

CAPEVIN HOLDINGS LIMITED

(“Capevin Holdings” or “the Company”)

REGISTER DOCUMENTING THE ASSESSMENT OF THE COMPANY’S COMPLIANCE WITH THE 75 PRINCIPLES OF KING III

For the year ended 30 June 2016, the Board confirms that Capevin Holdings complied to the following extent with the code of governance principles as set out in King III.

Where the Company has not complied, explanatory reasons have been set out in the table below containing the 75 principles of King III:

Principle 1.1	The board should provide effective leadership based on an ethical foundation Applied
Principle 1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen Applied
Principle 1.3	The board should ensure that the company’s ethics are managed effectively Applied
Principle 2.1	The board should act as the focal point for and custodian of corporate governance Applied
Principle 2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable Applied
Principle 2.3	The board should provide effective leadership based on an ethical foundation Refer to principle 1.1 above.
Principle 2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen Refer to principle 1.2 above.

Principle 2.5	The board should ensure that the company's ethics are managed effectively Refer to principle 1.3 above.
Principle 2.6	The board should ensure that the company has an effective and independent audit committee Refer to principle 3.1 below.
Principle 2.7	The board should be responsible for the governance of risk Refer to principle 4.1 below.
Principle 2.8	The board should be responsible for information technology (IT) governance Refer to principle 5.1 below.
Principle 2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards Refer to principle 6.1 below.
Principle 2.10	The board should ensure that there is an effective risk-based internal audit Refer to principle 7.1 below.
Principle 2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation Refer to principle 8.1 below.
Principle 2.12	The board should ensure the integrity of the company's integrated report Refer to principle 9.1 below.
Principle 2.13	The board should report on the effectiveness of the company's system of internal controls Refer to principles 7.1-7.3 below.
Principle 2.14	The board and its directors should act in the best interests of the company Applied

<p>Principle 2.15</p>	<p>The board should consider business rescue proceedings or other turnaround mechanism as soon as the company is financially distressed as defined in the Companies Act, 71 of 2008, as amended</p> <p>Not applicable, but noted</p>
<p>Principle 2.16</p>	<p>The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company should not also fulfill the role of chairman of the board.</p> <p>Applied</p>
<p>Principle 2.17</p>	<p>The board should appoint the chief executive officer and establish a framework for the delegation of authority</p> <p>Not applicable. Capevin Holdings is an investment holding company with limited day-to-day operations and has not filled the office of CEO. Remgro Management Services Limited (“RMS”) has been appointed as manager and company secretary.</p>
<p>Principle 2.18</p>	<p>The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent</p> <p>Applied</p>
<p>Principle 2.19</p>	<p>Directors should be appointed through a formal process</p> <p>Applied</p>
<p>Principle 2.20</p>	<p>The induction of and ongoing training and development of directors should be conducted through formal processes</p> <p>The induction of directors is not conducted through a formal process. This has not been necessary to date as new appointees have been familiar with the Group’s operations and the environment in which it operates. Consideration will be given to an induction programme for future appointees. The Board does not conduct regular appraisals of its members and committees. Consideration will be given to same going forward.</p>
<p>Principle 2.21</p>	<p>The board should be assisted by a competent, suitably qualified and experienced company secretary</p> <p>Applied</p>

<p>Principle 2.22</p>	<p>The evaluation of the board, its committees and the individual directors should be performed every year</p> <p>No formal evaluation is performed at this stage. Refer principle 2.20.</p>
<p>Principle 2.23</p>	<p>The board should delegate certain functions to well-structured committees without abdicating its own responsibilities</p> <p>Applied</p>
<p>Principle 2.24</p>	<p>A governance framework should be agreed between the group and its subsidiary boards</p> <p>Not applicable, no subsidiaries</p>
<p>Principle 2.25</p>	<p>Companies should remunerate their directors and executives fairly and responsibly</p> <p>Only non-executive directors' fees are paid, which are being approved by shareholders.</p>
<p>Principle 2.26</p>	<p>Companies should disclose the remuneration of each individual director and certain senior executives</p> <p>Applied</p>
<p>Principle 2.27</p>	<p>Shareholders should approve the company's remuneration policy</p> <p>The Company does not have a remuneration policy. Refer to principle 2.25.</p>
<p>Principle 3.1</p>	<p>The board should ensure that the company has an effective and independent audit committee</p> <p>Applied</p>
<p>Principle 3.2</p>	<p>Audit committee members should be suitably skilled and experienced independent non-executive directors</p> <p>Applied</p>
<p>Principle 3.3</p>	<p>The audit committee should be chaired by an independent non-executive director</p> <p>Applied</p>

Principle 3.4	The audit committee should oversee integrated reporting Applied
Principle 3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities Applied
Principle 3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function Applied
Principle 3.7	The audit committee should be responsible for overseeing the internal audit function Applied
Principle 3.8	The audit committee should be an integral component of the risk management process Applied
Principle 3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process Applied
Principle 3.10	The audit committee should report to the board and shareholders on how it has discharged its duties Applied
Principle 4.1	The board should be responsible for the governance of risk Applied
Principle 4.2	The board should determine the levels of risk tolerance Applied

Principle 4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan Applied
Principle 4.5	The board should ensure that risk assessments are performed on a continual basis Applied
Principle 4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks Applied
Principle 4.7	The board should ensure that management considers and implements appropriate risk responses Applied – no major risks as Capevin Holdings is a passive investment holding company without any employees.
Principle 4.8	The board should ensure continual risk monitoring by management Applied
Principle 4.9	The board should receive assurance regarding the effectiveness of the risk management process Applied
Principle 5.1	The board should be responsible for information technology (IT) governance Applied
Principle 5.2	It should be aligned with the performance and sustainability objectives of the company Applied
Principle 5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework Applied

Principle 5.4	<p>The board should monitor and evaluate significant IT investments and expenditure</p> <p>Applied – no IT investment or expenditure applicable.</p>
Principle 5.5	<p>IT should form an integral part of the company’s risk management</p> <p>As IT does not play a significant role in the sustainability of Capevin Holdings due to its nature and size, the investment and expenditure in IT at Group level are insignificant. The Board is accordingly satisfied that the current systems of IT governance at Group level are appropriate.</p>
Principle 5.6	<p>The board should ensure that information assets are managed effectively</p> <p>Applied</p>
Principle 5.7	<p>A risk committee and audit committee should assist the board in carrying out its IT responsibilities</p> <p>Applied</p>
Principle 6.1	<p>The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards</p> <p>Applied</p>
Principle 6.2	<p>The board and each individual director should have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business</p> <p>Applied</p>
Principle 6.3	<p>Compliance risk should form an integral part of the company’s risk management process</p> <p>Applied</p>
Principle 6.4	<p>The board should delegate to management the implementation of an effective compliance framework and processes</p> <p>Applied (to the extent applicable)</p>

Principle 7.1	The board should ensure that there is an effective risk based internal audit Applied
Principle 7.2	Internal audit should have a risk-based approach to its plan No internal audit applicable.
Principle 7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management No internal audit applicable.
Principle 7.4	The audit committee should be responsible for overseeing internal audit No internal audit applicable.
Principle 7.5	Internal audit should be strategically positioned to achieve its objectives No internal audit applicable.
Principle 8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation Applied
Principle 8.2	The board should delegate to management to proactively deal with stakeholder relationships Applied
Principle 8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company Applied
Principle 8.4	Companies should ensure the equitable treatment of shareholders Applied
Principle 8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence Applied

<p>Principle 8.6</p>	<p>The board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible</p> <p>Applied</p>
<p>Chapter 9</p>	<p>It is noted that compliance with chapter 9 is not required in terms of the JSE Listings Requirements. Disclosure of this chapter is on an “apply or explain basis”.</p>
<p>Principle 9.1</p>	<p>The board should ensure the integrity of the company’ integrated report</p> <p>Applied</p>
<p>Principle 9.2</p>	<p>Sustainability reporting and disclosure should be integrated with the company’s financial reporting</p> <p>Applied</p>
<p>Principle 9.3</p>	<p>Sustainability reporting and disclosure should be independently assured</p> <p>Due to the nature of the Company, independent assurance on sustainability reporting was not obtained.</p>