Principle	Principle Description	Application	Explanation
Principle 1	The Board should lead ethically and effectively.	Applied	The Board of Directors is the governing body and is committed to the corporate governance principles as set out in King IV. The ethical foundation on which the Board provides effective leadership is incorporated in the Code of Ethics and Conduct, the Social and Ethics Committee and Board charters.
Principle 2	The Board should govern the ethics of the organization in a way that supports the establishment of an ethical culture.	Applied	The Board adopted the Code of Ethics and Conduct, hereby committing that the company's ethics are being managed effectively. An external whistle-blowing process is in place demonstrating this principle.
Principle 3	The governing body should ensure that the organization is and is seen to be a responsible corporate citizen.	Applied	The Board is responsible for ensuring that the Group protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the confines of social, political and environmental responsibilities outlined in applicable codes and standards including the legislative framework.
Principle 4	The governing body should appreciate that the organizations core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Applied	The Board informs and approves the strategy and it is aligned with the purpose of the company, its value drivers and the legitimate interests and expectations of its stakeholders to ensure sustainable outcomes. This principle is also included in the Board Charter.

Principle	Principle Description	Application	Explanation
Principle 5	The governing body should ensure that reports issued by the organization enable stakeholders to make informed assessments of the organisation's performance and its short, medium, and long-term prospects.	Applied	The Board reviews and approves the Integrated Annual Report on the recommendation of the Audit and Risk Management Committee. The integrated report is produced together with the sustainability report of the company. Reporting includes financial and non-financial aspects such as strategy, risk, environmental, social and governance issues. Reporting is prepared in line with recognised guidelines that include International Financial Reporting Standards (IFRS) and King IV. The Board reviewed the combined assurance model of the Group and deemed that at present, assurance of sustainability reporting by the Audit and Risk Management Committee is appropriate and sufficient.
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Applied	The Board's Charter sets out its responsibilities and the Board meets at least four times per year. Proper minutes are maintained of Board deliberations to ensure that proper corporate governance is being implemented on an ongoing basis.
Principle 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.	Applied	The Board is assisted by the Nominations Committee who ensures that there is an appropriate balance of diversity and skill in the Board and whether this enables it to effectively discharge its roles and responsibilities.

Principle	Principle Description	Application	Explanation
Principle 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.	Applied	The composition of the Board and its committees are in line with King IV. There is a clear balance of power to ensure that no individual has undue decision-making powers. Each committee has a minimum of three members and sufficient capability and capacity to function effectively. **Audit and Risk Management Committee** The members and Committee attendees have the required financial knowledge and experience to oversee and guide the Board and the Group in respect of the audit and corporate governance disciplines. The Audit and Risk committee provides independent review and oversight of the risks of all business units. Internal Audit is fully outsourced to an independent audit firm and the Chief Financial Officer is responsible for overseeing and coordinating the effective functioning of the outsourcing arrangement. The Audit and Risk Management Committee assesses the performance of the Chief Financial Officer and the finance function annually. The Audit and Risk Committee is satisfied that the external auditor, PriceWaterhouseCoopers Inc., is independent. **Social and Ethics Committee** The Social and Ethics Committee ensures that the Group engages in sustainable social, ethical, health, safety, and transformation practices that are aligned to legal requirements and accepted codes of best practice. It places specific emphasis on empowerment in

Principle	Principle Description	Application	Explanation
			respect of ownership, procurement, employment equity and skills development. **Remuneration Committee** The Remuneration Committee has oversight of remuneration governance and its implementation. The Committee is also mandated to review on an annual basis the remuneration policy that applies to all Executive and Senior Managers who are members of the Executive Committee or a Management Committee. **Nominations Committee** Refer to principle 7.
Principle 9	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.	Applied	The Board has a self-evaluation process which is undertaken annually. In addition, individual directors and Chairman undergo a performance evaluation at Board level. No problems were identified at the evaluation performed for 2018.
Principle 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.	Applied	The Board has appointed Koos Bekker as the CEO, who is responsible for leading strategy implementation. The CEO does not have any work commitments outside of SOH Holdings ("SOH") and its related companies. Mr Whitney Green was appointed Company Secretary. He is suitably qualified and was found by the Board to have the necessary knowledge and skills. He is a consultant and remains at an arm's-length basis with the Board. The Board is satisfied that SOH is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.

Principle	Principle Description	Application	Explanation
Principle 11	The governing body should govern risk in a way that supports the organization in setting and achieving its strategic objectives.	Applied	The Board has established a comprehensive control environment ensuring that risks are mitigated and the Group's objectives are attained. Oversight function in terms of risk is delegated to the Audit and Risk Management Committee and discussed at each meeting with feedback to the Board. Through the Audit and Risk Management Committee, the Board identifies the key risk areas and key performance indicators of the Group. The Board has a process by which these risks are updated regularly.
Principle 12	The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives.	Applied	The Board delegated this function to the Audit and Risk Management Committee to ensure that IT governance is properly implemented. The IT function is outsourced and the service provider reports to the Audit and Risk Management Committee on the relevant IT matters at each Audit and Risk Management Committee meeting. An IT Steering Committee has been established and is fully functioning.
Principle 13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organization being ethical and a good corporate citizen.	Applied	The Audit and Risk Management Committee oversees this function. A compliance audit was performed during 2016 and the Group was found to be mainly compliant with applicable laws and regulations.

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Principle 14	The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Applied	An approved remuneration philosophy, consisting of fixed pay, a short-term bonus component and participation in an incentive scheme is in place. The Directors' remuneration is disclosed in the 2018 Integrated Annual Report.
Principle 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 the organization's external reports.	Applied	The Board is satisfied that the current assurance process results in an adequate and effective control environment.
Principle 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 the organisation over time.	Applied	Although a formal stakeholder engagement process is not yet in place, the Group through the CEO, interacts with its major stakeholders on an ad-hoc basis in the normal course of business.

Principle	Principle Description	Application	Explanation
Principle 17	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	The Group is not an institutional investor.