Capricorn Group

King IV™

King IV™ principles disclosure map

Having adopted the principles of the King IV Report on Corporate Governance™ for South Africa 2016 ("King IV™")[1], the Group endeavours to explain its application of appropriate principles and is transparent about where it chose not to follow the recommended practices. The following table provides a high-level overview of responses to the 16 applicable King IV™ principles. Where relevant, we reference other areas of the report where detailed information can be found.

We have indicated the level of application and explanation of the Group's King IV™ disclosure with icons to indicate the maturity of such disclosure:

Maturity of disclosure	Icon
Effective disclosure	✓
Disclosure to be refined	✓
Disclosure to be improved	✓

	Principle	High-level disclosure	Reference for further information	Maturity of disclosure
1	The board of directors should lead ethically and effectively.	> Directors' training included ethics, AML, CTF & CPF and contingency funding > Attendance of board and committee meetings > Arrangements by which members are held accountable for ethical and effective leadership, including codes of conduct and performance evaluations	Governance report and integrated report Governance section on pages 64 – 69	✓
2	The board of directors should govern the ethics of Capricorn Group in a way that supports the establishment of an ethical culture.	> Arrangements for governing and managing ethics > Implementation of ethics strategy > Future focus areas and training > All directors completed Ethics training	Governance report and integrated report Governance section on pages 64 – 69	✓

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Principle	High-level disclosure	Reference for further information	Maturity of disclosure
3 The board of directors should ensure that Capricorn Group is and is seen to be a responsible corporate citizen.	> Activities of the Capricorn Foundation > Arrangements for governing and managing responsible corporate citizenship > Measures taken to monitor corporate citizenship > #Changemaker Employee community outreach programme > Brand positioning of "Connector of Positive Change" internally and externally	Social value report and Social and Ethics report on pages 70 to 72 of the integrated report	✓
4 The board of directors should appreciate that Capricorn Group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	> Integrated report > Corporate governance disclosures > Annual financial statements	Strategy section on pages 34 – 38 of the integrated report Material matters section on pages 26 – 32 of the integrated report Risk report	✓
5 The board of directors should ensure that reports issued by Capricorn Group enable stakeholders to make informed assessments of the Group's performance, and its short, medium and long-term prospects.	> Integrated report > Corporate governance disclosures > Annual financial statements	Governance Report and Investment case on page 11 of the integrated report	✓
6 The board of directors should serve as the focal point and custodian of corporate governance at Capricorn Group.	> Board charter reviewed regularly > Number of meetings and attendance > Statement on whether the Board is satisfied that it has fulfilled its responsibilities	Governance report and integrated report Governance section on pages 64 – 69	✓
7 The board of directors should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	> Statement on whether the Board is satisfied that its composition reflects the appropriate mix > Targets set for gender and race representation > Members' profile details, including qualifications, experience and age of each member. > Comprehensive induction process > Statement that the chair is considered to be independent > Appointment of Lead Independent Director	Governance report and integrated report Governance section on pages 64 – 69	✓

Principle	High-level disclosure	Reference for further information	Maturity of disclosure
8 The board of directors 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.	For each committee: > Overall role and associated responsibilities and functions > Composition, including each member's qualifications and experience > External advisors or invitees > Key focus areas during the reporting period > Number of meetings held and attendance > Statement on whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period Additional disclosure for audit committee and technology and information	Governance report and integrated report Governance section on pages 64 – 69	✓
9 The board of directors 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.	> Performance evaluation detail and approach > Evaluation results and remedial actions taken > Statement on satisfaction and whether the evaluations are improving the board's performance and effectiveness	Governance report and integrated report Governance section on pages 64 – 69	✓
10 The board of directors should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	> Delegation of authorities framework statement on contribution to role clarity and the effective exercise of authority and responsibilities > Arrangements for accessing professional corporate governance services and whether these are effective	Governance report and integrated report Governance section on pages 64 – 69	✓
11 The board of directors should govern risk in a way that supports Capricorn Group in setting and achieving its strategic objectives.	> Risk capacity and appetite thresholds (RCAT) established annually and reported against quarterly > Material matters established annually > Nature and extent of the risks and opportunities Capricorn Group is willing to take > Arrangements for governing and managing risk > Key focus areas including objectives, key risks and those taken outside of risk tolerance levels > Measures taken to monitor risk management and how the outcomes were addressed > Future focus areas	Risk report and integrated report Material Matters section page 26 – 32	✓

Principle	High-level disclosure	Reference for further information	Maturity of disclosure
12 The board of directors should govern technology and information in a way that supports Capricorn Group in setting and achieving its strategic objectives.	> Arrangements for governing and managing technology and information > Key focus areas including objectives, changes in policy, acquisitions and remedial actions for incidents > Actions taken to monitor effectiveness of technology and information management and how the outcomes were addressed > Future focus areas	Governance report (in particular page 19) and integrated report Governance section on pages 64 – 69	✓
13 The board of directors should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Capricorn Group being ethical and a good corporate citizen.	> Arrangements for governing and managing compliance > Key focus areas > Future focus areas > Legislative review of impact of pending legislation, and assessments to judge readiness for implementation	Risk report Integrated report section on our regulatory environment on page 23 and Material matters section on pages 26 - 32	✓
14 The board of directors should ensure that Capricorn Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	> Background statement > Annual general meeting voting results on the Remuneration policy and remuneration of non-executive directors > Overview of the main provisions of the Group Remuneration policy > Implementation of the Remuneration policy	Remuneration report on pages 74 - 79 of the integrated report	✓
15 The board of directors 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 Capricorn Group's external reports.	> Independent Group audit and risk functions > Relevant audit assignments > Quarterly combined assurance reporting > Type of assurance processes applied to each report in addition to the independent, external audit opinions, including: > The nature, scope and extent of assurance; and > A statement by the Board about the integrity of the report	Governance report (in particular page 15) and integrated report Governance section on pages 64 – 69	✓
16 In the execution of its governance role and responsibilities, the board of directors should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Capricorn Group over time.	> Arrangements for governing and managing stakeholder relationships > Key focus areas > Actions taken to monitor effectiveness of stakeholder management and how the outcomes were addressed > Future focus areas	Social value report and Stakeholders section on pages 18 - 21, Material matters section on pages 26 - 32 and the board social and ethics committee report on pages 70 to 72 of the integrated report	✓