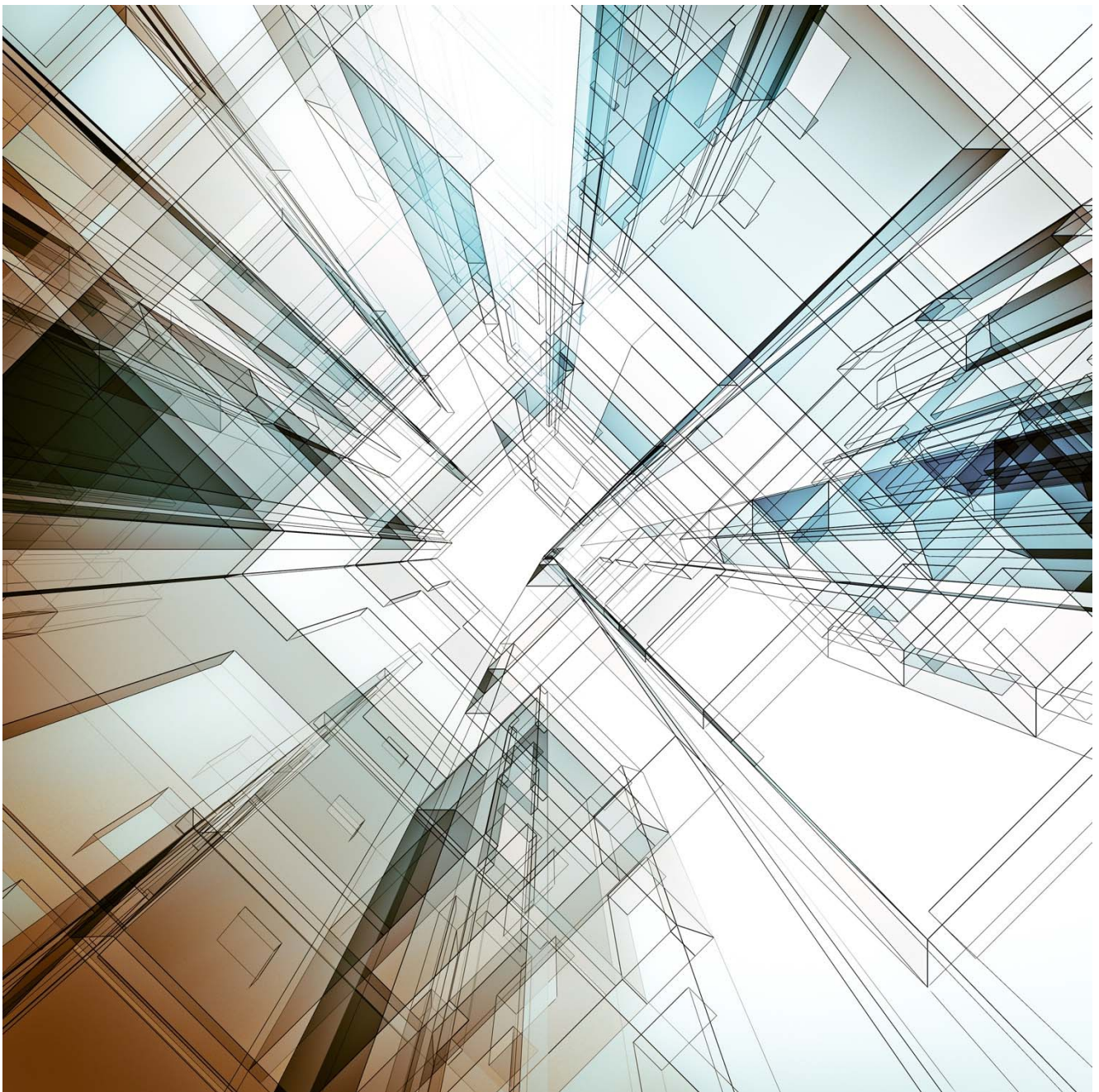


# PRINCIPLES OF CORPORATE GOVERNANCE



The following table sets out the principles contained in the King Code of Governance Principles for South Africa (“King IV”) and how Safari Investments (RSA) Limited (“Safari”) applies such principles.

GOVERNANCE OUTCOME	PRINCIPLE	SUMMARY OF HOW SAFARI APPLIES THE KING IV PRINCIPLES
Ethical culture	<b>1: Leadership- The Board should lead ethically and effectively</b>	<p>The Safari Board is the governing body and is committed to the good corporate governance principles as set out in King IV™. Safari’s values of quality, integrity, improvement and innovation guide the behaviour on how the Board must discharge its duties and responsibilities.</p> <p>The Directors hold one another accountable for decision-making.</p> <p>The Chairperson is tasked to monitor this as part of his duties and the annual Board assessment is managed by the Nomination and Remuneration Committee for and on behalf of the Chairperson. The Board will make ongoing assessments to ensure that the ethical characteristics demonstrated by the individual Directors are continued.</p> <p>In order to ensure effective appointments of Board members, Committee members and executives are proposed by the Nomination and Remuneration Committee to enhance the appropriate mix of skills and independence of thought. New Board members appointed from time to time are given a detailed and appropriate induction into the business and affairs of the Group.</p> <p>The Board has adopted a stakeholder-inclusive approach in the execution of their governance role and responsibilities.</p>

	<p><b>2. Organisational ethics- The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</b></p>	<p>The Board determines and sets the tone for Safari's values and the requirements of being a responsible corporate citizen. The Board has a fiduciary duty to act in good faith, with due care and diligence and in the best interest of all stakeholders.</p> <p>While control of the day-to-day management is delegated to management, the Board retains full and effective control over the Group. A whistle-blowing policy has been implemented where employees can report any unethical practice or fraud anonymously and free from victimisation. The whistle-blowing policy and reviewed code of ethics are part of a variety of initiatives that are in place to create awareness of ethical conduct requirements.</p> <p>Safari's code of ethics ("the code"), as adopted by the Board, guides the ethical behaviour of all Safari employees and Directors to ensure that Safari maintains the highest level of integrity and ethical conduct and, among others, regulates aspects of confidentiality, non- discrimination, bribes and political contributions. The code deals with duties of care and skill as well as those of good faith, including honesty, integrity and the need to always act in the best interest of the Company. The code is published on the Company's website and incorporated as an addendum in employee contracts, as well as in employee induction and training programmes.</p>
	<p><b>3. Responsible corporate citizen- The Board should ensure that the organisation is, and is seen to be, a responsible citizen</b></p>	<p>As guardian over the values and ethics of the Company, the Board annually emphasises its responsibility at its strategy session in March. Here the business strategy and priorities are assessed, reviewed, formalised and approved in accordance with the Board's role of overseeing the Company's conduct as a good corporate citizen. It is imperative for</p>

		<p>the Safari Board to ensure that the consequences of the Group's activities do not adversely affect its status of a responsible corporate citizen in the areas of the workplace and the economies of the geographical areas within which it operates, with due regard to social and environmental issues.</p> <p>The Board, with the support of the executive team, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen. This is measured against agreed performance targets that are in support of Safari's strategic imperatives.</p> <p>The performance targets contain financial and non-financial measures. Non-financial measures encompass the areas of workplace, economy, society and environment so that the Company's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.</p> <p>Going forward, the Company will holistically consider its responsibilities in the areas of workplace, society in general and the environment, all being key inter-related factors in ensuring the sustainability of the Group's business.</p>
<p><b>Performance and value creation</b></p>	<p><b>4. Strategy and performance- The Board should appreciate that the organisation's core purpose, it's risks, opportunities, strategies, business model, performance and unstainable development, are all inseparable</b></p>	<p>The Board's paramount responsibility is to ensure that it creates value for its shareholders while taking into account the interest and expectations of its stakeholders. The Directors individually and collectively assist the Group to realise its strategic objectives; to manage risk and opportunities that could threaten or enhance the Group's ability to provide sustainable long-term growth; to maintain and enhance efficiencies within the Group's businesses and to support the people who rely on the businesses.</p>

	<b>elements of the value creation process.</b>	<p>Material information is presented in an integrated manner to provide users with a clear, concise and understandable presentation of Safari's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates.</p> <p>Safari aligns its strategic objectives with reference to its risks and opportunities. The Board continuously assesses both the positive and negative outcomes resulting from its business model and responds to it.</p>
	<b>5. Reporting- The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and it's short- medium and long term prospects.</b>	<p>The Board ensures that communication is done effectively in a transparent, clear, balanced and truthful manner with the highest regard to integrity and ethical standards.</p> <p>Safari circulates and publishes its interim and Integrated Annual Reports both online and in printed form. The reports connect the more detailed information at a high level and in a complete, concise way, with respect to matters that could significantly affect or improve the Company's ability to create sustainable value. The report also includes the consolidated annual financial statements and complies with legal requirements and all required disclosures.</p> <p>Information is also made available to stakeholders via investor presentations, roadshows and on the Company's website at <a href="http://www.safari-investments.com">www.safari-investments.com</a>.</p>
<b>Adequate and effective control</b>	<b>6. Primary role and responsibility of the Board- The Board should serve as the focal point and custodian of corporate</b>	<p>The Board's role, responsibilities and procedural conduct are documented in the Board Charter to guide effective functioning. The Board serves as the focal point and custodian of corporate governance of Safari. The Board meets quarterly to attend to general matters and once annually to assess, review and</p>

	<p><b>governance in the organisation</b></p>	<p>approve its ongoing short- and medium-term strategies. Additional meetings may be convened should important matters arise between meetings.</p> <p>Information on the performance of the Group for the year to date, and any other matters for discussion at the Board meetings, are circulated well in advance of every meeting. At Board meetings, both financial as well as non-financial and qualitative information that might have an impact on stakeholders are considered.</p> <p>An appropriate governance framework and the necessary policies and processes are in place to ensure that the Company and its subsidiaries adhere to governance standards</p>
	<p><b>7. Composition of the Board- The Board should comprise of the appropriate balance of knowledge, skills and experience, diversity and independence for it to discharge it's governance role and responsibilities objectively and effectively.</b></p>	<p>The Board, with the assistance of the Nomination and Remuneration Committee, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge, and whether this enables it to effectively discharge its role and responsibilities. The Board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to perform its role and responsibilities. The Board has strengthened its succession plan to also include an emergency succession plan in the event of an unforeseen event.</p> <p>Safari has a Board of six members and, in accordance with King IV™, the majority of the Directors are Non-executive Directors of which the majority of the Non-executive Directors are independent. The Board comprises of two executive members and four Independent Non-executive members. The Chairperson is an Independent Non-executive Director. The roles of</p>

		<p>Chairperson and CEO are separate. All Board members are suitably qualified to act in the best interest of stakeholders.</p> <p>The independence of Directors is reviewed on an annual basis against criteria stipulated in King IV™, and arrangements for the periodic, staggered rotation of Board members are contained within the Company's Memorandum of Incorporation and are duly applied.</p>
	<p><b>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 duties</b></p>	<p>The Board has established five Board Subcommittees to assist the Directors in fulfilling its duties and responsibilities. Each committee has formal terms of reference and reports to the Board at regular intervals. The terms of reference set out the objectives, authority, composition and responsibilities of each committee and have been approved by the Board. All the Committees are free to take independent external professional advice as and when required at the Company's expense.</p> <p>Membership of the Committees is as recommended by King IV™.</p> <p>The composition of the Committees of the Board is balanced as well as the distribution of authority between the Chairperson and the rest of the Directors. It should not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused.</p> <p>The Audit and Risk Committee is satisfied that the auditor is independent and the auditing firm was appointed with the designated partner having oversight of the audit. The CFO is the head of the finance function and he has one senior Financial Manager reporting to him. Internal audit is fully outsourced and the CFO is responsible for overseeing and coordinating the</p>

		<p>effective functioning of the outsourcing arrangement. An assessment of the effectiveness of the CFO function is performed annually by the Audit and Risk Committee.</p> <p>The Board has also constituted a Social and Ethics Committee which operates in line with King IV™ and the Companies Act as well as a Management Committee which reports directly to the Board and other Board Subcommittees on the day-to-day management of the Company.</p> <p>In addition to the above, ad hoc committees are formed from time to time to assist the Board in discharging its duties.</p>
	<p><b>9. Evaluation of the performance of the Board – The Board should ensure that evaluation of its own performance and that of its Committees, its chair and its individual members, do support continued improvement in performance and effectiveness</b></p>	<p>A performance evaluation of the Board, its Committees, the Chairperson and the Group Company Secretary was conducted formally and, although not externally facilitated, it was done in accordance with the methodology approved by the Board. The overview of the evaluation results is that there were no issues raised and contribution, value and participation were considered satisfactory and positive. Items identified for improvement are discussed and followed up to ensure recommended actions. The skills represented on the Board were also assessed as well balanced.</p> <p>Each committee undertakes an annual committee self-evaluation in order to assess whether the Committee has the required skills within its membership and is effective in performing in line with its objectives and is discharging its responsibilities as delegated by the Board.</p> <p>The Group Company Secretary's performance is also evaluated to ensure that there is an arm's-length relationship between the Board and the Group Company Secretary in that the objectivity and</p>



		<p>independence of the Group Company Secretary is not unduly influenced. Safari's Group Company Secretary was appointed in November 2018, and the Board is confident that his objectivity and independence is in no way compromised. The Group Company Secretary's performance is assessed annually and no major issues or concerns have been identified. The Board is satisfied that the Group Company Secretary is performing well in executing the functions that he oversees.</p>
	<p><b>10. Appointment and delegation to management- The Board should ensure that the appointment of and delegation to management, contribute to the role clarity and the effective exercise of authority and responsibility.</b></p>	<p>In this regard, the Board has established a Management Committee which is chaired by the CEO and includes various members of senior management and the CFO. The Management Committee convenes on a regular basis and reports to the Investment Committee and various other committees regarding the day-to-day management of Safari.</p> <p>In terms of the Board Charter, the Board's responsibilities include the appointment of a CEO, approval of a corporate strategy, risk management and corporate governance. The Board must review and approve its business plan and must monitor the financial performance of the Group and implementation of strategies.</p> <p>Board members have full and unrestricted access to management and all Group information and property. Directors may meet separately with members of the management team without executives present.</p>
	<p><b>11. Risk governance- The Board should govern risk in a way that supports the organisation in setting and</b></p>	<p>The Audit and Risk Committee assists the Board with the responsibility for governing risk by setting the direction for how risk is to be approached and addressed across the Group in order to achieve its strategic objectives. The Board is aware of the importance of the governance of risk</p>

	<b>achieving its strategic objectives.</b>	<p>management as it is critical to the strategy, performance and sustainability of Safari.</p> <p>The Audit and Risk Committee implements a process whereby risks to the sustainability of the Company's business are identified, monitored and managed within acceptable parameters. The Audit and Risk Committee delegates to management the task to continuously identify, assess, mitigate and manage risks within the existing but stable risk profile of Safari's operating environment. Mitigating controls are formulated to address the risks and the Board is kept up to date on the status of the risk management plan.</p>
	<b>12. Technology and information governance- The Board should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</b>	<p>The Board is aware of the importance of technology and information as it is inter-related to the strategy, performance and sustainability of Safari. The Group Company Secretary and IT service providers are consulted on a regular basis with reference to applicable legislation and the protection and management of technology and information principles, respectively.</p>
	<b>13. Compliance- 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.</b>	<p>Responsibility for the implementation and execution of effective compliance management is delegated by the Board to management. The Group Company Secretary ensures compliance with all applicable laws, rules, codes and standards at the highest ethical standards. The Board, however, retains ultimate responsibility for compliance in this regard.</p>
	<b>14. Remuneration governance- The Board should ensure that the</b>	<p>The Board assumes responsibility for the governance of remuneration and sets the direction across the Group. Annual assessments are done by the Nomination and</p>

	<p><b>organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long run.</b></p>	<p>Remuneration Committee and this Committee is free to obtain independent external professional advice on fair and market-related remuneration. The Committee undertakes frequent benchmarking exercises in order to ensure fair and responsible remuneration of employees and executives. Safari's Board remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.</p>
	<p><b>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 organisation's external reports</b></p>	<p>The Board sets the direction for assurance services and functions, but the responsibility for overseeing such arrangements is delegated to the Audit and Risk Committee which is charged with supporting the integrity of information for internal decision-making purposes and external reports.</p> <p>A combined assurance model has been developed and formally implemented across the Company to effectively cover the Group's significant risks and material matters. The model includes, but is not limited to, the Group's established outsourced internal audit functions, the external auditor, the risk management and compliance functions, and regulatory inspectors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time. The Group Company Secretary provides assurance on aspects of corporate governance and the JSE sponsor advises on the JSE Listings Requirements.</p> <p>Safari is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.</p>
<p><b>Trust, good reputation and legitimacy.</b></p>	<p><b>16. Stakeholders- In the Execution of its governance role</b></p>	<p>The Board assumes responsibility for the direction on stakeholder relationships and delegates to management the responsibility</p>

	<p><b>and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.</b></p>	<p>for the implementation and execution thereof. Stakeholders are kept apprised of the Company's performance by publication of the interim results and Integrated Annual Reports. Safari has identified its stakeholder groups and is active in balancing their legitimate and reasonable needs, interests and expectations.</p>
	<p><b>17. Responsible investment- The Board ensures that responsible investment is practised to promote good governance and the creation of value by the companies in which it invests.</b></p>	<p>Safari is not an institutional investor and this principle is therefore not applicable.</p>