

KING IV™ INDEX

To ensure sound corporate governance, Pan African subscribes to the principles of the King IV™ framework and has adopted an objectives-driven approach to align its practices, enabling the achievement of its corporate governance goals. The following objectives have been derived from the 16 core principles.

The practices demonstrating the achievement of these objectives for the 2024 financial year are as follows.

LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

Principle 1 Ethical and effective leadership

The board should lead ethically and effectively

Objective	Practice	Page reference
Every board member and office bearer is ethical, not conflicted, competent, sufficiently experienced and diligent	Nomination committee – appointment process	20
	Conflict of interest registry and policy	13
	Share trading policy	20
	Board and committee meeting attendance registers	20

Principle 2 Establishment of an ethical culture

The board should govern the ethics of the Company in a way that supports the establishment of an ethical culture

Objective	Practice	Page reference
The board is responsible for the establishment of an ethical culture	A code of ethics for internal and external stakeholders	14
	An established and functioning whistle-blowing hotline complemented by the board-approved whistle-blowing policy, fraud prevention plan and investigation protocols	14
	The code of ethics and values statement along with other policies are provided to new employees as part of their induction	14

Principle 3 Responsible corporate citizenship

The board should ensure that the Company is and is seen to be a responsible corporate citizen

Objective	Practice	Page reference
The board is responsible for the organisation being a responsible corporate citizen	Sustainability KPIs are in place and monitored	Sustainable development report
	SHEQ committee	16
	Social and ethics committee	16
	A stakeholder and relationship engagement policy statement and community development and CSI policy statement	15

STRATEGY, REPORTING AND PERFORMANCE

Principle 4 Strategy and performance

The board should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process

Objective	Practice	Page reference
The board ensures that the organisation holds true to its core purpose with embedded integrated thinking	A clearly articulated vision, purpose, values and sustainability commitment	2
	An integrated annual report	Refer to the website
	Measurement of six capitals	Integrated annual report
	KPIs (strategy/risk/stakeholders/performance/sustainability)	Integrated annual report and the sustainable development report

Principle 5 Reporting

The board should ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short-, medium- and long-term prospects

Objective	Practice	Page reference
The board ensures that the organisation is adequately transparent to its stakeholders	Publication of reports	Refer to the website

GOVERNING STRUCTURES AND DELEGATIONS

Principle 6 Primary role and responsibilities of the board

The board should serve as the focal point and custodian of corporate governance in the Company

Objective	Practice	Page reference
The board is responsible for corporate governance	Board charter	15
	Detailed King IV™ governance register	2

Principle 7 Composition of the board

The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Objective	Practice	Page reference
The board comprises the appropriate knowledge, skills, experience, diversity and independence	Nomination committee – appointment process	20
	Composition matrix – function and diversity	9 and 10
	Diversity policy	13
	Board appraisal confirming the required attributes	12
	Full transparency in the integrated annual report articulating the achievement of each attribute	12 and in the integrated annual report on page 140
	Director rotation	12

Principle 8 Committees of the board

The board 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

Objective	Practice	Page reference
The board ensures that the delegation to committees upholds the effective discharge of its duties	Committee charters	3
	Audit and risk and social and ethics committees	3
	Detailed committee member credentials	9 and 10

Principle 9 Evaluation of the performance of the board governing body

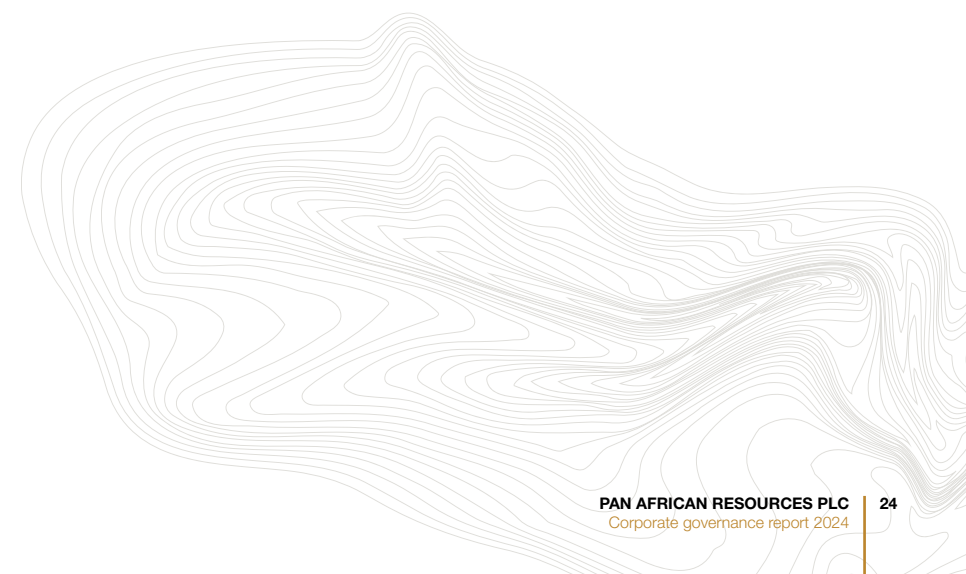
The board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness

Objective	Practice	Page reference
Board members and office bearers confirm/pursue optimal performance through regular appraisals	Reports of performance appraisal findings	20
	Annual board self-evaluation and an evaluation of board committees	20

Principle 10 Appointment and delegation to management

The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

Objective	Practice	Page reference
The board ensures the appointment of an optimal management team and delegates authority and responsibilities to the team	Delegation of authority framework	17
	Performance appraisals of the financial director and the adequacy and expertise in the finance department	20



GOVERNANCE FUNCTIONAL AREAS

Principle 11 Risk governance

The board should govern risk in a way that supports the Company in setting and achieving its strategic objectives

Objective	Practice	Page reference
The board is responsible for risk governance and both negative and positive outcomes	A risk management policy	22

Principle 12 Technology and information governance

The board should govern technology and information in a way that supports the Company setting and achieving its strategic objectives

Objective	Practice	Page reference
The board is responsible for technology and information governance	A third-party cybersecurity penetration test is conducted annually	22
	Protection of personal information policy	22

Principle 13 Compliance governance

The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen

Objective	Practice	Page reference
The board is responsible for compliance with regulatory requirements as well as the adoption of non-binding rules, codes and standards that support principles 2 and 3	Compliance policy	22
	No penalties incurred for non-compliance	22

Principle 14 Remuneration governance

The board should ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

Objective	Practice	Page reference
The board ensures that the organisation rewards and remunerates fairly and responsibly	Remuneration policy	14
	Remuneration report of high quality and not lacking in integrity	14
	Remuneration benchmarking review	14

Principle 15 Assurance

The board 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 Company's external reports

Objective	Practice	Page reference
The board ensures there is an effective control environment	Unqualified external audit report	Integrated annual report
	Combined assurance plan	15
	Internal audit plan	15

STAKEHOLDER RELATIONSHIPS

Principle 16 Stakeholders

In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time

Objective	Practice	Page reference
The board ensures the organisation enjoys good quality relationships with all of its material stakeholders	A stakeholder and relationship engagement policy statement and community development and CSI policy statement	15
	Disclosure of key stakeholder concerns, actions taken to address these concerns and the resulting outcomes	Integrated annual report