



CONDUIT CAPITAL LIMITED
KING IV CODE APPLICATION REGISTER

2017



No.	Area	Principle	Status	Implementation and progress
1	ETHICAL CULTURE			
	1.1	<i>Ethical Leadership</i>	<i>Applied</i>	
		The governing body should lead ethically and effectively		The Board members hold one another accountable for decision-making and acting in a way that displays the ethical characteristics stated in the King IV Code. The Chairman of the Board has been tasked to monitor this as part of his duties. Board evaluations are conducted to assess the performance of the Board, which includes evaluation of ethical characteristics.
	1.2	<i>Organisation values, ethics & culture</i>	<i>Applied</i>	
		The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture		Conduit Capital's value proposition is one of honesty, communication, effectiveness, integrity, responsibility, innovation and transparency, which guides the behaviour of all employees. All employees adhere to the Code of Conduct incorporated in their employment terms as well as all performance evaluations include ethical conduct.
	1.3	<i>Responsible corporate citizenship</i>	<i>Applied</i>	
		The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen		The Board has delegated to the Social and Ethics Committee, amongst others, the responsibility for monitoring the overall responsible corporate citizenship performance of Conduit Capital and where appropriate, its subsidiaries.
2	PERFORMANCE AND VALUE CREATION			
	2.1	<i>Strategy, implementation and performance</i>	<i>Applied</i>	
		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 integrated annual report demonstrates that organisational performance is understood in the context of both the achievement of strategic objectives and value creation. Sustainable development is seen to be a source of opportunity and Conduit Capital achieves its strategic objectives with reference to its risks and opportunities. Continual assessment is conducted by the Board, as it relates to the positive and negative outcomes



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				from Conduit's business model and responses are highlighted in the integrated annual report.
	2.2	Reports and disclosures	Applied	
		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		The integrated annual report presents material information in an integrated manner and provides a holistic, clear, concise and understandable representation of Conduit's performance in terms of sustainable value creation in the economic, social and environmental context. Conduit discloses and interacts with its stakeholders through various means.
3	ADEQUATE AND EFFECTIVE CONTROL – GOVERNING STRUCTURES AND DELEGATION			
	3.1	Role of the governing body	Applied	
		The governing body should serve as the focal point and custodian of corporate governance in the organisation		<p>The Board exercises its leadership role through the steering and setting of Conduit's strategic direction, the approving of policies pertaining thereto, the overseeing and monitoring of the implementation and execution of the Company's strategic direction, and ensuring accountability for the Company's performance through relevant reporting and disclosure.</p> <p>The Board's duties and terms of reference are set out in the Board's formal charter and the Board is satisfied that it has fulfilled its responsibilities in accordance thereto for the financial period ended 30 June 2017.</p> <p>Should members of the Board require external, independent advice, the cost of this is borne by the company and the attendance register of all board meetings held for the financial period ended 30 June 2017 has been included in the 2017 integrated annual report.</p>



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	3.2	<i>Composition of the governing body</i>	<i>Applied</i>	
		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 Board, with the assistance of the Nominations Committee, considered its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its roles and responsibilities. As a result, the Board had identified a need for greater diversity. The Board has formalised its interim succession plan in case of unforeseen events. The Board is of the view that the skill, expertise and independence of these individuals is in the best interest of the company and stakeholders.
	3.3	<i>Committees of the governing body</i>	<i>Applied</i>	
		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		<p>Membership of the committees align with recommendations of the King IV Code, except in the following instances:</p> <ol style="list-style-type: none"> 1) The Chairman of the Board is a member of the Audit and Risk Committee; and 2) The Chairman of the Investment Committee is non-independent. <p>The composition of the committees of the Board and the distribution of authority between the Chairman and other directors is balanced and does not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused.</p> <p>The Audit and Risk Committee is satisfied that the auditor is independent, where the auditor firm has been appointed with the designated partner having oversight of the audit. Non-audit services performed are approved by the Audit and Risk Committee.</p> <p>The Chief Financial Officer is the head of the finance function and he has a Senior Manager reporting to him. Internal audit is fully outsourced.</p>



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				An assessment of the effectiveness of the Chief Financial Officer function is performed annually by the Audit and Risk Committee.
3.4		<i>Delegation to management</i>	<i>Applied</i>	
		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		<p>A detailed Levels of Authority policy and framework indicate matters reserved for the Board and those delegated to management. The Board is satisfied that Conduit Capital is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.</p> <p>A succession plan for the Chief Executive Officer is in place.</p> <p>The Company Secretary is appointed on an outsourced basis and is in possession of the requisite knowledge, experience and stature. The Company Secretary's performance is assessed annually and no major issues or concerns have been identified. The Board is satisfied that the Company Secretary and the function that they oversee is performing well. The Company Secretary signs off on disclosure of membership of Board structures, the number of meetings of each and attendance at each meeting as well as the overall content of the committee information and reporting that are in the public domain.</p>
3.5		<i>Performance evaluations</i>	<i>Applied</i>	
		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		<p>Annual board evaluations of the performance of the Chief Financial Officer and Company Secretary are conducted annually as well as the performance of the Board structures and its members. No formal review of the Chief Executive Officer was conducted, but will be implemented.</p> <p>The term 'risk and opportunity' was introduced and risk and opportunity governance was included as</p>



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				part of the company's compliance with King IV, including the thinking that all events will either have a negative or positive effect.
4	ADEQUATE AND EFFECTIVE CONTROL – GOVERNANCE FUNCTIONAL AREAS			
	4.1	<i>Risk and opportunity governance</i>	<i>Applied</i>	
		The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives		The Audit and Risk Committee assists the board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of Conduit Capital. The Audit and Risk Committee implements a process whereby risks to the sustainability of the company's business 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 existing and ever-changing risk profile of Conduit Capital's operating environment. Mitigating controls are formulated to address the risks and the Board is kept up-to-date on progress on the risk management plan. All these measures support our core purpose and strategic objectives.
	4.2	<i>Technology and information governance</i>	<i>Applied</i>	
		The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives		The Audit and Risk Committee assists the Board with the governance of information technology. The Board is aware of the importance of technology and information as it is interrelated to the strategy, performance and sustainability of Conduit Capital.
	4.3	<i>Compliance governance</i>	<i>Applied</i>	
		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		Conduit Capital (as a holding company) has the necessary arrangements in place, governing and ensuring compliance with statutory obligations. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations.



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	4.4	Remuneration governance	Applied	
		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		Conduit Capital remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.
	4.5	Assurance	Applied	
		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 Board is satisfied that the present process of assurance results in an adequate and effective control environment and integrity of reports for better decision-making.
5	TRUST, GOOD REPUTATION AND LEGITIMACY			
	5.1	Stakeholders	Applied	
		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		Conduit Capital has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests and expectations.
	5.2	Responsibility of shareholders	Applied	
		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		Insofar as it is applicable to Conduit Capital's investments, through interactions and support, the company responsibly exercises its rights, obligations, legitimate and reasonable needs, interests and expectations for the benefit of those investments.