

# PSG KONSULT KING IV™ PRINCIPLES DISCLOSURE REGISTER

PSG Konsult Limited (PSG Konsult) adheres to the principles of the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™)<sup>1</sup>. The following register explains our application of the principles and is transparent in areas we need to enhance. The register provides a high-level overview of disclosures relating to the King IV™ principles, with references to the areas of the integrated report and other resources where detailed information can be found. We have indicated the level of application and explanation of the group's King IV™ disclosure, to indicate the status of such disclosure.

PSG Konsult Treasury Limited (PSG Konsult Treasury) is a wholly owned subsidiary which is supported by committees established by PSG Konsult. In particular, audit and risk matters are adequately and independently overseen by relying on the PSG Konsult audit and risk committees respectively. The board at all times consists of a chief executive officer and at least one other executive, appointed to ensure that the board has more than one point of direct interaction with management.



PSG Konsult Treasury's board charter incorporates the King IV™ principles and JSE Listings Requirements pertaining to debt issuers. For the majority of the King IV™ principles, PSG Konsult Treasury disclosures align with those of the group. Exceptions are indicated in the register below\*.

Principle	Disclosure requirements and context	Further information	Status of disclosure
1. <b>The governing body should lead ethically and effectively</b>	Board members are held accountable for ethical and effective leadership through a code of ethical conduct and performance evaluations.	<b>Corporate governance, pages 66 to 68 and 80</b>	Effective disclosure

<sup>1</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all its rights are reserved.

Principle	Disclosure requirements and context	Further information	Status of disclosure
<p>2. <b>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture</b></p>	<p>Arrangements for governing and managing ethical conduct through key current and future focus areas are provided, combined with measures taken to monitor and respond to the establishment of an ethical culture.</p>	<p><b>Corporate governance, pages 67, 68 and 80</b></p>	<p>Effective disclosure</p>
<p>3. <b>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen</b></p>	<p>Arrangements for governing and managing responsible corporate citizenship through key current and future focus areas are provided, in combination with measures taken to monitor and respond to corporate citizenship outcomes.</p>	<p><b>Our core business principles, page 4</b>  <b>Stakeholders, pages 34 and 35</b>  <b>Message from the chairman, page 64</b>  <b>Corporate governance, page 66</b></p>	<p>Effective disclosure with intent to monitor and respond to corporate citizenship outcomes in future</p>
<p>4. <b>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</b></p>	<p>The integrated report, corporate governance report and annual financial statements provide an overview of PSG Konsult's value creation process and performance.</p>	<p><b>Reasons to invest in PSG Konsult, pages 5 and 6</b>  <b>Business model and capitals, pages 10 to 19</b>  <b>Our strategy, pages 42 and 43</b>  <b>Message from the chairman, pages 64 and 65</b>  <b>Annual financial statements from page 104</b></p>	<p>Effective disclosure</p>
<p>5. <b>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</b></p>	<p>The integrated report, corporate governance report and annual financial statements provide an overview of PSG Konsult's performance and prospects.</p>	<p><b>Introducing our 2020 Integrated report</b>  <b>Shareholder and analyst engagement, page 33</b>  <b>CEO and CFO report, pages 44 to 48</b>  <b>Statement of responsibility by the board of directors, page 108</b></p> <p><small>* PSG Konsult Treasury publishes its annual financial statements and DMTN programme memorandum on the PSG website.</small></p>	<p>Effective disclosure</p>

Principle	Disclosure requirements and context	Further information	Status of disclosure
6. <b>The governing body should serve as the focal point and custodian of corporate governance in the organisation</b>	The number of board meetings and attendance is supported by a statement from the board on the fulfilment of its responsibilities.	<b>Corporate governance, pages 72 to 74</b>	Effective disclosure
7. <b>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</b>	The board, with assistance from the nominations committee, confirms its satisfaction with its composition, including gender and race representation. Changes to the board as well as detail member profiles are disclosed.	<b>Corporate governance, pages 70 to 73</b>	Effective disclosure
8. <b>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.</b>	For each committee, its overall membership, role, responsibilities and functions are set out, including support from external subject matter experts. Each committee provides key focus areas during the reporting period and states whether it is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. Additional information is provided on the audit committee.	<b>Corporate governance, pages 76 to 82</b> <b>Annual financial statements, pages 106 and 107</b>	Effective disclosure
9. <b>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, supports continued improvement in its performance and effectiveness</b>	The board and committee performance evaluations are completed in line with the recommended intervals and disclosure is provided on the outcomes of these evaluations.	<b>Corporate governance, pages 73 and 78 to 82</b>	Effective disclosure
10. <b>The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities</b>	The delegated authority policy provides clarity and the effective exercise of responsibilities. Details on the chief executive officer's employment and succession are provided. The arrangements for accessing professional corporate governance services and effectiveness thereof are set out.	<b>Corporate governance, pages 75 and 78</b>	Effective disclosure

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11. <b>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</b>	The nature and extent of risks are provided within the context of PSG Konsult's arrangements for governing and managing risk. Key current and future focus areas are included.	<b>Risk committee, page 79</b> <b>Risk report, pages 88 to 92</b>	Effective disclosure
12. <b>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives</b>	Arrangements for governing and managing risk through key current and future focus areas are provided, combined with actions taken to monitor and respond to the effectiveness of technology and information management, with a specific focus on cyber security.	<b>Information technology (IT) governance, pages 86 and 87</b>	Effective disclosure
13. <b>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</b>	Arrangements for governing and managing compliance through key current and future focus areas, combined with actions taken to monitor and respond to the effectiveness of compliance. This includes a statement on material or repeated regulatory penalties.	<b>Introducing our 2020 Integrated Report</b> <b>How PSG Konsult creates value for clients, pages 30 and 31</b> <b>Government, regulatory bodies and industry associates, pages 36 and 37</b> <b>Message from the chairman, pages 64 and 65</b> <b>Corporate governance, pages 66, 76, 77 and 85</b>	Effective disclosure with intent to monitor and respond to the effectiveness of compliance in future
14. <b>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</b>	Details on PSG Konsult's remuneration approach, the main provisions of the remuneration policy and the implementation thereof are included, with more detailed disclosures on long-term incentives. The voting results at the 2018 annual general meeting are also disclosed.	<b>Remuneration report, pages 93 to 103</b>	Effective disclosure

Principle	Disclosure requirements and context	Further information	Status of disclosure
<p>15. <b>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</b></p>	<p>The type of assurance processes and providers for each report is provided in addition to a statement by the board about the integrity of the report.</p>	<p><b>Introducing our 2020 Integrated Report</b></p> <p><b>Annual financial statements, pages 106 and 107</b></p>	<p>Effective disclosure</p>
<p>16. <b>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</b></p>	<p>Arrangements for governing and managing stakeholder relationships through key current and future focus areas are provided, combined with actions taken to monitor and respond to the effectiveness of stakeholder management.</p>	<p><b>Stakeholders, from page 20</b></p> <p><b>Message from the chairman, pages 64 and 65</b></p> <p><b>Corporate governance, pages 66, 67, 72, 74 and 75</b></p>	<p>Effective disclosure with the intent to improve actions to monitor the effectiveness of stakeholder engagement in future</p>
<p>17. <b>The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests</b></p>	<p>Disclosures include PSG Asset Management's commitment to responsible investing.</p>	<p><b>PSG Asset Management, page 56</b></p> <p><i>* Not applicable to PSG Konsult Treasury</i></p>	<p>Effective disclosure</p>