

2021

KAAP AGRI

King IV Report



KING IV PRINCIPLES DISCLOSURE MAP

The Kaap Agri Group ("Kaap Agri" or "the Group") has adopted the principles of the King Report on Corporate Governance™ for South Africa, 2016 ("King IV")¹. The Group endeavours to explain its application of appropriate principles and is transparent in areas of non-compliance. The following table provides a high-level overview of responses to the 16 applicable King IV principles. Where relevant, we reference other reports 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

Effective disclosure








Disclosure to be improved



Principle	High-level disclosure	Reference for further information	Maturity of disclosure
1. The governing body should lead ethically and effectively.	<ul style="list-style-type: none"> > Arrangements by which members are held accountable for ethical and effective leadership, including codes of conduct and performance evaluations 	Full online governance report	
2. The governing body should govern the ethics of Kaap Agri in a way that supports the establishment of an ethical culture.	<ul style="list-style-type: none"> > Arrangements for governing and managing ethics > Key focus areas for ethics > Measures taken to monitor organisational ethics and how the outcomes were addressed > Future focus areas and training 	Full online governance report	
3. The governing body should ensure that Kaap Agri is and is seen to be a responsible corporate citizen.	<ul style="list-style-type: none"> > Arrangements for governing and managing responsible corporate citizenship > Key focus areas for corporate citizenship > Measures taken to monitor corporate citizenship and how the outcomes were addressed > Future focus areas 	Social and ethics report on page 63 of the integrated report	
4. The governing body should appreciate that Kaap Agri's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process.	<ul style="list-style-type: none"> > Integrated report > Corporate governance disclosures > Annual financial statements 	Pages 3, 4, 44 and 78 of the integrated report	
5. The governing body should ensure that reports issued by Kaap Agri enable stakeholders to make informed assessments of Kaap Agri's performance, and its short, medium and long-term prospects.	<ul style="list-style-type: none"> > Integrated report > Corporate governance disclosures > Annual financial statements 	Pages 3, 4, 44 and 78 of the integrated report	

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Principle	High-level disclosure	Reference for further information	Maturity of disclosure
6. The governing body should serve as the focal point and custodian of corporate governance at Kaap Agri.	<ul style="list-style-type: none"> > Number of meetings and attendance > Statement on whether the Board of Directors ("Board") is satisfied that it has fulfilled its responsibilities 	Full online governance report	
7. 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.	<ul style="list-style-type: none"> > Members' profile details > Composition of the Board should reflect principle objectives. The Board strives towards an even more representative Board from a gender and race perspective. 	Full online governance report	
8. 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>For each committee:</p> <ul style="list-style-type: none"> > 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 <p>Decision-making framework ensures effective delegation and clarity of authority.</p>	Full online governance report	
9. The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairs and its individual members, supports continued improvement in its performance and effectiveness.	<ul style="list-style-type: none"> > Performance evaluation detail and approach > Evaluation results and actions > Statement on satisfaction and whether the evaluations are improving the Board's performance 	Full online governance report	
10. 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.	<ul style="list-style-type: none"> > Notice period for the Chief Executive Officer ("CEO") and termination conditions > Other professional commitments of the CEO > Statement on succession planning > Arrangements for accessing professional corporate governance services and whether these are effective 	Full online governance report	
11. The governing body should govern risk in a way that supports Kaap Agri in setting and achieving its strategic objectives.	<ul style="list-style-type: none"> > Nature and extent of the risks and opportunities Kaap Agri is willing to take – without compromising sensitive information > 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 on pages 57 to 61 of the integrated report	

Principle	High-level disclosure	Reference for further information	Maturity of disclosure
12. The governing body should govern technology and information in a way that supports Kaap Agri in setting and achieving its strategic objectives.	<ul style="list-style-type: none"> > 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 	Report of the Audit and Risk committee on pages 81 to 82 and risk report on pages 57 to 61 of the integrated report	
13. The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports Kaap Agri being ethical and a good corporate citizen.	<ul style="list-style-type: none"> > Arrangements for governing and managing compliance > Key focus areas > Actions taken to monitor effectiveness of compliance and how the outcomes were addressed > Future focus areas 	Pages 3, 4 and 5 of the online governance report and report of the Audit and Risk committee on page 81 of the integrated report	
14. The governing body should ensure that Kaap Agri remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	<ul style="list-style-type: none"> > Background statement > Overview of the main provisions of the remuneration policy > Implementation of the 2020 – 2021 remuneration policy > Annual general meeting voting results on remuneration 	Remuneration report on pages 30 to 43 of the integrated report	
15. 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 Kaap Agri's external reports.	<p>Type of assurance processes applied to each report in addition to the independent external audit opinions, including:</p> <ul style="list-style-type: none"> > The nature, scope and extent of assurance > A statement by the Board about the integrity of the report 	Page 3 of the integrated report	
16. 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 Kaap Agri over time.	<ul style="list-style-type: none"> > 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 	Report of the Social and Ethics committee on page 62 of the integrated report	

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