

REUNERT

REUNERT LIMITED



King IV
Disclosure Matrix
2023

King IV Disclosure Matrix 2023

This summary outlines Reunert’s Limited (Reunert Limited or the Group) application of King IV Report on Corporate Governance™¹ (King IV). It references information in Reunert’s 2023 Integrated Report. The Integrated Report, Annual Financial Statements and other supplementary reports and fact sheets are available on Reunert’s corporate website at reunert.co.za/results-reports-and-presentations.php.

The 2023 Integrated Report highlights the application of King IV by using an icon referring to the supporting principle 

Principle	Commentary	Integrated Report page reference
<p>Principle 1</p> <p>The governing body should lead ethically and effectively.</p> <p>Alignment: ✓</p>	<p>The board of directors of Reunert (Board) is committed to leading ethically, setting an ethical tone for the Group, strategically directing the Group and effectively creating shared value for all stakeholders. The Nomination and Governance Committee oversees the tone for sound governance and ethical conduct of the Board.</p> <p>Reunert follows a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in Reunert’s best interests over time.</p> <p>Board members are bound by the Board Charter, which requires members to conduct themselves, professionally and personally, in accordance with the ethics and values of Reunert and act within the laws of South Africa.</p> <p>Board performance assessments (Board evaluations) are conducted at least every second year to assess the performance of the Board as a whole, its committees and its individual members.</p>	<ul style="list-style-type: none"> > Page 84: An overview of governance > Page 85: Key governance outcomes 2023 > Page 94: Board evaluations > Page 94: Board ethics > Page 94: Trading in Reunert shares
<p>Principle 2</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>Alignment: ✓</p>	<p>Reunert’s ethical culture is supported by the Group Values and Code of Ethics – which are the Group’s moral compass. Whilst businesses are responsible for regulatory compliance, formal Group-wide policies cover ethical matters and some aspects of generally applicable legislation, where appropriate. An externally managed whistle-blowing hotline is available to report any misconduct and reports made are reviewed by the relevant board committees.</p> <p>The Social, Ethics and Transformation Committee plays an important role in overseeing the Group’s ethical culture.</p> <p>Reunert’s well-defined governance structures, which includes a formal document detailing the Board’s delegation of authority to management and a formal Group governance framework, maintains a balance between business units’ autonomy and appropriate Group oversight.</p>	<ul style="list-style-type: none"> > Page 5: Reunert’s purpose and values > Page 5: Code of Ethics > Page 74: Cultivating a high-performance culture > Page 85: Key governance outcomes for 2023 > Pages 107 to 109: Social, Ethics and Transformation Committee report > Page 108: Promoting an ethical values-driven culture > Page 108: Organisational ethics > Page 114: Overview of Remuneration Policy

¹ The King IV Report on Corporate Governance™ for South Africa, 2016. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Principle	Commentary	Integrated Report page reference
<p>Principle 3</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>Alignment: ✓</p>	<p>Reunert's Sustainability Strategy focuses on an ethical culture, stakeholder relationships and increasing awareness of how Reunert implements its responsibilities as a responsible corporate citizen.</p> <p>The Group aims to operate responsible businesses by building trust and accountability, nurturing and growing people and managing its environmental footprint.</p> <p>The Social, Ethics and Transformation Committee plays a key role to provide oversight of various aspects of the Group's corporate citizenship responsibility.</p> <p>In the longer term, Reunert is focused on inclusive growth and transformative solutions.</p>	<ul style="list-style-type: none"> > Page 5: Reunert's purpose and values > Pages 56 to 82: Sustainability review > Pages 107 to 109: Social, Ethics and Transformation Committee report
<p>Principle 4</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Reunert depends on its relationships with key stakeholders to create value and execute its strategy. Reunert's strategy process was designed to support the Group's value creation objectives and its material matters.</p> <p>The Executive Committee and business units' management develop and execute the Group's strategy. The Board oversees, is ultimately accountable for, and approves the strategy.</p> <p>The Board also oversees the Group's risk management processes and delegates their design, implementation and monitoring to management.</p>	<ul style="list-style-type: none"> > Pages 4 to 15: Group profile and value creation
<p>Principle 5</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Reunert prepares an Integrated Report and supplementary reports that follow the International Integrated Reporting Committee's Integrated Reporting Framework, the JSE Limited Listings Requirements (JSE Listings Requirements) and King IV recommended disclosures as appropriate to the Group.</p> <p>The Annual Financial Statements are prepared in compliance with International Financial Reporting Standards, the Companies Act, No. 71 of 2008 (as amended) (the Companies Act) and the JSE Listings Requirements, and are audited by Reunert's external auditors.</p> <p>The Board and Audit Committee, assisted by other Board committees, oversee the Integrated Report's integrity and completeness, the Annual Financial Statements and other supplementary reports.</p>	<ul style="list-style-type: none"> > Page 3: Safeguarding the reliability of this report > Page 95 to 97: Audit committee feedback <p>Also refer to the Audit Committee report on page 7 and the Directors' report on page 11 of in the 2023 Annual Financial Statements.</p>
<p>Principle 6</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>Alignment: ✓</p>	<p>The Board is the focal point and custodian of Reunert's corporate governance. The Board adopted a Board Charter, various Terms of Reference and Board policies for the Board's committees. These are reviewed regularly.</p> <p>The Board also oversees adherence to provisions as outlined in the Companies Act, JSE Listings Requirements, the Company's Memorandum of Incorporation, King IV and South African common law.</p>	<ul style="list-style-type: none"> > Page 84: An overview of governance > Page 85: Key governance outcomes in 2023 > Page 90: Board structures

Principle	Commentary	Integrated Report page reference
<p>Principle 7</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> <p>Alignment: ✓</p>	<p>The Board comprises the appropriate number of executive and non-executive directors, the majority of whom are independent. The composition of the Board and Board committees is regularly evaluated by the Board is appropriate for their respective mandates. Members' mix of knowledge, skills and experience remains a key consideration in the Board's succession planning. The Group has targets to enhance race and gender representation in Board membership.</p> <p>The Nomination and Governance Committee considers committees' performance and composition in terms of skills, experience, diversity and independence, as well as the feedback received from the Board's and committees' evaluation. The Board's composition is aligned to King IV recommended practices.</p>	<p>> Page 88: Board diversity > Page 92 to 94: Nomination and Governance Committee report</p> <p>Also refer to the Notice of Annual General Meeting and the supplementary fact sheet: Board Members' <i>Curricula vitae</i> or https://reunert.co.za/board-of-directors.php</p>
<p>Principle 8</p> <p>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.</p> <p>Alignment: ✓</p>	<p>The Board is supported by various Board committees which have delegated responsibilities to assist it to fulfil certain functions. The Board committees provide feedback on their meetings at every Board meeting. Each committee has a workplan that lists its tasks according to its Terms of Reference and any regulatory obligations that may be relevant to the committee. This allows the committees to assess their progress and fulfil their mandates.</p> <p>The Board Charter and the Balance of Power Policy ensure that Board members understand their roles and contain safeguards to maintain the appropriate balance of power on the Board.</p>	<p>> Page 84: An overview of governance > Page 90: Board structures > Pages 92, 95, 98, 99, 107 & 111: Board committees' feedback</p> <p>Also refer to the Audit Committee report on page 7 of in the 2023 Annual Financial Statements.</p>
<p>Principle 9</p> <p>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.</p> <p>Alignment: ✓</p>	<p>The Board conducts an extensive performance assessment process at least every second year, but typically annually. Board members assess each other's performance, and the competency and effectiveness of the Group Company Secretary. They also assess the collective performance of the Board as a whole and each committee, including whether the mix of knowledge, skills and experience of members remain appropriate.</p>	<p>> Page 93: Succession planning > Page 94: Board evaluations</p>
<p>Principle 10</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Reunert's Board-approved Delegation of Authority Framework contains a detailed structure through which the Board delegates authority to its committees and management (including stipulations on decisions reserved for the full Board). The Delegation of Authority Framework is reviewed regularly, typically annually.</p> <p>The Group has succession planning provisions in place for non-executive and executive directors. The executive management succession plan is presented regularly to the Nomination and Governance Committee and this committee is informed at every meeting on changes to senior management structures.</p> <p>Reunert annually evaluates the performance of the Group Chief Executive Officer and Group Chief Financial Officer (among others).</p>	<p>> Page 8: Appropriate Group oversight > Page 84: An overview of governance > Page 86 to 87: Reunert's leadership > Page 90: Board structures > Page 92 to 94: Nomination and Governance Committee report > Page 107 to 109: Social, Ethics and Transformation Committee report</p>

Principle	Commentary	Integrated Report page reference
<p>Principle 11</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>Alignment: ✓</p>	<p>Reunert practices effective management to mitigate risks and uncertainties which could hinder its value creation. The Board oversees the Group's risk management processes and delegates their design, implementation and monitoring to management. The Risk Committee reviews and approves the Risk Management Framework annually, giving effect to its direction on and appetite for risk. The Risk Management Framework includes the Fraud Risk Management Framework.</p> <p>The Risk and Audit Committees assess the effectiveness of internal controls, including financial and disclosure controls, and the effectiveness of risk management.</p>	<ul style="list-style-type: none"> > Page 99: Risk Committee feedback > Page 100 to 106: Risk management
<p>Principle 12</p> <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>Alignment: ✓</p>	<p>Reunert's Information and Technology (IT) Governance Framework establishes accountability, strategic alignment and appropriate risk management to optimise the value Reunert derives from IT. The Group's IT Policy Framework bases Group-wide mandatory minimum IT policies requirements and recommended guidelines incorporating standards, controls, and procedures on governance and legislative requirements.</p> <p>The Risk Committee oversees IT governance. Reunert established the Group IT Steering Committee as a management committee to assist governance and streamline processes throughout the Group.</p>	<ul style="list-style-type: none"> > Page 96: Reunert's Internal Financial Reporting Controls Integration Programme > Page 99 to 106: Risk Committee feedback > Page 103: Risk management – Risk 3: Cyberattacks and data fraud > Pages 104 to 105: Information and Technology governance
<p>Principle 13</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Compliance with relevant laws and regulations in the jurisdictions where Reunert operates is required throughout the Group. Regulatory changes are monitored, as appropriate, by business units, functional specialists and/or Group Legal Counsel.</p> <p>The Social, Ethics and Transformation Committee has the primary responsibility for oversight of the Group's compliance framework, with other Board committees taking responsibility for regulatory compliance with matters that fall within their respective mandates.</p> <p>Business units' chief executive officers annually certify their businesses' compliance with the Competition Act, No. 89 of 1988, the Prevention and Combatting of Corrupt Activities Act, No. 12 of 2004 and other laws and regulations material to the relevant businesses.</p>	<ul style="list-style-type: none"> > Page 57 to 62: Sustainability Strategy: Maintaining the principles of good governance > Page 67: Carbon tax compliance > Page 78: Occupational health and safety > Pages 104 to 106: Information and Technology governance > Page 107 to 109: Social, ethics and transformation committee report <p>Supplementary fact sheet: Standards and principles</p>
<p>Principle 14</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Reunert's Remuneration Policy is set to:</p> <ul style="list-style-type: none"> > Attract, retain and motivate talent > Reward performance > Promote positive outcomes and achievement of operational and strategic objectives > Be flexible to adjust to changing economic conditions and the Group's needs > Foster individual performance and teamwork > Promote an ethical culture and responsible corporate citizenship <p>The Remuneration Committee reviews the policy annually to ensure that it is relevant, according to best practice, and addresses the business requirements. The Remuneration Policy aligns with Reunert's strategic objectives and shareholder expectations, is market-related, and reflects good business practice. The Remuneration Policy and philosophy consider King IV recommendations.</p>	<ul style="list-style-type: none"> > Page 110 to 121: Remuneration: Incentivising performance

Principle	Commentary	Integrated Report page reference
<p>Principle 15</p> <p>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.</p> <p>Alignment: ✓</p>	<p>The Board guides the Group's assurance services and functions. It delegates the responsibility for overseeing the combined assurance process to the Audit Committee. The Combined Assurance Framework is embedded with the assistance of each business unit's executive management.</p> <p>The Board approves the frameworks which guide the annual and interim reports' preparation and the process which determines the Group's material matters. It oversees that processes are in place to ensure the reliability of data and information reported.</p> <p>Assurance in the Group is supported by Information and Technology governance and the Chief Executive Officer/Chief Financial Officer sign-off process.</p>	<ul style="list-style-type: none"> > Page 3: Safeguarding the reliability of this report > Page 91: Financial Reporting, Information and Technology Committee (FITCO) > Page 96: Combined assurance > Page 104 to 106: Information and Technology governance
<p>Principle 16</p> <p>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.</p> <p>Alignment: ✓</p>	<p>Effectively engaging with stakeholders is a key component of the Group's strategy, governance principles and sustainable business practices. Governance processes and the effectiveness of stakeholder management, including the Group's approach to stakeholder inclusivity, aligns with King IV recommendations.</p> <p>An entrenched Group Governance Framework applies to subsidiaries and is typically incorporated into shareholders' agreements where companies have third-party shareholders.</p>	<ul style="list-style-type: none"> > Page 69 to 71: Stakeholder relationships > Page 74 to 77: Talent management > Page 71: Trade union engagement > Page 84: An overview of governance



reunert.com