

CORPORATE GOVERNANCE KING CODE

The King IV Report on Corporate Governance™ (“King IV”) for South Africa, 2016, copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved, contains principles and recommended practices aimed at achieving corporate governance outcomes. The philosophy of the code consists of three key elements: leadership, organisational ethics, and responsible corporate governance citizenship.

The term “good governance” may be described as the exercise of effective and ethical leadership towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control;
- Trusted brand;
- Good reputation; and
- Legitimacy.

RH Bophelo Limited (“The Company”) is listed on the Johannesburg Stock Exchange, operated by the JSE Limited (JSE), as well as the Rwanda Stock Exchange (RSE). The Company complies with the principles of the King IV Code, the mandatory corporate governance requirements of the JSE and the RSE Listing Rules.

The application of King IV is on an “apply and explain” basis, and the practices underpinning the principles espoused in King IV steer the Company to setting strategic decisions, approving policy and planning, while monitoring and ensuring accountability. RH Bophelo applied all the principles of King IV as disclosed below:

GENERAL OUTCOME ONE: ETHICAL CULTURE

Principle 1: The governing body should lead ethically and effectively.

Application and Explanation

BOARD CHARTER

RH Bophelo’s Board is its governing body.

A formal Board Charter was adopted by the Board and is complementary to the provisions of the Companies Act 71 of 2008 (Companies Act), the Memorandum of Incorporation (MOI) of RH Bophelo, King IV, the JSE Listings Requirements and the provisions governing the relationship between the Board and its sub-committees as contained in the charters of the sub-committees, which have been adopted by the Board.

The Charter sets out the ethical foundation on how the Company operates and the Board’s composition, delegation, duties, roles and responsibilities, meetings procedures and other related matters of the Company.

The Board takes note of the declaration of interests tabled at each meeting and identifies and acts on conflicts. RH Bophelo Directors, Executives, employees, and related parties are prohibited from trading in the Company shares during closed periods. The Board reviews the Charter every two years or more frequently as needed. The Charter was last reviewed in the current financial period.

RH Bophelo is committed to high standards of business integrity and ethics. The Company’s Business Code of Conduct and Ethics Policy expresses the commitment of the Board, senior management, and employees of RH Bophelo to the Company’s values, principles, and standards.

The Board meets to consider the business and strategy of the Company. The Board reviews reports from the sub-committees and independent advisors.

Four Board meetings are held annually and an additional strategy session as and when necessary. Agendas for the Board meetings are prepared by the Company Secretary in consultation with the Chairman and the Chief Executive Officer.

Principle 2: The governing body should govern the ethics of the organisation to support the establishment of an ethical culture.

Application and Explanation

ETHICAL PERFORMANCE

The Board determines and sets the tone for RH Bophelo's values, including principles of ethical practice and human rights. While control for the Company's day-to-day management is delegated to Management, the Board retains complete and effective control over the Group. The Board exercises ongoing oversight of the management of ethics through the Social and Ethics Committee.

The Social and Ethics Committee recommended the approval of the Business Code of Conduct and Ethics Policy to the Board for the Company.

RH Bophelo has adopted the following policies towards the application of the Company's ethical standards:

CODE OF CONDUCT AND ETHICS POLICY

RH Bophelo Limited is committed to conducting business in an honest and ethical manner and in accordance with applicable laws and legislations. The Policy provides a framework of the standards of business conduct and ethics required of the Board, Management, and employees to promote and enforce ethical business practices within the Company. Refer to the latest copy of the Integrated Report for more information.

ANTI-CORRUPTION AND BRIBERY POLICY

RH Bophelo Limited recognises that bribery and corruption is a criminal offence, and corrupt acts would expose the Company and its employees to the risk of prosecution, substantial fines, and imprisonment, as well as endangering the reputation of the Company and its Stakeholders.

The purpose of this policy is:

- To address anti-bribery and corruption requirements within the Company; and
- To set out the minimum expected standards for preventing bribery and corruption within the Company.

WHISTLEBLOWING POLICY

The Board recognises its responsibility for monitoring potential risks and acknowledges that whistleblowing by its employees, suppliers and other relevant Stakeholders would assist in uncovering significant risks.

The Policy aims to:

- Encourage parties to feel confident in raising breaches and concerns;
- Provide facilities to voice breaches and concerns and to receive appropriate feedback on any action taken;
- Ensure that whistleblowers will be protected from possible reprisals or victimisation if the disclosure was made in good faith; and
- Promote the eradication of criminal and other irregular conduct within the Company.

BIODIVERSITY POLICY

The Company commits to promoting the social culture which will focus on creating and promoting awareness among its Stakeholders regarding the magnitude of this challenge and the benefits associated with the biodiversity goals being met. These commitments are assumed and promoted through this policy in order for the various levels of the organisation of the Company to progress in developing methods of effects and actions for the preservation of biodiversity.

The Company will maintain a deep understanding of biodiversity and the ecosystems on which it operates its business and have a leading role in the business strategy of the Company through an action plan or priority lines of action to ensure implementation and development of the principles of conduct. To carry out the biodiversity action plan, the Company must take actions that are not limited to researching native vegetation and species, raising awareness of biodiversity, or raising funds to maintain biodiversity.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS POLICY

The Environmental and Social Management System (ESMS) is the framework that integrates environmental and social risk management into the Company's business processes. The policy sets out the actions and procedures that are to be implemented concurrently with the Company's existing risk management procedures. The ESG policy has been implemented to ensure that the investment activities of the companies that the Company invests into, are compliant with the Company's environmental and social standards.

The monitoring of adherence to the Company's ethical standards is undertaken by the Company's Social and Ethics Committee on a bi-annual basis.

The Board is not aware of any transgressions of its ethics policies during the financial year.

GENERAL OUTCOME TWO: PERFORMANCE AND VALUE CREATION

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Application and Explanation

RESPONSIBLE CORPORATE CITIZEN

The Board is accountable for monitoring the overall responsible corporate citizenship performance of RH Bophelo. With the support of the Social and Ethics Committee, the Board oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen.

The Board operates in a manner that considers the sustainability and financial health of the business by integrating environmental and social risk management into the Company's business processes. RH Bophelo's Corporate Governance Review section of the Integrated Report detail the Company's progress in the context of ethics and human rights, safety, governance, protection of the environment and our contribution to society.

Principle 4: 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.

Application and Explanation

FUNCTIONS OF THE BOARD

The Board's principal responsibility is to ensure that RH Bophelo creates value for its shareholders. In so doing, the Board considers the legitimate interests and expectations of its Stakeholders.

The Board assumes responsibility for the Company's performance by steering and setting the direction for the realisation of the Company's core purpose and values through its Investment Policy strategy. With the support of its committees, the Board oversees and monitors the implementation and execution by Management of the policies and priorities and ensures that the Company accounts for its performance.

RH Bophelo's Risk Management Policy is aimed at embedding risk management into key decision-making processes. The Audit and Risk Committee assists the Board with the governance of risk. The Committee monitors the Company's risks and ensures the implementation of various mitigating controls. This responsibility is contained in the Board and the Audit and Risk Committee charters. The Audit Committee is also responsible for providing oversight on the financial performance of the Company/Group. This is done through the reporting by Management to the Committee of the solvency and liquidity of the Company/Group, the budget for the upcoming financial year and the Company's/Group's ability to continue its operations as a going concern. The Committee then recommends this to the Board for approval.

ROLE OF THE DIRECTORS

Members of the Board assume collective responsibility for:

- Steering and setting the direction of the Company;
- Approving policy and planning;
- Overseeing and monitoring of implementation and execution by Management; and
- Ensuring accountability for the Company's performance.

The Remuneration and Nominations Committee reviews the effectiveness of the Board, its committees, and individual Directors.

GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL

Principle 5: 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.

Application and Explanation

REPORTING

The Company is committed to good corporate governance and ensuring that all material information is timely and accurately communicated to its Stakeholders, in line with regulatory requirements.

Through the Audit and Risk Committee, the Board oversees and ensures that reports such as the annual financial statements, sustainability reports, Social and Ethics Committee reports, or any other forms of information are issued, as is necessary, to comply with legal requirements and to meet legitimate and reasonable information needs of Stakeholders.

RH Bophelo details both its historical and future performance outlook in its interim and annual report to Stakeholders.

This, together with supplementary information in the Integrated Report, enable Stakeholders to make informed assessments of the prospects of RH Bophelo.

Refer to the latest Integrated Report for RH Bophelo's performance.

Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.

Application and Explanation

RESPONSIBILITIES OF THE BOARD

The Board is the focal point and custodian of corporate governance of RH Bophelo. Although certain responsibilities are delegated to committees or Management, the Board acknowledges that it is not discharged from its obligations regarding these matters.

The Board follows an approved protocol in the event that it, or any of its members or committees, needs to obtain independent, external professional advice at the cost of the Company on matters within the scope of its duties.

The Board's role and responsibilities and how it executes its duties and decision-making are documented and set out in the Board Charter which it regularly reviews to guide its effective functioning.

The Board has developed appropriate governance policies and frameworks to ensure that the Company adheres to the required governance standards. RH Bophelo's governance framework is disclosed in the Integrated Report.

Prior to each Board meeting, an information pack, which provides background information on the Company's performance and any other matters for discussion at the meeting, is distributed to each Board member. At meetings, the Board considers both financial and non-financial information that may have an impact on Stakeholders.

Details of the Board meetings held during the year and the attendance at the Board sub-committee meetings by individual Directors are disclosed in the Corporate governance section of the Integrated Report.

PRINCIPLE 7: The governing body should comprise the balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.

Application and Explanation

COMPOSITION OF THE BOARD

RH Bophelo has a unitary Board with 8 Directors, the majority of whom are Non-Executive Directors. The Board comprises 3 Executive Directors, 3 Independent Non-Executive Directors and two Non-Independent, Non-Executive Directors.

The JSE Listings Requirements prescribe that the chairperson must be an Independent Non-Executive Director. The Board is chaired by Samson Moraba who is a Independent, Non-Executive Director, and this complies with the Listing Requirements.

The Board has approved a policy on the Balance of Power at Board level to ensure a clear division of responsibilities. There is a clear division of responsibilities at Board level to ensure the Balance of Power between the Chairman, CEO, CFO and Non-Executive Directors, precluding any one Director from exercising unfettered powers of decision-making.

The Board of RH Bophelo comprises the appropriate balance of knowledge, skills, experience, diversity, and independence, facilitating independent judgement and broad deliberations in the decision-making process. All Directors have an appropriate mix of knowledge, skills, and experience, including the business, commercial and industry experience, needed to govern the Company. This is essential for sustaining a competitive advantage and ensures a diverse and inclusive culture at Board level.

The Board has established arrangements for periodic, staggered rotation of its members to invigorate its capabilities by introducing members with new expertise and perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity. The Board has an immediate and interim succession plan in place in the event of an unforeseen event.

No Director has an automatic right to a position on the Board. All Directors are required to be elected by shareholders at an AGM. In a general meeting, the shareholders may appoint any person to be a Director, subject to the provisions of the MOI.

ONGOING TRAINING AND DEVELOPMENT

Induction is held for all new members and Board training is conducted as and when necessary. The induction covered sections of the Companies Act, King IV and general duties of the Board, CFO, CEO and Company Secretary.

Endunamoo School of Accounting provides training on the International Financial Reporting Standards (IFRS) that are suitable for an investment holding company annually.

All new Directors are provided with an induction pack containing information on the Company's constitution documents, policies and charters.

For details of Directors' full names, appointment dates and a brief career synopsis, refer to the 'our directorate' section of the Integrated Report.

GENDER AND RACE DIVERSITY AT BOARD LEVEL

The Board is committed to actively managing diversity as a means of enhancing the Company's performance. In terms of the JSE Listings Requirements the Board of Directors of RH Bophelo have adopted a policy on the promotion of gender and race diversity. The policy sets out the Board's commitment and approach in promoting race and gender diversity at Board level over a reasonable transition period.

The current Board structure comprises 85% Black Directors, of which 38% are female. The Social and Ethics Committee set the following targets for gender and race diversity for the Company:

Gender	
Male	Female
Current	Current
54%	38%
Target	Target
60%	40%

Race	
Black	Non-Black
Current	Current
85%	15%
Target	Target
70%	30%

The Board has achieved the targets set for gender and race representation.

The Gender and Race Diversity Policy will be reviewed annually to ensure that it continues to facilitate the principles of gender and race diversity at Board level.

The Board is satisfied that there is a balance of skills, experience, diversity, and knowledge needed to discharge its role and responsibilities.

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the Balance of Power and the effective discharge of its duties.

Application and Explanation

INDEPENDENCE OF DIRECTORS

Non-Executive Directors of the Board are categorised as independent if it has been concluded that there is no interest, position, association, or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interests of the Company.

The Board's independence from the Executive Management team is ensured by the following:

- Separation of the roles of Chairman and Managing Director.
- The appointment of a Lead Independent Director.
- The Board being dominated by Non-Executive Directors.
- The Audit and Risk Committee, Remuneration and Nominations Committee and Social and Ethics Committee having a majority of Independent Directors.
- Non-Executive Directors not holding service contracts.
- All Directors having access to the advice of the Company Secretary.
- With prior arrangement from the Chairman, all Directors are entitled to seek independent professional advice concerning the Company's affairs at the Company's expense.

The independence evaluation of Non-Executive Directors is an annual requirement in terms of King IV. The Board undertook an exercise to complete annual Director Disclosure forms during February 2024. Four Non-Executive Directors were considered to be independent in terms of the requirements of King IV.

Factors considered during the independence inquiry, including whether or not a particular Director:

- is a significant provider of financial capital, or ongoing funding to the Company; or is an officer, employee, or representative of such provider of financial capital or funding;
- participates in a share-based incentive scheme offered by the Company;
- owns securities in the Company, the value of which is material to the personal wealth of the Director;
- has been designated as the Company as an Executive Manager during the preceding three financial years, or is a related party to such Executive Manager;
- has been the designated external auditor responsible for performing the statutory audit for the Company, or a key member of the audit team of the external audit firm, during the preceding three financial years;
- is a significant or ongoing professional advisor to the Company, other than as a member of the Board;
- is a member of the Board or the Executive Management of a significant customer of, or supplier to, the Company;
- is a member of the Board or the Executive Management of another organisation which is a related party to the Company; or
- is entitled to remuneration contingent on the performance of the Company.

GOVERNANCE COMMITTEES

The Board delegates certain responsibilities to well-structured committees without abdicating accountability. The delegation is formal in terms of Board-approved charters for each Committee. The Board appoints members for the skills required to effectively provide direction, as well as monitor and provide strategic direction to the Company.

The Board has established seven sub-committees to assist the Directors in fulfilling their duties and responsibilities. The committees are as follows:

Board Sub-Committees

- Audit and Risk Committee
- Investment Committee
- Remuneration and Nominations Committee
- Social and Ethics Committee

Management Committees

- Finance Committee (sub-committee of ExCo)
- Information Technology Committee (sub-committee of Investment Committee)
- Executive Committee (ExCo)

Each Committee has a formal charter and reports at regular intervals to either the Board or its Sub-Committee. The charters, which set out the objectives, authority, composition, and responsibilities of each Committee, have been approved by the Board. All the Committees are free to obtain independent professional advice, as and when required, at the Company's expense.

Membership of the Committees is as recommended in King IV. Non-Executive Directors chair the various sub-committees of the Board.

All sub-committees are appropriately constituted, and members are appointed by the Board or its respective sub-committees, with the exception of the Audit and Risk Committee, whose members are nominated by the Board and elected by shareholders of the Company.

The Remuneration and Nominations Committee annually reviews the composition of Board committees. It makes recommendations to the Board with regard to their composition, considering factors such as diversity and skills and the need to create a Balance of Power.

The Board applies its collective mind to the information, opinions, recommendations, reports, and statements presented by the chairperson of a committee at each Board meeting.

Refer to the governance section of the Integrated Report for the members of each committee and their reports.

The CFO is the head of the finance function, with senior managers reporting to him. The CFO is responsible for overseeing and coordinating the effective functioning of the outsourcing arrangement. An assessment of the effectiveness of the CFO function is performed annually by the Audit and Risk Committee.

INDEPENDENCE OF EXTERNAL AUDITOR

The external auditors report directly to the Audit and Risk Committee.

INTERNAL AUDIT

The committee considered the nature, risks and internal control environment at the head office and concluded that it was not necessary to have a dedicated internal audit function. Specific internal audit assignments are considered periodically and are outsourced.

DIRECTORS' INTERESTS

Subject to legal provisions, each member of the Board submits a declaration of all financial, economic, and other interests held by the Director and related parties to the Board at least annually, or whenever there are significant changes.

At the beginning of each meeting of the Board or its committees, all Directors are required to declare whether they have any conflict of interest regarding matters on the agenda. Any such conflicts are recorded and proactively managed, as determined by the Board and subject to legal provisions.

Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

Directors' interests in the shares of the Company are disclosed under 'Director's interest or shareholding' in the notes to the annual financial statements of the Integrated Report.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the Company's securities by Directors and Company officials is regulated and monitored as required by the JSE Listings Requirements. In addition, RH Bophelo maintains a closed period from the end of a financial period to the date of publication of the financial results and during any period when the Company's shares are trading under a cautionary announcement.

Principle 9: The governing body should ensure that the evaluation of its own performance and its committees, its chairperson, and its individual members support continued improvement in its performance and effectiveness.

Application and Explanation

The Board and sub-committee charters include the onus of assessments every two years. The Directors believe the Board and the sub-committees have discharged all their responsibilities in terms of their respective charters.

The performance evaluation of the Board, its committees and individual Directors are conducted every second year as recommended by King IV. In May 2024, a formal review of the effectiveness of the Board, its sub-committees and individual Directors were undertaken through the Remunerations and Nominations Committee with the assistance of the Company Secretary. An opportunity was provided for reflection and discussion by the Board of its performance and that of its committees, its chair, and its members as a whole.

There is consensus that the Board demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills and the willingness to address issues proactively. The current Board's demographic profile reflects a diversity that is appropriate and displays confidence in its ability to function well as the strategic leaders of RH Bophelo Limited

Principle 10: The governing body should ensure that the appointment of and delegation to Management contributes to role clarity and effective exercise of authority and responsibilities.

Application and Explanation

DELEGATION OF AUTHORITY (DOA)

In line with the Board Charter, the Board's responsibilities include the appointment of the CEO, CIO, CFO and the implementation of the Company's strategy, risk management and corporate governance. The Board reviews and approves the business plans and monitors the financial performance of the Company and the implementation of the strategies.

The Board approved a Delegation of Authority Policy which establishes the grounds on which the Board and Management direct, control and co-ordinate the business activities and affairs of the Company. The Board ensures that key management functions are led by suitably competent individuals. The Board is satisfied that RH Bophelo is appropriately resourced, and its delegation to Management contributes to an effective arrangement by which authorities and responsibilities are exercised.

COMPANY SECRETARY

Statucor Proprietary Limited, acts as Company Secretary to RH Bophelo, duly appointed by the Board in accordance with the Companies Act. The Board ensures that it has access to professional and independent guidance on corporate governance and its legal duties, and also that it has support to coordinate the functioning of the Board and its committees.

In compliance with the JSE Listings Requirements, the Board has considered and is satisfied that the individuals who perform the Company Secretary role are suitably qualified and experienced to carry out the duties and responsibilities of Company Secretary competently and that there is an arm's length relationship between itself and the Company Secretary. In addition, the Board confirms that Statucor Proprietary Limited does not serve as a Director on the Board, nor partakes in Board deliberations, but only advises on matters of governance, compliance, and procedure. The role and responsibilities of the Company Secretary are set out in the Board Charter.

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

Application and Explanation

GOVERNANCE OF RISK

The Board retains the overall responsibility for the governance of risk with delegated responsibility to the Audit and Risk Committee and Management to execute effective risk management. The Board is aware of the importance of risk management as it is linked to the business's strategy, performance, and sustainability.

The Audit and Risk Committee implemented a process whereby inherent risks of the Company are identified and managed within acceptable parameters. The Audit and Risk Committee delegates to Management to continuously identify, assess, mitigate, and manage risks within the Company's operating environment. Mitigating controls are formulated to address the risks, and the Board is kept up to date on the progress of the risk management plan.

Refer to the risk management section of the Integrated Report for an overview of RH Bophelo's risks.

Principle 12: The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

Application and Explanation

The Board, together with the Audit and Risk Committee, oversees the governance of information and technology (IT). The Board is aware of the importance of IT in relation to RH Bophelo's strategy.

The Board approved the constitution of the Information Technology Committee. The purpose of this committee is to assist the Board in fulfilling oversight responsibilities by reviewing, giving guidance, and making recommendations to Management and the Board relating to the Company's technology strategy, initiatives, and investments in support of overall Company strategy and performance.

There have not been any IT Committee meetings held in the current financial year as no committee members have been appointed as yet. The Management of the Company is in the process of sourcing candidates that are well experienced and skilled to serve on this committee. Once the committee members have been appointed, feedback from the meetings will be provided to the Investment Committee and the Board.

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 organisation being ethical and a good corporate citizen.

Application and Explanation

The Board, with the assistance of the Audit and Risk Committee and the Company Secretary, ensures that the Company complies with applicable laws and legislation. Legal compliance processes are in place and are continuously improved to ensure the risk of non-compliance.

There were no regulatory penalties, sanctions or fines for contravention, or non-compliance with, statutory obligations.

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term.

Application and Explanation

The Board, assisted by the Remuneration and Nominations Committee, ensures that Directors are remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value sustainably. This responsibility is contained in the Remuneration and Nominations Committee's charter and the Company's Remuneration Policy.

The Policy was based on current Board remuneration practices in the market and the realisation of a benchmark study of similar size organisations in the financial services sector. The Remuneration Policy provides the approach and guidelines necessary with regards to the remuneration of services rendered to the Board by its members.

The Remuneration and Nominations Committee and Board approved the Remuneration Policy. Refer to the governance report for the Company's Remuneration Policy. Executive management are measured based on a scorecard of key performance measures as per agreed performance measures.

RH Bophelo's remuneration implementation report is also reflected in the governance section of the Integrated Report, and the individual Director's remuneration is disclosed in the financial statements.

Principle 15: The governing body should ensure that assurance services and functions enable an effectively controlled environment and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Application and Explanation

The Board, assisted by the Audit and Risk Committee, ensures that the combined assurance from the external auditors appropriately addresses the identified Company risks.

The Board is satisfied that the assurance results indicate an adequate and effectively controlled environment and integrity of reports for better decision-making. This responsibility is contained in the Board Charter and the Audit and Risk Committee charter.

Refer to the governance report for information on assurance contained in the Audit and Risk Committee report.

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.

Application and Explanation

RH Bophelo strives to ensure a systematic and integrated approach to Stakeholder engagement across the business to enable increased assurance to the Board that Stakeholder issues have been identified, prioritised, and appropriately addressed. The Board, through the Social and Ethics Committee, takes the legitimate interests and expectations of Stakeholders into account in its decision-making.

The Board believes that corporate social responsibility policies promote a culture of social responsibility within the Company. This helps improve the well-being of people, promotes the economic and social development of the communities in which it has a presence, and creates sustainable value for shareholders and investors, employees, investee companies, suppliers, and other Stakeholders of the Company.

The Social and Ethics Committee is ultimately responsible for supervising and coordinating the development of the strategy for relations between the Company and its Stakeholders through the Company's Stakeholder engagement plan. Various Stakeholder groups have been identified, and the Board will balance its legitimate and reasonable needs, interests, and expectations.

Refer to the Stakeholder engagement section in the Integrated Report for information on RH Bophelo's Stakeholder relationship and engagements.

Principle 17: The governing body of an institutional investor organisation should ensure that the responsible investment is practiced by the organisation to promote good corporate governance and value creation by the companies in which it invests.

Application and Explanation

The Board, through RH Bophelo's Investment Policy, ensures that responsible investment is practiced by the Company to promote good governance and the creation of value by the companies in which RH Bophelo invests.