



BASIL READ KING IV APPLICATION REGISTER

PRINCIPLE #	PRINCIPLE	APPLICATION OF THE PRINCIPLE
1.	Leadership: The governing body should lead ethically and effectively.	The Basil Read Holding Limited Board of Directors (“Basil Read Board”) is the Governing Body (“GB”) and committed to the good corporate governance principles as set forth in King IV, these being the overarching principles for an ethical foundation at Basil Read. The Basil Read Board subscribes to those generally accepted norms of conduct that find application in society as a whole. Basil Read has adopted a Code of Ethics and Standards for Conduct which applies to all directors in order to ensure that Basil Read maintains the highest level of integrity and ethical conduct.
2.	Organisational Ethics: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board, through the Social and Ethics Committee, is responsible for the governance of ethics. Basil Read’s Code of Ethics guides the interaction between the Group and its stakeholders, including its partners and suppliers in the healthcare value chain. The Board ensures the Code is consistently applied, and several initiatives are used to entrench the Code’s principles, and build and maintain a values-based culture beyond compliance, including training interventions and annual employee surveys. The mandate of the internal audit function includes investigating instances of fraud, theft, corruption, unethical behaviour and irregularities, and providing pertinent information on these issues to the Board. Mechanisms are in place for stakeholders to report any such instances, and the anonymity of reporters is protected. Internal Audit evaluates all reported incidents to ensure proper investigation and action. Forensics reports summarising the defalcation register, fraud trends and material incidents are distributed to the Audit, Risk, and Social and Ethics committees.
3.	Responsible Corporate Citizenship: The governing body should ensure that organisation is and is seen to be a responsible citizen.	. Basil Read is committed to improving the material well-being of societies in which it operates by designing sustainable products and introducing sustainable services that will fulfil their needs. Careful consideration is given to the utilisation of energy, water and other environmental resources to ensure an effective contribution to sustain the environment for the future. The Board fulfils its Corporate Citizenship responsibilities through, inter alia, delegated responsibility to the Basil Read Social, Ethics and Transformation Committee (“SETC”) which has been established with documented Terms of Reference. The role of the SETC includes ensuring that Basil Read’s businesses are conducted in a manner that is sensitive to the social, economic and environmental factors

		of the economy. Basil Read's strives to be a good corporate citizen to the benefit of all the countries in which it operates.
4.	Strategy and Performance: 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.	The Board delegates to management the detailed formulation and implementation of strategy, which the Board approves and oversees. Strategic objectives are set, reviewed and revised as necessary in line with opportunities, attendant risks and uncertainties relating to cyclical and structural trends in the construction sector. The Board assesses both risk and opportunities of the Group's business model annually, monitors performance against financial and non-financial measures, and assesses investments to ensure they are value accretive and meet the reasonable expectations of stakeholders over time.
5.	Reports and disclosure: 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.	<p>The Group's annual integrated report and annexures are prepared according to the applicable reporting frameworks.</p> <p>The Board reviews and approves the material matters, which form the basis for preparing the annual integrated report. This ensures that the report includes sufficient forward-looking information that reflects the key considerations of the Board and management. The Board, through the Audit Committee ensures the necessary controls are in place to verify the integrity of the annual report and other disclosures.</p>
6.	Role of the governing body: The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	The Basil Read Board serves as the focal point and custodian of corporate governance in the organisation. The Board has adopted a Board Charter that ensures its roles, responsibilities and accountability is documented and adhered to, which includes responsibilities relating to corporate governance. The Board is supported by various Board Committees which have delegated responsibility to assist it to fulfil certain specific functions. The Board Committees report to the Basil Read Board at every Board meeting. The Basil Read Charter and Board Committees' Terms of Reference underpin the Boards responsibility for good corporate governance.
7.	Composition of the governing body: 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.	The composition of the Board is appropriate for the nature, complexity and strategic demands of the Group, and provides the optimal mix of knowledge, skills, experience, independence and diversity. Declarations of interests are tabled at every Board meeting. Annual self-assessments of Board effectiveness evaluate the knowledge and skills of members, which are then developed, or new appointments made to address any gaps. Subject matter experts are available for matters requiring specialised guidance. A specific policy governs Board appointments and ensures a formal and transparent appointment process with a focus on gender and diversity. Formal succession planning, director training and induction programmes are in place.
8.	Committees of the governing body: The governing body should ensure that its	The Board determines the delegation of authority to individual members, groups of members, standing or ad-hoc committees according to a defined framework. Specific aspects of governance are addressed in greater

	arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	depth through Board committees. Each committee has formal terms of reference, approved by the Board, which specify its responsibilities. The composition of the committees and the distribution of authority between the Chairman and other directors is balanced and eliminates instances where individual(s) dominate decision-making or undue dependency is created.
9.	Delegation of management: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	An assessment of the performance of the Board, Board Committees and Director self-evaluation is conducted regularly, either internally (whilst maintaining impartiality) or through use of external consultants. All outcomes and areas of improvement are formally noted in a report to the Board, Nominations Committee and also tabled at the various Board sub-committees, for attention. The Chairman of the Board also engages with each individual Board members on a regular basis generally, as well as to discuss any areas of concern / improvement. The company secretary performance is also evaluated to ensure that there is an arm's length relationship between the board and the company secretary in that the objectivity and independence of the company secretary is not unduly influenced.
10.	Performance evaluation: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	The delegation of authority framework details the powers and matters reserved for the Board, and the responsibilities delegated to management via the Chief Executive Officer. The Board ensures that key management functions are led by competent and appropriately authorised individuals, supported by functions that are adequately resourced.
11.	Risk and opportunity governance: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Board has direct responsibility for the governance of risk and approves the risk policy that gives effect to its direction on and appetite for risk. The policy affirms that the overarching aim of effective risk management is to protect and grow sustainable value for all stakeholders by embedding risk management into strategic decision-making. The Risk committee assist the Board with the governance of risk. The committee oversee the implementation of clearly defined processes to identify and manage risks to the sustainability of the business. This entails delegating responsibility to management to continuously identify, assess, mitigate and manage risks in the pursuit of strategic opportunities, within clearly defined parameters.
12.	Technology and information governance: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	The Board, together with the Audit and Risk committees, oversee the governance of information technology (IT). The Risk Committee has increased its focus on technology, information, compliance and maximisation of opportunities while also managing risk factors. The IT Steering Committee (ITSC), a key operating committee, is integral to the IT governance framework.

		Gaps in management of Cyber Security risk have been identified and management has put in remedial actions for the identified gaps. This is an ongoing exercise.
13.	Compliance governance: 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.	The Board, with the assistance of the Risk committee, ensures that the Group complies with applicable laws, regulations, codes and standards. This includes voluntary codes such as the principles of the United Nations Global Compact and the recommendations of the Organisation for Economic Co-operation and Development. Compliance risk is monitored by the Risk Committee and managed through the compliance framework, which includes compliance reviews. The committee monitors the compliance landscape and assesses the impact of new laws and regulations, and keeps the Board apprised of material developments. Changes required are delegated to management and must be achieved within defined timeframes.
14.	Remuneration governance: 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.	The Board, assisted by the Remuneration Committee, ensures that prescribed officers and staff are remunerated fairly, responsibly, transparently and in line with industry standards, to attract and retain the talent required to achieve the Group's strategy and to create sustainable value. The Remuneration Committee engages proactively with shareholders on changes to the remuneration policy and its implementation.
15.	Assurance: 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.	The Audit Committee approved the adoption and implementation of the five levels of assurance model. The Combined Assurance Committee was established to consider the appropriateness of assurance providers, risk mitigation and quality of assurance received on top business risks. The Audit Committee is functionally responsible for the Group Internal Audit function, and receives a detailed report on the progress of the Internal Audit function against its annual risk-based planning on a quarterly basis. The Audit committee is satisfied that the external auditor is independent and non-audit services are not performed. The external audit firm has been confirmed by resolution at the annual general meeting with the designated partner having oversight of the audit process.
16.	Stakeholders: In the execution of its governance roles 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.	The Group has clearly identified its key stakeholder groups and a formal stakeholder communication strategy ensures a comprehensive stakeholder inclusive approach. The Board, through the Social and Ethics Committee, monitors stakeholder management, which is implemented through a decentralised stakeholder engagement model. This delegates responsibility for proactive and constructive stakeholder engagement to management, which entails consistent and relevant interaction, underpinned by appropriate measurement tools.

17.	Responsibility to shareholders: The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	Not applicable.
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