

EOH

Corporate
Governance
and the
Application
of King IV
Principles
2023



Corporate Governance and the Application of King IV Principles.

EOH Holdings Limited (“EOH”)

(Review date: October 2023)

Corporate Governance and the Application of King IV Principles

EOH is aligned with the King IV Report on Corporate Governance for South Africa, 2016¹ (King IV™) and believes that the principles embody EOH’s commitment to good corporate governance, that the principles present areas for development and are integrated to achieve a holistic and reliable set of corporate values.

The application of King IV™ is set out hereunder. This register, which forms part of the Company’s 2023 Integrated Report, is reviewed annually to ensure that the disclosures are current and remain relevant. This updated register is made available on the EOH website www.eoh.com

1. LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

1.1 Leadership

Principle 1

The governing body (i.e. the Board) should lead ethically and effectively

Principle per King IV	Comments
<i>1.1 Integrity</i>	<p>The Board exercises integrity in all governing matters in accordance with the Group’s Code of Ethics and conduct.</p> <p>The members update the register of interest annually, declare any potential conflicts to the Company Secretary on an ad-hoc basis (if applicable) and recuse themselves from voting in any instances of conflict.</p> <p>Members, executives and senior management are not allowed to deal in securities during prohibited periods.</p> <p>The Board Charter emphasises that the Board should exercise its powers responsibly, in the best interest of the Company with due regard to the interest of stakeholders of the Company.</p>
<i>1.2 Competence</i>	<p>All members are well qualified with a good diversity of skills and with substantial business experience in accordance with the Company’s diversity and inclusivity policy. The Remuneration and Nomination Committee annually reviews the structure, size and composition of the Board and committees taking into account the requirements of committees and ensuring that the members of committees have the requisite skills to perform their duties and make recommendations to the Board regarding any changes required.</p> <p>The governing body has undergone director training. Each member of the governing body is responsible for ensuring the continuous development of their skill, knowledge and competence in order to maintain effective leadership.</p>
<i>1.3 Responsibility</i>	<p>Each member is fully cognisant of their fiduciary and other duties and accepts full responsibility thereof.</p> <p>A formal orientation programme exists for all new members.</p> <p>The governing body approves the long- and short-term strategy of EOH and determines how business is conducted. This includes the setting, monitoring and review of strategic targets and objectives, the approval of material capital expenditure, acquisitions, internal controls, risk management and IT governance. The governing body is committed to driving the strategy, based on an ethical foundation, to support a sustainable business that acts in the best interests of the Group, society, the environment and its stakeholders.</p> <p>The EOH Exco is responsible for managing the Group’s operations and the Group’s overall strategy, which is discussed, debated and approved by the Board.</p>

Corporate Governance and the Application of King IV Principles *continued*

1. LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

1.1 Leadership

Principle 1

The governing body (ie the Board) should lead ethically and effectively *continued*

Principle per King IV	Comments
<i>1.4 Accountability</i>	<p>Each member accepts that they are fully accountable both severally and jointly in the leadership of the Company.</p> <p>Members of the governing body are required to account for the execution of their duties at each Board/committee meeting through the interrogation of Board/committee packs presented.</p> <p>Where these duties are delegated, the governing body attests and satisfies itself that delegated duties have adequately been carried out. These are documented in the minutes of the each of meeting.</p> <p>The Chairman of each committee reports back on delegated duties at appropriate Board meetings.</p>
<i>1.5 Fairness</i>	<p>The Board practices fairness and integrity in all key matters impacting the stakeholders of the Company.</p> <p>EOH's systematic and integrated approach to stakeholder engagement aims to create the necessary channels to stay informed about stakeholders' key concerns and create transparency about the challenges the Group faces and progress in addressing these. The governing body, through its committees, ensures that the interests of all stakeholders are addressed. Our strategy aims to build greater confidence with all stakeholders through good governance, strong financial performance, transparency and increased disclosure.</p>
<i>1.6 Transparency</i>	<p>The members exercise full transparency with each other and present their views and advice without restriction.</p> <p>The EOH strategy aims to build greater confidence with all stakeholders through good governance, strong financial performance, transparency and increased disclosure.</p> <p>The Board Charter details the responsibilities of the Board, which include:</p> <ul style="list-style-type: none"> – ensuring that the Group remunerates fairly, responsibly and transparently; and – communicating with internal and external stakeholders in a transparent and timely manner. <p>The governing body is satisfied that it has fulfilled its responsibilities relating to transparent disclosure of the manner in which they have exercised their governance role and responsibilities.</p>
<i>1.7 Policies and procedures</i>	<p>The Board approves the policies that give effect to the direction of the Company and recognises the need to continue developing additional policies that address critical business needs.</p> <p>The Board has delegated to management the responsibility for the implementation and execution of such policies.</p>
<i>1.8 Compliance</i>	<p>The Board ensures that its charter is aligned with the King IV™ principles, which is reviewed annually.</p>

Corporate Governance and the Application of King IV Principles *continued*

1. LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

1.2 Organisational ethics

Principle 2

The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

Principle per King IV	Comments
<i>2.1 Ethics</i>	<p>The Board continues to implement a Code of Ethics and conduct policy which is supported by the Company's management. The Company also implements a policy on bribery and corruption.</p> <p>The Group's overarching Code of Ethics is founded on our values of "Authenticity", "Partnership", "Adaptability", "Ingenuity", and "Mastery". The Code of Ethics and these values underpin and embed the culture of ethics in the organisation. All employees have a duty to act in accordance with these values. The values maintain and enhance the reputation of the Group and reduce ethics risks within the Group.</p> <p>The Exco is responsible for ensuring that these values are adhered to throughout the Group. They are embedded in various training initiatives and the Board's Social and Ethics Committee oversees the approach.</p>
<i>2.2 Conduct</i>	<p>The Company has a whistleblowing and fraud policy. All employees are made aware of these policies and procedures to report such matters, ensuring confidentiality of matters recorded, as well as protection of whistleblowers.</p>
<i>2.3 Communication</i>	<p>Policies and procedures, including those relating to the Company's ethical culture, form part of employees' induction and training programmes and are published on the Company's intranet.</p> <p>Continuous training, aligned with the principles of the Code of Ethics, through a series of animated online training interventions, was rolled out during the course of the year. Awareness training based on both the law and regulations, together with EOH policies, is also provided to employees regarding gifts and entertainment and declaration of interests.</p>
<i>2.4 Disciplinary measures</i>	<p>The Company's management apply disciplinary measures for cases related to, amongst others, fraud, corruption, harassment, and unfair labour practice.</p>
<i>2.5 Implementation of controls</i>	<p>The Social, Ethics and Transformation Committee is responsible for the application of the code of conduct with suppliers and service providers, and the training and development of employees.</p>
<i>2.6 Monitoring and evaluation</i>	<p>Matters pertaining to breach of ethics and poor conduct are reviewed quarterly and reported to the Board.</p>

Corporate Governance and the Application of King IV Principles *continued*

1. LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

1.3 Responsible corporate citizen

Principle 3

The Board should ensure that the organisation is and is seen to be a responsible corporate citizen

Principle per King IV	Comments
<i>3.1 Establishment and delegation</i>	<p>The EOH Group is committed to using its expertise and technology to serve the needs of society, support the economy and create a positive impact by acting ethically as a corporate citizen.</p> <p>The governing body has adopted a Governance Framework with seven pillars, one of which is Corporate Citizenship.</p> <p>Application of good corporate citizenship is implemented and achieved through the following key elements/processes of governance:</p> <ul style="list-style-type: none"> » Corporate Social Responsibility and Social Licence to operate; » Environmental Stewardship; » CSI Performance Evaluation; and » Employee Health and Safety Programme. <p>The Group's business model incorporates the environmental, social and governance aspects of sustainability. Implementation is supported by formal policies governing environmental, corporate social investment amongst others.</p> <p>The Board Charter details the responsibilities of the Board, which include:</p> <ul style="list-style-type: none"> » ensuring that the Group is, and is seen to be, a responsible corporate citizen. <p>The governing body is satisfied that it has fulfilled its responsibilities defined in the charter for the year under review.</p> <p>The EOH ESG Report is available on the EOH website www.eoh.com</p>
<i>3.2 Environment, health and safety</i>	<p>The following management reports are presented to the governing body committee for monitoring, review and comment to satisfy itself that the organisation is acting as a good corporate citizen:</p> <ul style="list-style-type: none"> » Health and Safety Report; » Employee Engagement Report; » Environmental Sustainability Report; and » B-BBEE Status update. <p>Based on a review of reports provided, nothing has come to the attention of the governing body that causes it to believe that the Group's activities and outputs has negatively affected its status as a responsible corporate citizen.</p>
<i>3.3 Monitoring and evaluation</i>	<p>The Social and Ethics Committee met three times in the past financial year, to oversee and monitor EOH's activities in terms of legislation, regulations and codes of best practice relating to ethics, stakeholder engagement, strategic empowerment and transformation.</p> <p>The committee provides guidance to management on international best practice in respect of its duties relating to social, ethical, transformation and sustainability issues.</p>

Corporate Governance and the Application of King IV Principles *continued*

2. STRATEGY, PERFORMANCE AND REPORTING

2.1 Strategy and performance

Principle 4

The Board should appreciate that the core purpose of the organisation, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

Principle per King IV	Comments
4.1 <i>Strategy</i>	<p>The Board reviews and approves the strategy developed by executive management in an annual board strategic workshop. For the 2023 financial year, EOH focused its attention on investing in the business and promoting its growth agenda. The Group redefined its strategic priorities as Growth, Efficiency and Talent ("GET") – the key components of its growth strategy.</p> <p>The annual budgets are reviewed and approved by the Board.</p> <p>The organisation builds robust and tested short- medium- and long-term strategies that are, for each line-of-business, co-created by the business leaders and tested by the executive team and internal peers of such a line-of-business. This includes the setting, monitoring and review of strategic targets and objectives which are agreed and transparent.</p> <p>The Board then approves the refined long- medium- and short-term strategy of EOH and determines how business is conducted. This includes the setting, monitoring and review of strategic targets and objectives, the approval of material capital expenditure, acquisitions, internal controls, risk management and IT governance. The EOH Exco is responsible for managing the Group's operations and the Group's overall strategy, which is discussed, debated and approved by the Board.</p> <p>Key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term are defined within the EOH reporting framework.</p>
4.2 <i>Direction</i>	<p>The Board ensures that the key deliverables of the strategy are set as key performance indicators (KPIs) for all senior management and that their incentives are based on performance achieved.</p> <p>Once line-of-business strategies have been created the Group strategy team works with the executive team to propose an inter-dependent view of how all these lines-of-business work together to form a combined value proposition which builds shareholder value. This is debated with the Board and approved once all stakeholders agree.</p>
4.3 <i>Monitoring and evaluation</i>	<p>Management conducts monthly business reviews with divisional management. A summary report is provided to the Board quarterly.</p> <p>Frequent reviews are conducted by the Board on the Company's solvency and liquidity to ensure the business is a going concern.</p> <p>As part of monthly and quarterly reporting, management and the Board have visibility of the organisation's full financial position and status.</p>
4.4 <i>Corrective measures</i>	<p>The Board ensures that there is a continual assessment of negative consequences in the business and that corrective measures are implemented in a timely and effective manner.</p>

Corporate Governance and the Application of King IV Principles *continued*

2. STRATEGY, PERFORMANCE AND REPORTING

2.2 Reporting

Principle 5

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

Principle per King IV	Comments
<i>5.1 Reports</i>	The Board has delegated to management the responsibility of preparing and submitting regular reports that provide information which enables appropriate business. The Board acknowledges that it is responsible for ensuring the integrity of reporting and has applied its collective mind in the preparation of reports tabled by the Group.
<i>5.2 Stakeholders</i>	Reports such as the audited annual financial statements, interim financial statements, integrated annual reports and investor presentations are produced to provide adequate information to all stakeholders.
<i>5.3 Integrity of information</i>	The Board delegates responsibility to the Audit and Risk Committee (ARC) to oversee the quality of financial and other reporting. The Board commissions external and internal auditors and corporate advisors to provide a professional view on the integrity of information being produced.

3. GOVERNING STRUCTURES AND DELEGATION

3.1 Primary role and responsibilities of the Board

Principle 6

The Board should serve as the focal point and custodian of corporate governance in the organisation

Principle per King IV	Comments
<i>6.1 Corporate governance standards</i>	The Board has developed and approved charters for the Board and its committees which are reviewed and updated annually.
<i>6.2 Policies and procedures</i>	The Board has delegated responsibility to management for the development and implementation of key policies. The policies are available on the Company's intranet and form part of the employee training programmes.
<i>6.3 Corporate practices</i>	The Board has established a programme of regular board and committee meetings using a corporate calendar, monitors the attendance and participation of each member, and records key matters and actions arising from these meetings.
<i>6.4 Assessment</i>	Where deemed necessary, the Board commissions advice from professional consultants on key matters pertaining to corporate governance concerns.

Corporate Governance and the Application of King IV Principles *continued*

3. GOVERNING STRUCTURES AND DELEGATION

3.2 Composition of the Board

Principle 7

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

Principle per King IV	Comments
<i>7.1 Independence</i>	<p>There is a clear balance of power and authority at Board level to ensure that no one director has unfettered powers in decision making.</p> <p>As at the date of this report, the Board comprises 11 directors, eight of whom are non-executive directors, seven of whom are categorised as independent.</p> <p>The Board has elected an independent non-executive director as chairman of the Board and ensured that this role is separate to the Company's Chief Executive Officer (CEO).</p>
<i>7.2 Knowledge, skills and experience</i>	<p>The Remuneration and Nominations Committee has established a clear and transparent process for director appointments. Each member is appointed based on the assessment of their business experience, understanding of the industry and qualifications.</p>
<i>7.3 Diversity</i>	<p>The Board recognises and embraces the benefits of a diverse board and believes that diversity at Board level is an essential component for sustaining a competitive advantage. Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and academic experience and background, enhance the composition of a truly diverse board. The Board is committed to diversity and inclusivity and the Company's diversity and inclusivity policy forms part of the Board Charter. Board appointments are made on merit, having due regard for the benefits of diversity.</p> <p>In accordance with the policy, the current Board composition is significantly diverse as regards gender, race and qualifications and is compliant with the Group's diversity and inclusivity policy.</p> <p>At the date of this report, the Board comprised 11 directors, 45% of whom are women, with four women being of African and Indian descent, of varying ages and academic backgrounds.</p> <p>The Remuneration and Nominations Committee reviews the composition of the Board annually, performs a skills gap analysis and identifies future opportunities for development of diversity and skills.</p>
<i>7.4 Functionality</i>	<p>The Company's Memorandum of Incorporation requires that at each annual general meeting (AGM), one third of all non-executive directors retire by rotation and may make themselves available for re-election by the shareholders at the AGM.</p>
<i>7.5 Structure and composition</i>	<p>The Company's Memorandum of Incorporation requires a minimum of four directors on the Board with the maximum determined by shareholders in terms of an ordinary resolution.</p> <p>The Chairman of the Board is not a member of the Audit Committee and does not serve as chairman of any other Board committee.</p>

Corporate Governance and the Application of King IV Principles *continued*

3. GOVERNING STRUCTURES AND DELEGATION

3.3 Committees of the Board

Principle 8

The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of duties

Principle per King IV	Comments
<i>8.1 Committees</i>	<p>For the 2023 financial year, the Board had the following six committees with delegated authority and which are responsible to the Board:</p> <ul style="list-style-type: none"> » Audit Committee; » Remuneration and Nomination Committee; » Social and Ethics Committee; » Governance and Risk Committee; » Information and Technology Committee; and » Asset Disposals and Strategic Acquisitions Committee. <p>During the year-end cycle of Board and committee meetings in July 2023, the Remuneration and Nomination Committee revised the committee structures, recommending the following changes:</p> <ul style="list-style-type: none"> » A consolidation of the Governance and Risk Committee and the Information and Technology Committee into the Audit Committee; » The Audit Committee subsequently being renamed the Audit and Risk Committee; and » The dissolution of the ADASA Committee. <p>The Board approved the changes, acknowledging the need to adapt to the changing needs of the Company, as well to realise efficiencies while remaining compliant with statutory requirements. With effect from 1 August 2023, the remaining three committees are:</p> <ul style="list-style-type: none"> » Audit and Risk Committee; » Remuneration and Nomination Committee; and » Social and Ethics Committee. <p>The Board is satisfied that its composition promotes the balance of power and authority and precludes any one director from dominating decision making.</p> <p>The delegation by the Board of its responsibilities to its subcommittees does not constitute a discharge of its accountability.</p>
<i>8.2 Structuring of committee members</i>	<p>The membership of each committee comprises non-executive directors. The executive directors have standing invitations to attend these committees.</p> <p>For the 2023 financial year, the respective committee compositions were as follows:</p> <ul style="list-style-type: none"> » Audit Committee: M Bosman (Chairman), J Boggenpoel, A Marshall and N Molope; » Governance and Risk Committee: J Boggenpoel (Chairman), M Bosman, B Harie, A Mthembu and S Ngidi; » Remuneration and Nomination Committee: S Ngidi (Chairman), M Bosman, B Harie and J Moleketi; » Information and Technology Committee: Nosipho Molope (Chairman), J Boggenpoel, A Marshall and J Moleketi; » Asset Disposal and Strategic Acquisitions: A Marshall (Chairman), M Bosman and A Mthembu; and » Social and Ethics Committee: B Harie (Chairman), J Moleketi, N Molope and S Ngidi. <p>The composition of each committee complies with the Companies Act, King IV™ and the JSE Listings Requirements.</p>
<i>8.3 Monitoring and measuring</i>	<p>All meetings are minuted with actions arising recorded.</p> <p>Minutes and actions identified are reviewed in subsequent meetings and recorded.</p> <p>The Remuneration and Nominations Committee reviews the membership of committees annually and makes recommendations to the Board.</p>
<i>8.4 Succession planning</i>	<p>The Board recognises risks and opportunities pertaining to succession planning and ensures that it has a structured board succession plan in place which is reviewed regularly by the Remuneration and Nominations Committee in accordance with the needs of the Board and the Company.</p>

Corporate Governance and the Application of King IV Principles *continued*

3. GOVERNING STRUCTURES AND DELEGATION

3.4 Evaluation of the performance of the Board

Principle 9

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

Principle per King IV	Comments
<i>Evaluation</i>	<p>The Board performs an annual assessment of its members and committees.</p> <p>The findings of these annual assessments are reviewed by the Remuneration and Nominations Committee, with recommendations being made to Board.</p> <p>The following positions and performances are reviewed and assessed annually:</p> <ul style="list-style-type: none"> » Chairman of the Board; » Board members; » Chief Executive Officer (CEO); » Chief Financial Officer (CFO); and » Company Secretary. <p>In accordance with the biannual cycle of evaluation directed by the Board Charter, there was no external evaluation in the 2023 financial year period. The next formal board evaluation will be conducted in the 2024 financial year.</p>
<i>9.2 Effectiveness</i>	<p>The Board applies its mind every year on the independence in thinking of each member in terms of their ability to perform their roles and responsibilities.</p> <p>The Board is functional and Board members execute their fiduciary duties responsibly and effectively. EOH is a well-run organisation under the respected leadership of the CEO, Mr Stephen van Coller.</p>

3.5 Appointment and delegation to management

Principle 10

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

Principle per King IV	Comments
<i>10.1 CEO, CF and Group Executive: Easy HQ (GEEHQ) (formerly the Chief Risk Officer)</i>	The CEO, CFO and GEEHQ attend meetings of board committees regularly as invitees.
<i>10.2 Performance evaluation</i>	The Board evaluates the performance of the CEO, CFO and GEEHQ annually and develops their KPIs and targets for the following financial year.
<i>10.3 Authority framework</i>	<p>The Board has implemented a delegation of authority which defines, <i>inter alia</i>, the scope of authority for the executive directors and senior management.</p> <p>The delegation of authority is currently undergoing a review process.</p>
<i>10.4 Corporate governance services</i>	<p>The Audit Committee reviews and appoints the external and internal auditors every year. The appointment of the external auditors is presented to the shareholders for approval at the AGM.</p> <p>The Audit Committee assesses the independence of the external auditors on an annual basis.</p> <p>The Board outsources critical matters to reputable professional firms for advice.</p> <p>The Board has appointed a Company Secretary who is not a member of the Board.</p>

Corporate Governance and the Application of King IV Principles *continued*

4. GOVERNANCE FUNCTIONAL AREAS

4.1 Risk Governance

Principle 11

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

Principle per King IV	Comments
<i>11.1 Risk direction</i>	<p>The Group employs a principle-risk approach to managing risks and the principle-risk framework is embedded across all operations and is the totality of systems, structures, policies, processes and people within the Group that identify, measure, monitor, report, control and mitigate internal and external sources of material risk.</p> <p>EOH's Board and its subcommittees oversee an integrated risk management process through regular engagement with management across a wide range of activities and function.</p>
<i>11.2 Risk mitigation</i>	<p>The risk function is centrally managed with mitigation measures applied across all business divisions.</p> <p>The Governance and Risk Committee reviews the group risk register at its quarterly meetings.</p>
<i>11.3 Risk assessment</i>	<p>The Group has developed innovative proprietary solutions such as the Governance-Risk-Management-and-Compliance as-a-Service ("GRC-as-a-Service") offering that we developed to improve governance at EOH.</p> <p>The Board is building on the enterprise risk management controls that were introduced based on the Group's experiences during the business turnaround. The goal is to empower the business units and functions, equipping them with the tools and knowledge necessary to maintain EOH's commitment to responsible corporate citizenship and ethical business practices.</p>
<i>11.4 Insurance</i>	<p>The Board has approved a group insurance policy and strategy which is reviewed annually by the Governance and Risk Committee.</p> <p>The insurance team negotiates global insurance cover for all key areas annually in-order to appropriately mitigate insurable business risks including identifying emerging risk exposures and recommending additional areas of insurance cover required.</p>
<i>11.5 Risk governance</i>	<p>The Company regularly reviews its levels of risk and potential loss to the group, as well as its capacity to tolerate risk. This includes identifying appropriate risk governance structures to aid decision making.</p> <p>Enterprise risk is efficiently managed through various forums within the organisation, including the Credit Committee, Operational Risk Committee and the Risk and Governance Subcommittee at Board level. Each forum operates with its own specific terms of reference.</p>

Corporate Governance and the Application of King IV Principles *continued*

4. GOVERNANCE FUNCTIONAL AREAS

4.2 Technology and information governance

Principle 12

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

Principle per King IV	Comments
<i>12.1 IT policies</i>	The Board has approved a group IT policy and delegated authority to the Group Chief Digital Officer (CDO) to address IT security, IT network, IT data protection and back-up, and data classification.
<i>12.2 IT controls</i>	<p>The Group CDO oversees the IT and information function of the Group.</p> <p>An IT Steering Committee has been established and is responsible for the Group's IT development, standardisation of IT practices, and business information solutions.</p> <p>The Information and Technology Committee is responsible for managing and overseeing information technology within the organisation. Its main function is to align IT strategies with business objectives, assess IT risks and monitor cybersecurity measures. The committee also evaluates IT investments, ensures data privacy practices are in place, and verifies compliance with relevant regulations. Group IT is represented at the committee meetings.</p>
<i>12.3 IT protection</i>	<p>The Board is aware of the material increase in cyber risks and is developing mitigation measures in the Group's IT strategy and development.</p> <p>Cybersecurity posture and related reports are presented regularly at the IT Steering Committee, the Information and Technology Committee and the Governance and Risk Committee meetings.</p>
<i>12.4 Data protection</i>	<p>The Governance and Risk Committee ensures that the Company's policies and procedures adequately address the responsibility of data protection of the Group's critical business information and intellectual capital, as well as the privacy of personal information. The CDO regularly reports to the Board subcommittees on data protection breaches and security upgrades.</p> <p>The Group is compliant with POPI regulations in South Africa and GDPR in Europe. This compliance is monitored and evaluated annually by the Group's legal division and Group Information Officer.</p>

Corporate Governance and the Application of King IV Principles *continued*

4. GOVERNANCE FUNCTIONAL AREAS

4.3 Compliance governance

Principle 13

The Board 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

Principle per King IV	Comments
<i>13.1 Compliance standards</i>	<p>The Board sets the direction for compliance with applicable laws, codes and standards that the Company endorses.</p> <p>The Board has adopted a substance-over-form approach with regard to alignment with King IV to avoid tick-box compliance, and also because this approach accommodates the achievement of the recommended King IV outcome/governance standards by applying practices other than those specifically detailed in the King IV Report.</p> <p>EOH met its reporting requirements relating to the JSE Listings Requirements and the Companies Act (as amended). EOH remains compliant with the Companies Act, particularly with reference to the incorporation provisions, and operates in conformity with the Company's Mol.</p>
<i>13.2 Monitoring and measurement</i>	<p>The Governance and Risk Committee as authorised by the Board, has implemented a regulatory universe programme which determines and tracks the key elements of legislation that are relevant to each business division.</p> <p>The Board and leadership continue to monitor and enhance both awareness and governance training programmes for all EOH employees. Ensuring that employees and stakeholders understand and adhere to the organisation's ethical and regulatory obligations remains a top priority, with compliance attestations playing a key role in achieving this objective.</p>
<i>13.3 Legal matters</i>	<p>The Governance and Risk Committee regularly reviews the Company's register of litigation and fraud matters, agrees remedial actions to be taken and assesses the potential quantum of loss to the Company's financials.</p>
<i>13.4 Environmental compliance</i>	<p>The Board monitors compliance through environmental inspections carried out internally in accordance with environmental regulations.</p>

Corporate Governance and the Application of King IV Principles *continued*

4. GOVERNANCE FUNCTIONAL AREAS

4.4 Remuneration governance

Principle 14

The Board 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

Principle per King IV	Comments
<i>14.1 Governance</i>	The Remuneration and Nominations Committee assists the Board in exercising its function of ensuring that the Company remunerates its employees fairly, responsibly and transparently. This is achieved through the implementation of affordable, competitive and equitable reward practices that promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
<i>14.2 Policies and procedures</i>	The Remuneration and Nominations Committee has established the following key principles: <ul style="list-style-type: none"> » Remuneration policy and implementation report, are included in the Company's IAR and proposed to shareholders at the AGM for their non-binding vote; » Benchmarking of positions and remuneration ranges in consultation with 21st Century; » Short-term incentive scheme for all levels of management which is performance based on pre-determined KPIs; » Long-term incentive scheme for senior management to ensure effective retention and medium-term business performance; » Remuneration is reviewed once a year and increases are reviewed and approved by the committee; » Career development and succession planning are promoted through annual talent assessments that identify staff critical to organisational success and potential successors to such staff. The Company further advertises internally to create promotional opportunities and appointment in this category are supported by a robust Personal Development Plan (PDP); » Review and approval of the remuneration packages for executive management; and » Review and recommendation to the Board of the directors' fees for non-executive directors. These fees are subject to shareholders' approval at the AGM.
<i>14.3 Compliance</i>	The Remuneration and Nominations Committee reviews and approves the Company's remuneration report that is included in the integrated annual report. The remuneration report is aligned with the recommendations of King IV. The Board is committed to engaging with shareholders when more than 25% of shareholders vote against either the remuneration policy or the implementation report at the AGM. The committee ensures that standard employment equity practices exist in the Group. The committee also ensures that the Company's diversity policy on gender and race is effectively implemented.

Corporate Governance and the Application of King IV Principles *continued*

4. GOVERNANCE FUNCTIONAL AREAS

4.5 Assurance

Principle 15

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 organisation's external reports

Principle per King IV	Comments
<i>15.1 Compliance</i>	The Board has delegated responsibility to the Audit Committee for the implementation and tracking of a combined assurance model that includes: <ul style="list-style-type: none"> » effectiveness of internal controls; » risk management processes; » integrity of information; and » reporting of material matters to the Board.
<i>15.2 Monitoring and measurement</i>	The Audit Committee appoints and reviews the findings of the external auditors, the internal auditors, risk and legal consultants. The Audit Committee assesses the independence of those responsible for providing assurance and legal services. The Audit Committee measures and monitors the progress made on remedies made to the findings reported on internal controls.
<i>15.3 Accountability</i>	The Board directs how the assurance of external reports is accomplished. The Board has implemented an internal audit charter which is reviewed by the Audit Committee on an annual basis.

5. STAKEHOLDER RELATIONSHIPS

5.1 Stakeholders

Principle 16

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 organisation over time

Principle per King IV	Comments
<i>16.1 Compliance</i>	Members of the Board are responsible for the protection of price sensitive information and complying with the procedures required by the JSE pertaining to market communication on material business matters. The Board ensures that policies and procedures are implemented on stakeholder relationships including shareholders, customers, government, regulators, suppliers and employees.
<i>16.2 Application</i>	The investor relations programme ensures that there is regular and proactive interaction with the Company's key shareholders which include both retail and institutional investors. Bi-annual investor presentations are made on the Company's interim and annual financial results. The following engagement channels are used to ensure ongoing, open and transparent interactions with stakeholders: SENS announcements; interviews and media house engagements; media releases; editorials; corporate website; social media and blogs.
<i>16.3 Structure</i>	The Board is responsible for ensuring that all the Company's subsidiaries are fully aligned and compliant to the holding Company's policies and procedures. The Board requires that reporting from the subsidiaries to the Group is comprehensive, timely and accurate.



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