

Octodec's corporate governance structure is designed to create sustainable value

How our governance structures create value for our stakeholders by providing direction and leadership, facilitating the setting and steering of strategy, establishing an ethical culture, effective control and legitimacy through accountability, delegation, monitoring and oversight.

The board

Group company secretary

Provides direction to the business with the aim of creating sustainable value by setting, steering and overseeing our business strategy and plans, risk and opportunity management, performance and sustainable development.

Performs its role as custodian of governance in Octodec by establishing accountability, delegation, monitoring and oversight.

By applying **Principles 1, 2, 3 and 6** of King IV ethical leadership, establishing an ethical culture, responsible corporate citizenship. King IV **Principles 3, 11, 12, 13, 14, 15, 16** appropriate strategies, policies, charters, terms of reference, assurance services and functions in place to achieve compliance with relevant laws and regulations, effective control at board, committee, executive and management level; effective risk management and technology and information governance; responsible corporate citizenship, stakeholder inclusiveness.

Principle 10 of King IV board-approved delegation of authority is in place that promotes independent judgment, a balance of power, role clarity and effective discharge of duties at board, committee, executive and management level.

Delegation to board committees

By applying **Principle 8** of King IV accountability monitoring and oversight. Our board committees report to the board on the statutory duties and board assigned responsibilities set out in their terms of reference every quarter. These terms of reference are regularly reviewed and are available from the group secretariat.

*An *ad hoc* subcommittee chaired by the lead independent director, and whose members were all non-executive directors, was established to renegotiate the management agreement with City Property

Audit committee

The audit committee members, the majority of whom are independent non-executive directors, are elected by the shareholders at the annual general meeting (see page 146). The company is aware of the King IV™ recommendation regarding independence and, having assessed Myron Pollack, is satisfied that he brings a wealth of knowledge and experience which outweighs the independence recommendation. The role of the audit committee, in addition to its statutory duties, is to review the group's financial statements and integrated reporting and ensure the integrity and transparency of corporate reporting, the adequacy and efficiency of internal controls, and assessment of the independence and effectiveness of external audit. The committee further oversees the effectiveness of the group's external and internal assurance functions and services that contribute to ensuring the integrity of the group's financial and integrated reporting. This assists the board in monitoring the integrity of the group's annual financial statements and related external reports. The committee satisfies itself as to the expertise and experience of the financial director and the finance function, assesses the amount of fees paid to external auditors for non-audit work, and monitors information technology. The audit committee is satisfied that it has complied with all statutory duties as well as other duties given to it by the board under its terms of reference. The statutory committee report is included on pages 91 and 92 of the annual financial statements)

Subcommittee

The majority of the committee members are independent non-executive directors. Although the subcommittee was originally established to address the renegotiation of the management agreement with City Property, the committee comprising mainly independent directors, plays an important role in protecting the interests of shareholders in related-party transactions.

Risk committee

The majority of the committee members are independent non-executive directors. The risk committee assists the board with the discharge of its duties regarding the identification of risks and the assessment of the effectiveness of risk management in Octodec. The committee oversees the development and implementation of the enterprise risk management policy and framework, which directs the group's implementation of an effective policy and plan for risk management and compliance. This encompasses the group's risk exposure and control systems and ensures that risk policies and strategies are effectively managed and overseen. The risk committee continues to play an essential role in ensuring that compliance and governance related matters are dealt with appropriately and that these risks are at the required levels.

Nominations committee

The majority of the committee members are independent non-executive directors. The nominations committee continues to play a crucial role in ensuring board continuity is dealt with appropriately as it assists the board with the nomination, election, and appointment of directors. It ensures a transparent and accountable process to determine an optimally diverse board and board committee composition. It is responsible for succession planning, reviews and reports to the board on the adequacy of succession planning policies for the chairman and directors. The committee further ensures directors retire and are re-elected in accordance with the mandate and the company's MOI and that the induction and ongoing development of directors takes place. The skills, knowledge, expertise and composition of the board are reviewed regularly and recommendations are made to the board regarding any changes deemed necessary.

SERT committee

The majority of the committee members are independent non-executive directors. Operating with an expanded mandate based on King IV™, the role of the SERT committee ensures that the group's activities support its intent to be a responsible corporate citizen. The committee remains committed to ensuring that Octodec fulfils its responsibilities in support of transformation, sustainable development, inclusive growth and societal value creation, while protecting its reputation. The board, through the committee, establishes the principles of remuneration, is committed to ensuring that director and employee remuneration is fair and responsible in the context of overall remuneration and holds management accountable for ensuring total employee remuneration is distributed fairly.

Accountability and delegation to executive and operational management

The roles and responsibilities of the chairman and the managing director are separate and clearly defined. The managing director is accountable to the board for leading the implementation and execution of our board-approved strategy, policies and business plans. As an executive director of the Octodec board and in his executive role in Octodec, the managing director plays a key role in providing a link between management and the board and ensuring board decisions are communicated to management.