

APPLICATION OF PRINCIPLES IN THE KING III CODE

Fairvest is committed to the principles of transparency, integrity, fairness and accountability as advocated in the King III Code. It therefore strives to meet those objectives in accordance with the content of the table below.

Key – Level of compliance:

1 – Not applied / will not be applied

2 – In process / partially applied

3 – Full application

	PRINCIPLE	LEVEL OF COMPLIANCE	COMMENTS
1.	Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation	3	Applied. Ethics form part of the values of the Company and Board.
1.2	The board should ensure that the company is, and is seen to be, a responsible corporate citizen	3	Applied. Projects for corporate social investments are regularly assessed.
1.3	The board should ensure that the company's ethics are managed effectively	3	Applied. Ethical principles are always applied during decision-making.
2.	Board and Directors		
2.1	The board should act as the focal point for and custodian of corporate governance	3	Applied. The Board as a whole is responsible for effective corporate governance.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	3	Applied. Strategy, risk, performance and sustainability are considered collectively by the Board in the decision making process.
2.3	The board should provide effective leadership based on an ethical foundation	3	Applied. Ethics form part of the values of the Company and Board.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	3	Applied and in line with the image the Company would like to project.
2.5	The board should ensure that the company's ethics are managed effectively	3	Applied. Ethics are the responsibility of the Board as a whole.
2.6	The board should ensure that the company has an effective and independent audit committee	3	Applied –The audit committee consists of 4 independent non-executive directors.
2.7	The board should be responsible for the governance of risk	3	Applied -The board has established an audit and risk committee

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2.8	The board should be responsible for information technology (IT) governance	3	This role will initially be the responsibility of the executive director Adam Marcus
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	3	Applied. Such compliance forms part of the values of Company.
2.10	The board should ensure that there is an effective risk-based internal audit	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	3	Applied. The Board monitors stakeholders' perceptions, in light of the importance of the Company's reputation.
2.12	The board should ensure the integrity of the company's integrated report	3	Applied. Due care is applied during the completion of the annual report.
2.13	The board should report on the effectiveness of the company's system of internal controls	3	Applied. This is reported on in the Company's annual report.
2.14	The board and its directors should act in the best interests of the company	3	Applied. The Board acts in the best interests of the Company.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	3	This will be considered, if applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	2	The Board appointed a lead independent non-executive director.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	3	Applied
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	3	The Board comprises of 3 executive directors and 5 non-executive, 4 being independent.
2.19	Directors should be appointed through a formal process	3	The function is fulfilled by the Board as a whole.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	2	The Company Secretary provides regular updates and the Board is currently reviewing the induction process.

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2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	3	Seccorp have been appointed and have the necessary and required experience
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	3	Applied. Such performance is reviewed annually, process to be formalised.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities	3	Applied. Committees make recommendations which are approved at board level.
2.24	A governance framework should be agreed between the group and its subsidiary boards	3	Applied. The same principles apply for subsidiaries as for the group.
2.25	Companies should remunerate directors and executives fairly and responsibly	3	Applied. The remuneration committee determines the remuneration of directors and executives.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	3	Applied. This is disclosed in the annual report.
2.27	Shareholders should approve the company's remuneration policy	3	Approved annually at the AGM.
3.	Audit Committees		
3.1	The board should ensure that the company has an effective and independent audit committee	3	Applied. The audit committee consists of independent non-executive directors.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exemption)	3	Applied. Audit committee members are suitably skilled and experienced.
3.3	The audit committee should be chaired by an independent non-executive director	3	LW Andrag, lead independent non-executive director of the Company, is the chairman of the audit committee.
3.4	<p>The audit committee should oversee the integrated reporting</p> <p>The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report</p> <p>The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents</p>	3	Applied. Performed by the audit committee.

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3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	3	Reasonably applied
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	3	Applied. The audit committee has satisfied itself in this regard.
3.7	The audit committee should be responsible for overseeing of internal audit	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
3.8	The audit committee should be an integral component of the risk management process	3	Applied. This forms part of the audit committee role and function.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	3	Applied. This forms part of the audit committee's responsibilities.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	3	Applied. Reported at board level and in the annual report.
4.	The governance of risk		
4.1	The board should be responsible for the governance of risk	3	Applied. Governed by the Board as a whole.
4.2	The board should determine the levels of risk tolerance	3	Applied. Risk levels are discussed at board level.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	3	Applied. Performed by the audit and risk committee.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	3	Applied. Performed by the audit and risk committee.
4.5	The board should ensure that risk assessments are performed on a continual basis	3	The Board is currently reviewing the process with a view to the implementation of a consistent process
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	3	Applied. All risk factors within the current business model are continually monitored.
4.7	The board should ensure that management considers and implements appropriate risk responses	3	Applied. Responses are monitored.

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4.8	The board should ensure continual risk monitoring by management	3	Applied. Risk-monitoring forms part of planning and decision making.
4.9	The board should receive assurance regarding the effectiveness of the risk management process	3	Applied. This occurs at board level.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	3	Applied. Disclosed in the annual report and further disclosures are assessed when needed.
5.	The governance of Information Technology		
5.1	The board should be responsible for information technology (IT) governance	3	The board is currently reviewing the process
5.2	IT should be aligned with the performance and sustainability objectives of the company	3	Applied. Objectives are aligned.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	3	Applied. Performed by the executive team.
5.4	The board should monitor and evaluate significant IT investments and expenditure	3	Applied. No significant IT investment planned, but assessed regularly.
5.5	IT should form an integral part of the company's risk management	3	Applied. IT is considered as part of risk management.
5.6	The board should ensure that information assets are managed effectively	3	Applied. The Board is comfortable with the current practice.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	3	Applied. The Board is assisted by the audit and risk committee in carrying out its IT responsibilities.
6.	Compliance with laws, codes, rules and standards		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	3	Applied. The Board considers applicable laws, codes, rules and standards and changes thereto.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	3	The board is currently reviewing the process
6.3	Compliance risk should form an integral part of the company's risk management process	3	Applied. Compliance forms part of the process.

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6.4	The board should delegate to management the implementation of an effective compliance framework and processes	3	Applied. This is performed by the executive team.
7.	Internal Audit		
7.1	The board should ensure that there is an effective risk-based internal audit	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
7.2	Internal audit should follow a risk-based approach to its plan	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
7.4	The audit committee should be responsible for overseeing internal audit	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
7.5	Internal audit should be strategically positioned to achieve its objectives	1	Given the Company's current size, the Board does not believe that internal audit is necessary or applicable. The Boards position in this regard will be assessed annually.
8.	Governing stakeholder relationships		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	3	Applied. The Board monitors the stakeholders' perceptions, as our reputation is very important.
8.2	The board should delegate to management to proactively deal with stakeholder relationships	3	Applied. Stakeholder relationships are critical for the Company and performed by the executive team.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	3	Applied. All stakeholders are considered during decision making.
8.4	Companies should ensure the equitable treatment of shareholders	3	Applied. Treatment of stakeholders is important to the Company.

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8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	3	Applied. Communication with stakeholders is the responsibility of the executive team and the company secretary.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	3	Applied. The Board is informed of any disputes to ensure speedy and effective resolutions.
9.	Integrated Reporting and disclosure		
9.1	The board should ensure the integrity of the company's integrated report	3	Applied. The Board ensures the integrity of the Company's annual report.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	2	The Social and Ethics Committee is currently reviewing the process .
9.3	Sustainability reporting and disclosure should be independently assured	1	Will be assessed as part of the review by the Social and Ethics Committee.