

BRAINWORKS LIMITED

---

**BRAINWORKS**

---

KING IV GAP ANALYSIS

Address: Brainworks Limited, Level 2, Alexander House  
Silicon Avenue, Ebène Cybercity 72201,  
Republic of Mauritius  
Email: [investorrelations@brainworkscapital.com](mailto:investorrelations@brainworkscapital.com)  
Web: [www.brainworkscapital.com](http://www.brainworkscapital.com)

The table below sets out the Brainworks Limited's compliance with the principles of King IV:

| <b>Principles</b>  | <b>Status</b> | <b>Apply and Explain</b>   |
|--|---------------|--|
| <b>Part 5.1: LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP</b>  |               |  |
| <b>LEADERSHIP</b>  |               |  |
| Principle 1: The governing body should lead ethically and effectively  | √             | The Company employs a unitary board system consisting of 10 directors, all of whom have the necessary experience and qualifications. The core values of the group have been set out and formulated in the company's Code of Conduct. The Company has implemented a Governance Code and an Ethics policy. The code and policy underpin how the group operates   |
| <b>ORGANISATIONAL ETHICS</b>   |               |  |
| Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.   | √             | The Company has implemented a governance code and ethics policy. The code and policy are driven by the Corporate Social Responsibility and Ethics Committee.   |
| <b>RESPONSIBLE CORPORATE CITIZENSHIP</b>   |               |  |
| Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.  | √             | The group is aware of its social responsibilities and believes it is crucial for businesses to play a positive role in the communities within which they operate. As will be summarised in the integrated annual report this is achieved through the Group CSR policy which is implemented to ensure human and financial resources are deployed effectively to relevant communities.   |
| <b>PART 5.2: STRATEGY, PERFORMANCE AND REPORTING</b>   |               |  |
| <b>STRATEGY AND PERFORMANCE</b>  |               |  |
| 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. |               | The group's strategic objectives, priorities and risks are documented in the integrated annual report. Strategy and risk is assessed annually during strategy planning and risk assessment sessions.   |
| <b>REPORTING</b>   |               |  |
| 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.                           | √             | The group's stakeholder relationship framework is included in the integrated annual report. A formal stakeholder policy is still being developed. Communications consultants are used to ensure that material communications are clear and understandable. Reporting of financial results and market sensitive information takes place in compliance with JSE Listings Requirements, first through the Stock Exchange News Service (SENS) and followed by publication in the media |
| <b>PART 5.3: GOVERNING STRUCTURES AND DELEGATION</b>   |               |  |

| <b>Principles</b>  | <b>Status</b> | <b>Apply and Explain</b>   |
|--|---------------|--|
| <b>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</b>   |               |  |
| Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.   | √             | The board is committed to the corporate governance principles contained within King IV   |
| <b>COMPOSITION OF THE GOVERNING BODY</b>   |               |  |
| 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. | √             | The board consists of 10 members, 2 executive directors, 3 non-executive directors and 5 independent non-executive directors. The composition of the board ensures that a balance of power is maintained. The board consists of a balance of operational, financial and legal skills.  |
| <b>COMMITTEES OF THE GOVERNING BODY</b>  |               |  |
| 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.        | √             | Without abdicating its own overall responsibility, the board delegates certain functions to committees being the Audit and Risk committee, Corporate Social Responsibility and Ethics committee and the Nominations and Remuneration committee (which have separate agendas). All committees are governed by board approved terms of reference. The composition of the committees is disclosed in the Group's integrated report              |
| <b>EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY</b>  |               |  |
| 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. | √             | The board understands expectations regarding functions, duties and performance criteria. A formal evaluation of the board and the individual directors is performed annually by the chairman. Training needs are identified through the performance appraisal process. Further appraisal of the board is conducted on a peer review basis.<br><br>The Board meets once a year in absence of chairman, to discuss the chairman's performance. |
| <b>APPOINTMENT AND DELEGATION TO MANAGEMENT</b>  |               |  |
| 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.                                 | √             | The board exercised their prerogative to appoint Mr Brett Childs as Chief Executive Officer. A framework for delegation of authority is contained in the Schedules to the Governance Code.   |
| <b>Part 5.4: GOVERNANCE FUNCTIONAL AREAS</b>   |               |  |
| Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.   | √             | The Board is responsible for the governance of risk in terms of the Governance Code. The Audit and Risk committee is mandated to oversee risk management and report to the board.  |

| Principles   | Status | Apply and Explain  |
|--|--------|--|
| <b>TECHNOLOGY AND INFORMATION GOVERNANCE</b>   |        |  |
| Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.  | x      | Given that the Group is an investment holding company and due to the diversity and geographical spread of the Group's businesses, the decision has been taken to delegate the responsibility of monitoring governance of IT to each subsidiary which operates in its own unique IT environment. The board maintains oversight (via Internal Audit) that each subsidiary is compliant with best practice in its own field of operation.   |
| <b>COMPLIANCE GOVERNANCE</b>   |        |  |
| 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.   | √      | Group Legal Counsel identifies and tracks changes in relevant legislation and reports to board and Audit and Risk Committee on compliance matters. Material changes in legislation are tabled at board meetings by Group Legal Counsel and/or the Financial Director. A regulatory matrix and a compliance framework is in the process of being defined and will be incorporated into the combined assurance plan to evaluate whether all applicable laws are applied and adhered to |
| <b>REMUNERATION GOVERNANCE</b>   |        |  |
| Principle 14: 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.                                      | √      | Directors' remuneration is benchmarked against appropriate and relevant remuneration scales. The remuneration of directors' and senior management is disclosed in the integrated annual report and annual financial statements   |
| 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 organisation's external reports.                     | x      | The Audit and Risk Committee evaluates the combined assurance model report and recommends its adoption to the board. A combined assurance framework will formally be adopted post listing and thereafter will be continually updated   |
| <b>STAKEHOLDERS</b>  |        |  |
| 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. | √      | Important stakeholder groups have been identified and include shareholders, employees, customers, suppliers and government bodies. Stakeholder perceptions are a regular item on the board's agenda and are monitored by Corporate Development & Investor Relations who report on material matters to the board.   |
| <b>RESPONSIBILITIES OF INSTITUTIONAL INVESTORS</b>   |        |  |

| <b>Principles</b>  | <b>Status</b> | <b>Apply and Explain</b>   |
|--|---------------|--|
| 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. | N/A           | Brainworks is not an Institutional Investor, as defined by the King IV report on corporate governance. |