes			
			- Leveraging of information to sustain and enhance the organisation's intellectual capital	1	Yes			
			- Assessing and managing risks and oversee the process of achieving strategic objectives.	1	Yes			
		12.5	consider the need to receive periodic independent assurance on the effectiveness of the organisation's technology and information arrangement, including outsourced services;	1	Yes			The need for external assurance on effective risk management is regularly considered. Assurance is provided by head office IT specialists in conjunction with the CAE. An independent review was performed by the external auditors in the F2017 year. Every 3 (three) years or with significant system changes, suitably qualified independent, external specialists will review the appropriateness and overall ability of networks and support infrastructure to meet the Company's business and growth plans. Adequate disclosure in the F2022 IAR w.r.t. IT investments and value delivered, IT processes and reporting structure and the availability and continuity of IT infrastructure.
		12.6	disclosure on how we protect and enhance value creation through technology and information	1	Yes			A Technolgy and System report is presented in the FY2022 Integrated Annual Report demonstrating Afrimat's Strategy relating technology, disaster recvery and risk mitigation and governance and compliance.
Compliance governance	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.	The governing body should:	1	Yes			
		13.1	assume responsibility for the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards by setting the direction for how compliance should be approached and addressed in the organisation;	1	Yes			The board ensures that the company complies with all applicable laws and considers adherence to non-binding rules and standards. Directors are provided with regular briefings on changes in risks, laws and the environment but are also expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.
		13.2	approve a policy that articulates and gives effect to its direction on compliance, and that identifies which non-binding rules, codes and standards the organisation has adopted;	1	Yes			A list of laws and regulations applicable to the group is updated annually and presented to the board for their approval.
		13.3	delegate to management responsibility for implementation and execution of effective compliance management;	1	Yes			Refer to 2.5. EXCO and senior management make an annual declaration that all laws have been complied with, based on there being no reported instances of non-compliance. The effectiveness of the compliance framework is continuously monitored at board level.
		13.4	exercise ongoing oversight of compliance;	1	Yes			The board exercises ongoing oversight in relation to compliance management of how applicable laws and non-binding rules, codes and standards relate to one another. The board continually monitors the regulatory environment and devises appropriate responses to changes and developments.

		13.5	The board should regularly receive and review a register of the company's key risks;	1	Yes			Refer to 11.6.
		13.6	The board should ensure that key risks are quantified where practicable.	1	Yes			Refer to 11.6.
Remuneration	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.						
		<b>Remuneration Policy</b>						
		The governing body should:						
		14.1	assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis;	1	Yes			The REMCOM assists the board in ensuring that group remuneration and recruitment is aligned with the overall business strategy, with the aim of enabling Afrimat to attract and retain personnel who will create long-term value for all stakeholders.
		14.2	approve policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration;	1	Yes			The Afrimat REMCOM, in accordance with a board mandate regularly reviews remuneration policy to ensure it is aligned with best practice and the committee is responsible for the implementation of the remuneration policy. On all remuneration policy matters, recommendations and final approvals (apart from where shareholders provide the final approval) the committee reverts to the board for final approval. Disclosed detail on how Board determines fair and reasonable remuneration throughout all levels of employment in the F2022 IAR.
		14.3	The remuneration policy should be designed to achieve the objectives listed in Principle 14.28, address organisation-wide remuneration and include provisions listed in Principle 14.29 and all elements and mix of remuneration offered as listed in Principle 14.30;	1	Yes/No			The remuneration policy was reviewed and brought in line with King IV during May 2022. This has been approved by the REMCOM and the board in the May 2022 board meetings.
		14.4	oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy.	1	Yes			The board will, with the support of the REMCOM, adopt remuneration policies that are fair, responsible and aligned with the strategy of the company while linked to individual performance. The implementation of the remuneration policy is continually monitored by the REMCOM and feedback is provided to the board in February, May and November each year. Board charter to refer to the Remuneration Policy and Implementation Report to be put to two separate non-binding votes.
		<b>Remuneration Report</b>						
		14.5	Should ensure that remuneration is disclosed by means of a remuneration report in three parts:	1	Yes			The board ensures appropriate disclosure within the company's IAR in relation to the background of remuneration (contained in the Remuneration Report), overview of the company's remuneration policy (contained in the Remuneration Report) and the implementation report (contained in the Annual Financial Statements). Various improvements with regards to the disclosure in the Remuneration Report and Implementation Report were made in the F2022 IAR.
			- background statement;	1	Yes			
			- overview of the main provision of the remuneration policy;	1	Yes			
			- implementation report which contains details of all remuneration awarded to individual members of the governing	1	Yes			
		<b>Voting on remuneration</b>						
		14.6	In terms of the Companies Act, fees for non-executive directors for services must be submitted for approval by special resolution by shareholders within the two years preceding payment.	1	Yes			Non-executive directors' fees are approved by special resolution at the annual general meeting ('AGM').
		14.7	The remuneration policy and implementation report should be tabled every year for separate non-binding advisory votes by shareholders at the AGM.	1	Yes			The remuneration policy is approved by ordinary resolution at the AGM as a non-binding vote. Implementation Report to be tabled for voting at the AGM.
		14.8	The remuneration policy should record the measures that the board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more voting rights exercised. Such measures include the following as a minimum:	1	Yes			As per the remuneration policy Afrimat will, in the event that 25% or more of the shareholders vote against either or both the remuneration policy and implementation report, engage with shareholders in accordance with the format and requirements of the JSE Listing Requirements.
			- an engagement process to ascertain the reasons for dissenting votes.	1	Yes			
			- appropriate addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.	1	Yes			

	14.9	In the event that either the remuneration policy or the implementation report or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement or the remuneration report succeeding the voting:	1	N/A			Currently not applicable as 86.68% of the shareholders present voted in favour of the remuneration policy during the August 2022 AGM.
		- with whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes;	1	N/A			
		- nature of steps to address legitimate and reasonable objections and concerns	1	N/A			
Assurance	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.					
	Combined Assurance	The governing body should:					
	15.1	set the direction for arrangements for assurance services and functions;	1	Yes			The AUDITCOM as part of it delegated authority from the Board approve and monitor the combined assurance plan on an annual basis. to ensure that there is adequate assurance on the key risks of Afrimat and avoid duplication in assurance services.
	15.2	be satisfied itself that a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance;	1	Yes			A combined assurance model is applied to provide a coordinated approach to assurance activities. The assurance activities are conducted by board committees, external auditors, internal auditors, via self-audits by specialist staff, external consultants, industry bodies, DMR and government agencies.
	15.3	oversee the effectiveness of the assurance model to cover significant risk and material matters through a combination of the following assurance providers: internal auditors, independent external assurance service providers, other external assurance providers and regulatory inspectors;	1	Yes			Refer to 15.1.
	15.4	including committees, assess the output of the organisation's combined assurance with objectivity and professional scepticism, and by applying an enquiring mind, form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.	1	Yes			Refer to 15.1.
	External Reports	15.7	set the direction of how the integrity of external reports issued by the organisation should be approached and addressed;	1	Yes		The board, assisted by the AUDITCOM, is ultimately responsible for the risk management process. The board is satisfied with the effectiveness of the process in the year under review.
		15.8	take legal requirements, in relation to assurance, into consideration when providing direction;	1	Yes		The board concluded that assurance should be applied to underlying data used to prepare reports as well as the process for preparing and presenting reports.
		15.9	satisfied itself that the combined assurance model is effective and sufficiently robust for the governing body to be able to place reliance on the combined assurance underlying the statements that the governing body makes concerning the integrity of the organisation's external reports.	1	Yes		The AUDITCOM ensured that the combined assurance model is appropriate to address all the significant risks facing the group.
	Internal Reports	15.10	set the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. The governing body should delegate oversight of internal audit to the audit committee;	1	Yes		The board as delegated to the AUDITCOM, ensures that there is an effective risk-based internal audit function.
		15.11	approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted;	1	Yes		The Internal Audit Services Charter is annually reviewed and approved by the AUDITCOM and referred to the board for their approval.
		15.12	ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the organisation, and that internal audit is supplemented as required by specialist services, for example those services provided by forensic fraud examiners and statutory actuaries;	1	Yes		The internal audit service has the responsibility to maintain professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Internal Audit Services Charter;
		15.13	ensure that a chief audit executive (CAE) position is provided for in the arrangements for internal audit; the position is set up to function independently from management who designs and implements the controls that are in place; and the position carries the necessary authority;	1	Yes		The position of CAE is performed by an official designated by the AUDITCOM, who is sufficiently independent. The CAE has unrestricted access to all functions, records, property and personnel. The CAE has full and free access to the AUDITCOM.

	15.14	approve the appointment of a CAE, including the employment contract and remuneration of the CAE, and ensure that the person who fills the position has the necessary competence, gravitas and objectivity;	1	Yes			The AUDITCOM approves the appointment of CAE and annually reviews the performance and objectivity of the CAE.
	15.15	For independence reasons, the CAE should have access to the chair of the audit committee;	1	Yes			The CAE has full and free access to the AUDITCOM chairman.
	15.16	For independence reasons, the CAE should not be a member of executive management, but should be invited to executive meetings to be informed about strategy and policy decisions and their implementation;	1	Yes			The CAE is not a member of the governing body and is invited to all AUDITCOM and Board meetings.
	15.17	The CAE should report to the chair of the audit committee on the performance of duties an functions that relate to internal audit, other matters should report to a member of executive management designated for this purpose as appropriate for the organisation;	1	Yes			The CAE provides a quarterly written report on the effectiveness of the system of internal control and risk management to the AUDITCOM. The CAE reports to the CFO on all other duties and administrative matters.
	15.18	The governing body should have primary responsibility for the removal of the CAE;	1	Yes			The AUDITCOM approves the dismissal of CAE.
	15.19	The governing body should monitor on an ongoing basis that internal audit: - follow an approved risk-based internal audit plan; and - reviews the organisational risk profile regularly, and proposes adaptations to the internal audit plan accordingly.	1	Yes			Internal audit has the responsibility to develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the AUDITCOM for review and approval;
	15.20	ensure that internal audit provides an annual overall statement on the effectiveness of the organisation's governance, risk management and control processes;	1	Yes			
	15.21	ensure that an external, independent quality review of the internal audit function is conducted at least once every five years;	1	Yes			Internal audit issues periodic reports to the AUDITCOM and management summarising results of audit activities;
	15.22	obtain confirmation annually from the CAE that internal audit conforms to a recognised industry code of ethics.	1	No			Advice was obtained in F2017, from an external service provider to amend the current internal audit procedures to a more risk-based procedure. As soon as the relevant amendments have been made, the company will request an independent quality review every five years.
<b>E. Stakeholder Relationships</b>							
Stakeholders	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.	The governing body should:				
	16.1	assume responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation;	1	Yes			The board acts as ultimate custodian of the company's system of corporate governance by managing its relationship with management, shareholders and other stakeholders based on sound corporate governance principles.
	16.2	approve a policy that articulates and gives effect to its direction on stakeholder relationships;	1	Yes			Stakeholder relationships review and communication strategy have been delegated to SESCOM. The SESCOM charter is reviewed and approved by the board annually.
	16.3	delegate to management the responsibility for implementation and execution of effective stakeholder relationship management;	1	Yes			The SESCOM is responsible for identifying individual stakeholders and stakeholder groupings. Stakeholder risk is managed as an integral part of organisation-wide risk management. All risks are identified and reported to the committee at each committee meeting held. Climate surveys are performed bi-annually by independent investor relations organisations.
	16.4	exercise ongoing oversight of stakeholder relationship management;	1	Yes			Key individuals from the organisation is invited to attend the company AGM.
	16.5	oversee that the company encourages proactive engagement with shareholders incl. AGM;	1	Yes			All directors of the company attend the company's AGM.
	16.6	all be available at the AGM to respond to shareholders' queries on the execution of the board's governance duties;	1	Yes			
	16.7	the designated partner of the external audit firm should attend the AGM;	1	Yes			The designated external audit partner attend the AGM, to attend to any queries raised by stakeholders.
	16.8	ensure that all shareholders are equitably treated including minority shareholders;	1	Yes			The company does not treat any of the shareholders differently. Distributions are dealt with equally and communication with shareholders are treated similarly throughout the shareholder base.

	16.9	ensure that the minutes of the AGMs are made publicly available;	1	Yes			Copies of the minutes of AGM may be requested at the company's registered office, at no charge, during office hours.
<b>Relationships within group companies</b>	16.10	The board of the holding company should assume responsibility for governance across the group by setting the direction for how relationships and exercise of power within the group should be approached and conducted;	1	Yes			The holding company board is responsible for the review and approval of all charters and policies of committees. These are adopted by the subsidiary companies.
	16.11	The board should approve a group governance framework that articulated and gives effect to its direction on relationships and exercise of authority across the group;	1	Yes			The company does not have a separate group governance framework but all individual committee and board charters and policies address the governance principles as suggested. All charters and policies are reviewed and approved by the board, taking material risks into consideration which impact the group's ability to implement its strategy.
	16.12	The adoption and implementation of the policies, structures and procedures of the holding company is a matter for consideration and approval by the board of the subsidiary company as a separate legal entity;	1	No	Subsidiary board (although some directors of the holding company are directors of the subsidiary companies) to not consider and approve the policies, structures and procedures of the holding company as a matter of course in each subsidiary company as a separate legal entity.		
	16.13	The board of the holding company should ensure that the group governance framework does not conflict with the MOI, delegations of authority, shareholder agreements, board charters and related policies and agreements within the group;	1	Yes			Due to the holding company charter and policies being incorporated as subsidiary charters and policies they do not conflict. The company secretary ensures that these charters and policies do not conflict with shareholder agreements and company MOI.
	16.14	The board of the holding company should ensure that the group governance framework recognises each subsidiary within the group as a separate and independent juristic person to whom its directors owe fiduciary duties;	1	Yes			Refer to 16.11 - 16.13.
	16.15	The board of the holding company should ensure that the group governance framework addresses governance matters as is appropriate for the group;	1	Yes			Refer to 16.11.
	16.16	The board of the holding company should ensure that the agreed group governance framework is implemented across the group;	1	Yes			All holding company charters and policies are implemented across the group. Management ensures proper implementation and oversight.