

# GOVERNANCE REPORT

The board recognises that good corporate governance is essential to protect the interests of all stakeholders, and the sustainability of the business. Business is conducted in accordance with the principles of openness, integrity and accountability, as advocated by the King Code of Governance.

The board is committed to applying and enforcing appropriate corporate governance principles, policies and practices within each of the Group's operations. Ultimately, the board is the focal point of the Group's corporate governance system, and is accountable and responsible for ensuring compliance with the King Code of Governance, specifically King III for this year.

The board regularly reviews the Group's organisational structures and corporate governance procedures, and implements measures to ensure continued compliance with good corporate governance practices. Through this process, all stakeholders are assured that the Group is being managed prudently to

determine risk parameters and in compliance with generally accepted corporate practices.

The board adopted and implemented an application register documenting the Group's compliance with the 75 principles of the King Code of Governance. The application register is available on the Group's website [www.omnia.co.za](http://www.omnia.co.za).

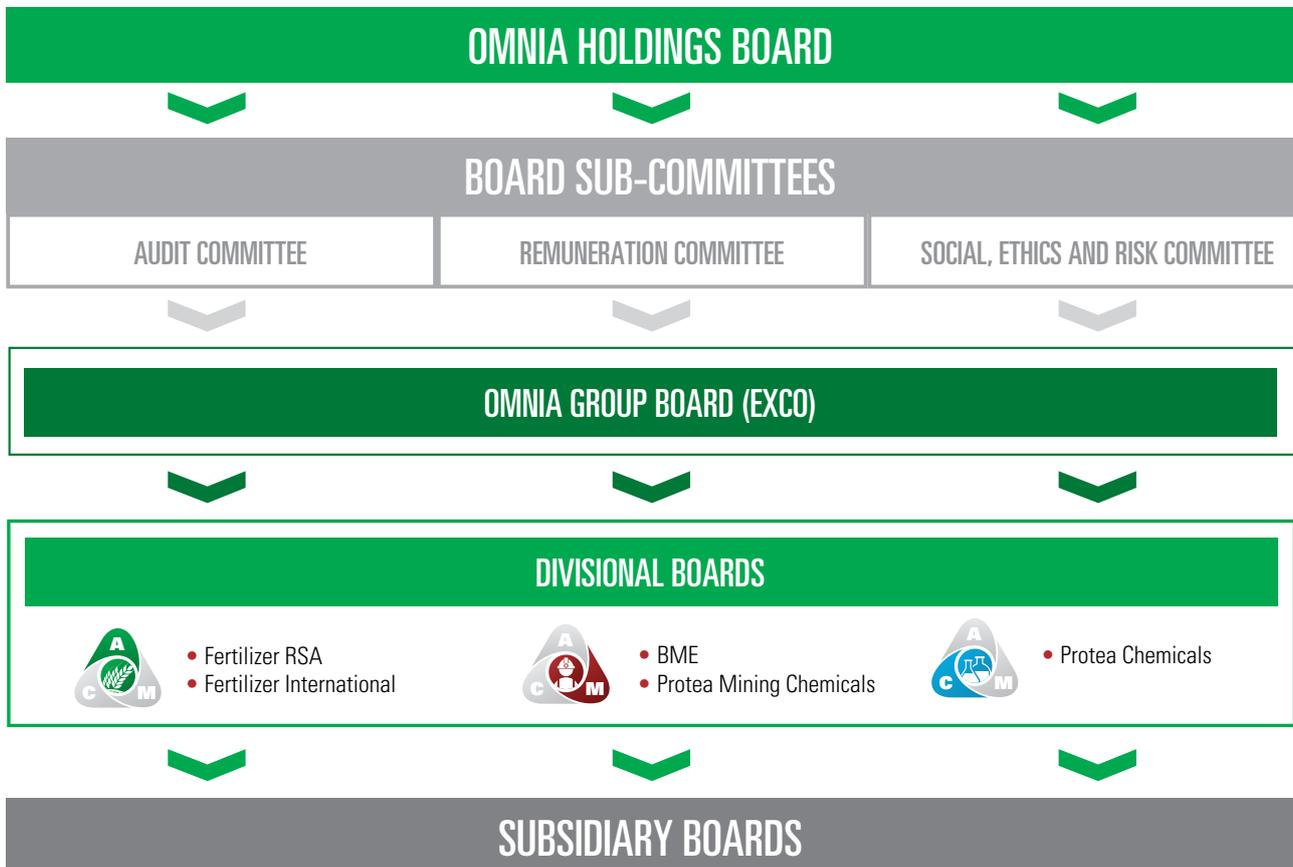
## BOARD CHANGES DURING THE YEAR

Professor Stephanus Loubser retired as an independent non-executive director with effect from 1 December 2016.

Professor Nick Binedell was appointed as an independent non-executive director on 24 February 2017.

Neville Crosse retired after year-end, as non-executive director and chairman and Rod Humphris retired as Group managing director, on 31 May 2017. Rod Humphris has been appointed as non-executive director and chairman with effect from 1 June 2017. Adriaan de Lange has been appointed as executive director and Group managing director with effect from 1 June 2017.

## OVERALL GOVERNANCE STRUCTURE



## STATEMENT OF COMPLIANCE

The JSE Listings Requirements currently require JSE-listed companies to report on the extent to which they comply with the principles set out in King III. The Group has applied the recommendations of King III, except in the following instances:

- The chairman of the board is not an independent non-executive director as defined by King III
  - Neville Crosse, non-executive chairman, chaired the board until 31 May 2017
  - Rod Humphris, non-executive chairman, chaired the board from 1 June 2017
- The board is of the opinion that experience and knowledge of the chemicals industry and the Group, as set out in greater detail below, is critical to chairmanship and, in helping the board to set the strategic direction of the Group
- Where the chairman is not an independent non-executive director, King III recommends the appointment of a lead independent director. Accordingly, Ralph Havenstein has been appointed to this role

## THE BOARD CHARTER

The board has adopted a charter defining its responsibilities, the terms of which include:

- Providing strategic direction to the Group and being responsible for adopting strategic plans (such as strategies and plans originated by management) and, in particular, renewing and approving the five-year strategic plan
- Approving the annual business plan proposed by management
- Retaining full and effective control over the Group and monitoring management's implementation of the approved annual budget and strategies
- Appointing the Group managing director, who is accountable to the board
- Preparing the Group's financial statements, interim report and preliminary announcement, and ensuring the integrity and presentation thereof
- Assessing the viability of the company and of the Group on a going-concern basis
- Determining director selection, orientation and evaluation
- Ensuring the Group has appropriate risk management, internal controls and regulatory compliance procedures in place, and that these are communicated to shareholders and other stakeholders openly and promptly
- Establishing committees of the board which have clear terms of reference and responsibilities, as and when appropriate

- Monitoring the non-financial aspects relevant to the business
- Considering and, if appropriate, approving the declaration of dividends to shareholders
- Finding the correct balance between conforming to governance constraints and performing in an entrepreneurial way
- Evaluating its own performance as a whole, the performance of management and that of sub-committees of the board, including reviewing both its charter and methods of self-evaluation from time to time
- Determining the appropriate code of ethics to ensure the integrity of the business affairs of the Group

Directors' interests in terms of other board positions and contracts are declared, recorded and updated at every meeting. Board members are required to recuse themselves when participating in deliberations or decision-making processes that could in any way be affected by a conflict of interest. The board considered the interests declared by the directors during the year under review and concluded that none of the directors declared a material interest in any contract or arrangement entered into by the Group. The board defines levels of materiality, reserving specific powers and delegating other matters with the necessary authority to management. The board has adopted a formal delegation and resolution framework, which is reviewed annually, that serves as an authority matrix guideline.

Notwithstanding the mandate given to the audit, remuneration and social, ethics and risk committees, the board is ultimately accountable and responsible for the performance and affairs of the Group. Delegating authority to board committees or management does not in any way mitigate or discharge the board and its directors of their duties and responsibilities.

Omnia Holdings Limited has a unitary board structure, comprising a majority of non-executive directors, independent of management. As at 31 March 2017, the board comprised 12 directors, of whom eight are independent non-executive directors, two are non-executive directors and two are executive directors. The board as a whole selects and appoints new directors. A formal policy and procedure applies to all nominations and appointments, which are confirmed by shareholders at the following annual general meeting.

The board consists of a balance of skills, experience and competencies, such as strategy, business management, finance, governance, engineering, risk management, human resource management, information technology and marketing, in industries and fields which affect the company's Agriculture, Mining and Chemicals divisions. The board composition includes three women and three black directors. Please refer to the Omnia website for brief biographies of the board members.

## GOVERNANCE REPORT CONTINUED

The board has approved an amendment to its nominations policy to include a policy on the promotion of gender diversity at board level and has agreed that it shall, where possible, give preference to candidates in order to achieve this objective, whilst ensuring it achieves a balance of requisite skills, experience and race. The board has agreed to target 30% representation by women on the board. The board currently has 25% representation by women on the board.

### INDEPENDENCE

The guidelines contained in King III are used to test the independence and categories most applicable to each director. Prior to any appointment, potential board appointees are subjected to a fit-and-proper test, as required by the Companies Act and the JSE Listings Requirements. The independence of all independent non-executive directors, including those serving more than nine years, was assessed during the year under review by the board, which determined that it was satisfied with their levels of independence.

To ensure a clear division of responsibilities, the roles of chairman and Group managing director are separate. The chairman and the Group managing director jointly provide leadership and guidance to the Group.

The board met eight times during the financial year under review. Details of the attendance at meetings by members are provided on page 68 of this report.

### THE CHAIRMAN

Neville Crosse retired from the board and as non-executive chairman on 31 May 2017, after a 40 year career at Omnia. Rod Humphris has been appointed as the new non-executive chairman from 1 June 2017. Neville served as non-executive chairman since 2000. As chairman, he was responsible for ensuring the integrity and effectiveness of governance practices by the board. He led the board and was responsible for representing the board to shareholders. His particular areas of responsibility include strategic planning, maintaining relationships with principals, government and key customers, transformation, corporate relations, top-level contact with regulatory bodies, providing guidance on acquisitions and guiding senior management on key strategic, tactical and operational issues. His foresight, commitment, thorough knowledge of the Group and its markets and in-depth involvement in a large number of non-board specific key issues were recognised as critical factors in the successful development and growth of the Group to its current position. The chairman's performance is evaluated annually by the board as a whole. Rod Humphris will take over these responsibilities to move the business forward in the future.

### NON-EXECUTIVE DIRECTORS

Omnia's non-executive directors bring a diversity of insight and independent judgement on issues of strategy, performance, resources and standards of conduct, while contributing to decision-making through their knowledge and experience. To protect shareholders' interests, the independent directors ensure that no individual director has unfettered powers of decision-making and authority.

The independent non-executive directors are subjected to an annual assessment of their independence by the board. Non-executive directors who have served longer than nine years are also subjected to an annual evaluation of their independence.

The performance of the board is evaluated annually. The first evaluation is by the whole board as a collective, using a balanced scorecard based on key company and business performance targets and an evaluation questionnaire. Each director is then evaluated individually by the chairman of the board. The chairman's performance is evaluated by the board as a whole. These evaluations were conducted in the year under review. The board determined that it was satisfied with the collective board performance, the chairman was satisfied with each individual director's performance and the board was satisfied with the chairman's performance.

### EXECUTIVE DIRECTORS

Being involved in the day-to-day business activities of the Group, executive directors are responsible for ensuring that the decisions, strategies and views of the board are implemented.

### GROUP MANAGING DIRECTOR

Rod Humphris retired as Group managing director on 31 May 2017 and Adriaan de Lange was appointed as executive director and Group managing director with effect from 1 June 2017.

Rod was appointed as Group managing director in 1999. He reported to the board and was responsible for ensuring the smooth running of the day-to-day business of the Group, as well as guiding the implementation of policies and strategies adopted by the board. In addition, he was responsible for developing and recommending to the board a long-term strategy and vision for the Group to generate stakeholder value, as well as developing and recommending to the board annual business plans and budgets that support the Group's long-term strategy. Adriaan de Lange has taken over these responsibilities.

### GROUP FINANCE DIRECTOR

Wayne Koonin joined the Group on 1 August 2014. He assumed the full responsibilities of Group finance director and executive director on 1 October 2014. Wayne reports to the Group

managing director and is responsible for all the financial affairs of the Group and, in addition, has responsibility for IT, including the Group's deployment and overall responsibility for existing and new IT systems and for the administration of internal audit. The experience and expertise of the Group finance director is assessed annually by the audit committee as required by the JSE Listings Requirements. The results of this assessment are dealt with in the audit committee's report in the annual financial statements section of this integrated annual report.

## SELECTION AND APPOINTMENT

In terms of the company's Memorandum of Incorporation, one-third of the non-executive directors retire annually and, if eligible, stand for re-election. Their names are submitted for re-election at the annual general meeting. Executive directors do not retire by rotation.

Non-executive directors have no service contracts with the company and are appointed for specific terms. The board has adopted a formal policy on the procedure for the appointment of directors. All directors are invited to assist in the identification, nomination and evaluation of potential candidates. New appointments to the board are confirmed at the following annual general meeting in terms of the company's Memorandum of Incorporation.

Daisy Naidoo, Sizwe Mncwango and Frank Butler will be retiring at the forthcoming annual general meeting and all will stand for re-election in accordance with the requirements of

the Memorandum of Incorporation. Professor Nick Binedell and Adriaan de Lange were appointed to the board during the year and their appointment will be tabled for confirmation by shareholders at the annual general meeting, in accordance with the requirements of the Memorandum of Incorporation. Brief biographies are provided on the Omnia website.

## INDUCTION AND DEVELOPMENT

Newly appointed directors undergo an induction exercise appropriate to their needs. The Group company secretary assists the chairman and the Group managing director with the induction and orientation of directors, including the arranging of specific training if required. All board members are encouraged to, and do, visit, the various businesses and site operations of the Group, as well as attend the annual budget and business plan presentations of those businesses.

The Group is committed to the continuing development of directors in order to build on their expertise and to develop their detailed understanding of the business, the markets in which the Group operates and the collective knowledge of economic, environmental and social topics, which impact on the Group.

In addition, individual directors may, after consulting with the chairman and Group managing director, seek external independent professional advice on matters concerning the affairs of the Group, and in connection with the discharge of their responsibilities as directors, at the expense of the Group.



# GOVERNANCE REPORT CONTINUED

## ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The record of attendance by each director at board meetings and board committee meetings for FY2017 is set out below:

Member	Omnia Holdings Limited	Remuneration committee	Social ethics and risk committee	Audit committee
<b>Number of meetings</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>4</b>
Prof. Nick Binedell*	2			
Ronald Bowen	8			
Frank Butler	8		3	4
Neville Crosse	8	2	3	
Tina Eboka	6			
Ralph Havenstein***	8	2	3	
Hester Hickey	7			3
Rod Humphris	8		3	
Wayne Koonin	8			
Prof. Stephanus Loubser**	8	1		
Dr. Willie Marais	8			
Sizwe Mncwango	8			
Daisy Naidoo	8	2		4

\* Appointed as independent non-executive director with effect from 24 February 2017

\*\* Resigned as independent non-executive on 1 December 2016

\*\*\* One remuneration committee was by invitation

## BOARD COMMITTEES

While the board remains accountable and responsible for the performance and affairs of the Group, it delegates to management and board committees certain functions to assist the board in properly discharging its duties.

Each board committee acts within agreed, written terms of reference that are reviewed and updated annually. The chairperson of each board committee reports back to the board on the deliberations of the committee meeting, and minutes of board committee meetings are provided to the board for comment and noting.

The chairperson of each board committee is required to attend annual general meetings to answer questions raised by shareholders. The established board committees are as follows:

- Audit committee
- Remuneration committee
- Social, ethics and risk committee

## AUDIT COMMITTEE

During the financial year under review, the audit committee comprised three independent non-executive directors, appointed by shareholders at the 2016 annual general meeting.

The chairperson, Hester Hickey, is an independent non-executive director. The Group managing director, Group finance director, head of internal audit and the external audit partner are invited to attend meetings. The audit committee met on four occasions during the year. Details of the attendance at meetings by members of the audit committee are provided on page 68 of this report.

The audit committee operates according to the provisions of the Companies Act, and a charter approved by the board, which was reviewed during the year under review in accordance with King III and the Companies Act.

The responsibilities of the audit committee include:

- Overseeing integrated reporting and, in particular, all factors and risks that may impact the integrity of the integrated annual report
- Reviewing the interim and annual financial statements and considering whether they are complete, consistent with information known to the committee members and reflect appropriate accounting principles
- Reviewing the adequacy of management's efforts in maintaining effective internal control systems, including information technology security and control

- Reviewing the performance of the external auditors and recommended approval on the appointment or discharge of the auditors, subject to shareholder approval
- Reviewing the performance of internal audit and ensuring that no unjustified restrictions or limitations on their activities exist
- Reviewing the Group's finance function to satisfy itself of its expertise, resources and experience, assessing the expertise and experience of the Group finance director and disclosing the results of the review in the audit committee's report in the company's annual financial statements
- Exercising oversight of financial reporting risks, information technology risks, internal financial controls, fraud and non-compliance risks as these relate to financial reporting

Audit committee members:

- Hester Hickey (chairperson)
- Ronald Bowen (appointed 13 April 2017)
- Frank Butler (resigned 20 March 2017)
- Daisy Naidoo

Frank Butler resigned as an audit committee member on 20 March 2017 and Ronald Bowen was appointed to the audit committee on 13 April 2017.

For further details on the audit committee's responsibilities and the extent to which it has fulfilled them, please refer to the audit committee's report on pages 113 – 115 of this integrated annual report.

Services rendered by the external auditors during the year under review, and approved by the audit committee, comprised mainly of transaction consulting and other assurance-based engagements, including opinion work not related to or associated with any prohibited services in terms of current policy.

The internal and external auditors both have unrestricted access to the audit committee. The external and internal auditors may report findings to the committee in the absence of members of executive management. It is a duty of the audit committee to ensure that the independence of the external auditor is not impaired.

During the financial year under review, PricewaterhouseCoopers Inc. acted as the external auditor of the company. The audit committee is satisfied that the external auditors observe the highest levels of business and professional ethics, and that their independence is not impaired.

The audit committee is responsible for recommending to the board and shareholders at the annual general meeting, for their consideration, the approval and appointment of the external auditors.

Members of the audit committee conducted a self-evaluation exercise to identify areas that require attention and appropriate action. At the end of each financial year the audit committee reviews compliance with its terms of reference and makes recommendations to address any areas which may require improvement.

## INTERNAL CONTROLS

The Group maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised use, acquisition or disposal. The internal audit function monitors these systems of internal control and reports its findings and recommendations to management and the audit committee. Corrective action is taken as and when control deficiencies or opportunities for improvement in the systems are identified.

The purpose, authority and responsibility of the internal audit function are formally defined in an internal audit charter, which has been approved by the board and is consistent with the recommendation of the Institute of Internal Auditors.

The adequacy and capability of the Group's internal audit structure is subject to review by the audit committee to ensure that adequate, objective internal audit assurance standards and procedures exist within the Group. In this regard, appropriate recommendations are made by the audit committee from time to time to ensure the continued improvement of the internal audit department.

The internal audit function tables audit plans for each business division annually. Follow-up audits are conducted in areas where major weaknesses are identified. The audit plans take into account the coverage of transaction cycles and risks over a three year period.

The system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. During the year, the audit committee regularly reviewed the efficacy of the internal control systems as well as corrective steps to be taken.

The Group maintains a vigilant stance against corporate crimes, and to this end, a whistle-blowing facility is in operation, with reports submitted to the audit committee through internal audit.

The whistle-blowing line, operated by Deloitte, is intended to ensure that a proactive approach is applied to fraud, with a focus on prevention, detection and investigation. This provides assurance to stakeholders that fraud risks within the company are being independently managed and mitigated.

# GOVERNANCE REPORT CONTINUED

## REMUNERATION COMMITTEE

The remuneration committee comprises three non-executive directors and was chaired by Prof Stephanus Loubser, an independent non-executive director, until 1 December 2016 when he retired from the board. Ralph Havenstein, also an independent non-executive director, was appointed as a member and chairperson of the remuneration committee at the meeting held on 24 February 2017. The Group managing director, Group finance director and the Group human resources director attend the meetings by invitation. Other directors and remuneration specialists may be invited to attend meetings to offer special expertise, or to explain the performance of an incumbent under review.

The committee met twice in the year. Details of the attendance at meetings by members of the remuneration committee are provided on page 68 of this report.

The remuneration committee operates under written terms of reference, which are reviewed from time to time. The main responsibilities of the remuneration committee are to:

- Obtain research on market-based compensation practices and levels
- Annually review and decide on the compensation packages and other terms of employment of the executive directors, and the Group managing director's direct reports. Benchmarks are obtained annually through a customised survey conducted by leading compensation consultants
- Review and determine the annual allocation of short-term incentives of executive directors and senior management of the Group
- Develop, implement and review the participation of the executive directors and other senior managers in the Group's long-term share incentive schemes
- Establish and decide on guidelines relating to the annual review of the compensation and benefit arrangements for all employees of the Group

The remuneration committee's overall strategy is to ensure that the Group's remuneration practices remain competitive and that employees are rewarded for their contribution to the Group's operating and financial performances. To remain competitive, remuneration is regularly benchmarked against the broader industry, and revised annually through internal mechanisms such as remuneration committee meetings and through external discussions at industry bargaining forums.

The chairman's compensation does not form part of the mandate of the remuneration committee. A proposal is prepared annually by the non-executive directors of the board and presented for approval to the shareholders at the annual general meeting, for implementation each October.

Succession planning for the Group managing director is not dealt with by the remuneration committee, but by the board as a whole.

Remuneration committee members:

- Prof Stephanus Loubser (chairperson – resigned 1 December 2016)
- Ralph Havenstein (chairperson – appointed 24 February 2017)
- Neville Crosse (resigned 31 May 2017)
- Rod Humphris (appointed 1 June 2017)
- Daisy Naidoo

## SOCIAL, ETHICS AND RISK COMMITTEE

The social, ethics and risk committee (SERC) is responsible for ensuring the Group's compliance and adherence to appropriate risk-management processes as recommended by King III and approved by the board. It also monitors the Group's activities and standing in relation to the promotion of social and economic development, good corporate citizenship (including the promotion of equality, environmental, health and public safety), good labour conditions and good business ethics, as required by the Companies Act.

This committee has a total of four members of the board and executive management, and is chaired by Frank Butler, an independent non-executive director. It is the board's view that management has the requisite experience and knowledge to identify and appropriately manage the business risks of the Group.

A separate risk-management committee operates in accordance with the framework and guidelines of a written risk policy. It reports to the social, ethics and risk committee and has established itself as an important management function, with inputs from all levels of management.

A compliance audit plan and reports are regularly reviewed and approved by the social, ethics and risk committee.

The social, ethics and risk committee acts in accordance with the provisions of the Companies Act and written terms of reference, as approved by the board. Its responsibilities include:

- Monitoring the Group's activities and policies to ensure compliance with the provisions of section 72(4) to (10), as read with Regulation 43 of the Companies Act, and to ensure that employees comply with these policies
- Drawing matters within its mandate to the attention of the board as occasion requires
- Reporting to the shareholders at the company's annual general meetings on matters within its mandate
- Reviewing the regular reports provided by the management risk committee
- Reviewing and debating the risk register of strategic and major risks in these reports
- Reviewing any major incidents
- Debating specific risk areas of concern

- Applying a risk-based approach to the analysis of strategic risk issues within the Group and its wider environment
- Identifying risk-retention capacity and values at risk
- Recommending risk-tolerance levels
- Undertaking an annual internal combined assurance review
- Reviewing the material findings of any examinations by regulatory agencies on risk-related issues
- Reviewing the process for communicating King III to Group employees and for monitoring their risk-related compliance
- Obtaining bi-annual updates from management and Group legal counsel regarding compliance and other legal matters
- Reporting to the board on how it has discharged the duties and activities assigned to it by the charter and the board
- Reviewing any other reports the Group issues that relate to risk
- Assuring the audit committee that it has monitored the risk-management processes within the Group and that it is satisfied that current processes are appropriate and effective
- Reviewing the Group's combined assurance process and reporting to the audit committee and board that it is satisfied that this process is adequately implemented throughout the Group and effectively monitors key identified areas of risk

Social, ethics and risk committee members:

- Frank Butler (chairperson)

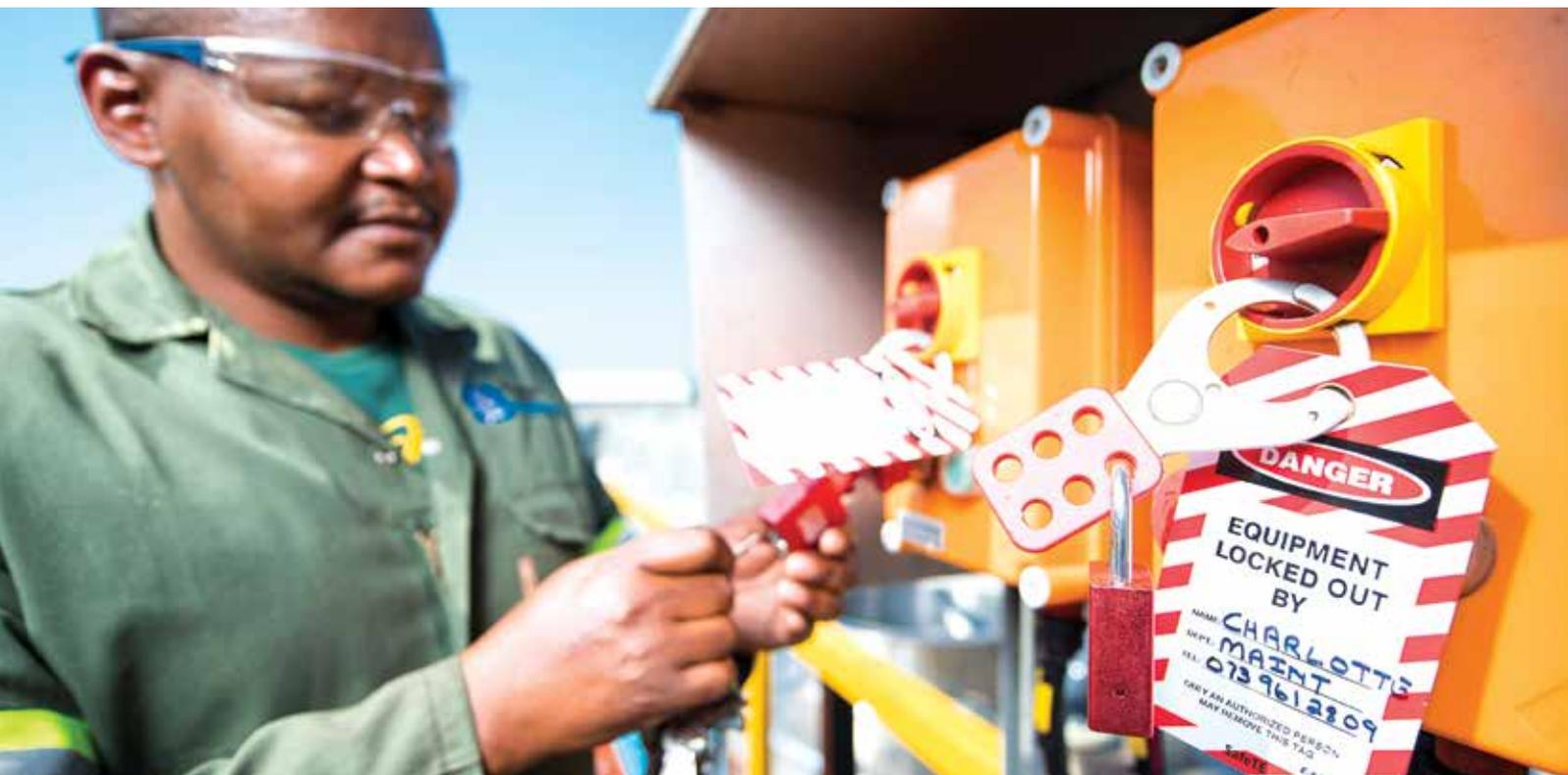
- Neville Crosse (resigned 31 May 2017)
- Adriaan de Lange (appointed 1 June 2017)
- Ralph Havenstein
- Rod Humphris

## COMBINED ASSURANCE

The Group's combined assurance process and reporting is designed to ensure that significant risks facing the Group are adequately addressed. The Group's combined assurance model aims to optimise assurance coverage obtained from management, internal assurance and external assurance providers on the risk areas affecting the Group and the effectiveness of controls that mitigate the risks identified during the risk-assessment process.

The activities of these assurance providers provide three lines of defense. These are:

- Management oversight, including: control self-assessments, management review, delegation of authority, policies and procedures
- Risk-based assurance provided by the Group's corporate functions, including: internal audit, compliance department and SHEQ department
- Independent assurance, including: external audit, regulator reviews, independent third-party expert reviews, International Organisation of Standardization (ISO), CAIA and various certifications



## GOVERNANCE REPORT CONTINUED

The Group's combined assurance model includes an evaluation of the type and quality of assurance obtained. Dependent on the scope of work, the period covered, the issuance (or not) of an assurance statement or certificate, and the accreditation (or not) of the assurance provider, assurance is categorised as limited, moderate or extensive. The assurance quality is also evaluated as being either acceptable or unacceptable. The frequency of assurance is also documented.

The extent, quality and frequency of assurance is assessed within the Group on a risk-by-risk basis and reported to the social, ethics and risk committee, summarised in the following primary areas of activities:

Area	Main assurance provider	Primary standards
<b>Health and safety</b>	External ISO certification and compliance, CAIA	OHSAS 18001, Responsible Care® standards
<b>Finance</b>	External auditors and internal audit	IFRS, JSE Listings Requirements
<b>IT</b>	Independent third-party experts	CobiT™5 and King III (Chapter 5)
<b>Operations</b>	Management, independent third-party experts and compliance department	Policies and procedures
<b>Environment</b>	External ISO certification and compliance	ISO 14001
<b>Personnel</b>	Internal audit	Policies and procedures
<b>Quality</b>	External ISO certification and compliance	ISO 9001 ISO 17025

The implementation of the combined assurance model provides the Group's governance structures with a dashboard of key risks and the assurance obtained for those risks. From this, the social, ethics and risk committee was able to conclude on the completeness and appropriateness of the current assurance activities for each significant risk identified.

The social, ethics and risk committee assessed the extent to which it fulfilled its responsibilities in the financial year under review and is satisfied that it has adequately monitored the Group's activities and policies as required by section 72(4) to (10), as read with Regulation 43 of the Companies Act, and that the Group reasonably complies with these policies. The committee met three times in the year. Details of the attendance at meetings by members of the social, ethics and risk committee are provided on page 68 of this report.

The responsibilities of the risk management committee, which reports to the social, ethics and risk committee, is informed by the Group's risk management philosophy, which is covered on pages 31 to 33 of this report.

### GROUP COMPANY SECRETARY

The Group company secretary, Celeste Appollis, is responsible for providing the board collectively, and each director individually, with guidance on the discharge of their responsibilities in terms of the legislative, regulatory and governance requirements. All the directors have unlimited access to the advice and services of the company secretary. The Group company secretary plays a pivotal role in the company's corporate governance process and ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself and, where appropriate, shareholders are properly administered. The Group company secretary also acts as the compliance officer and delegated information officer of the Group, and is responsible for the execution of statutory requirements applicable to those responsibilities.

Celeste was appointed as Group company secretary in 2007 and as Head of legal and BBBEE/EE officer in 2010. She is accountable to the board, but reports to the Group managing director as far as her responsibilities as Head of legal are concerned. In accordance with the requirements of the Companies Act and the JSE Listings Requirements, as read with King III, she is not a director of the company and therefore has an arm's length relationship with the board. Furthermore, the board has assessed her fulfillment of her duties under the Companies Act and her qualifications, experience and competence, and is satisfied that she has complied with her duties under the Companies Act, and that she has the necessary qualifications and experience to fulfill her responsibilities competently.

### INTEGRATED ANNUAL REPORT

The directors are responsible for the preparation of the integrated annual report, providing key input and guidance to management during the process. The board provides final approval for the integrated annual report.

Management fulfills its responsibilities by maintaining adequate accounting records to ensure the integrity of the integrated annual report. This is accomplished by systems of internal control designed to provide reasonable assurance on their reliability. Such controls provide the Group with the assurance that its assets are safeguarded, that transactions are executed in accordance with management's authorisations and that financial and other records are reliable. This is augmented by the Group's ethics and prescribed policies and procedures, which are regularly updated to take cognisance of shifting circumstances in the financial, non-financial and operational environments.

## CODE OF CONDUCT

The Group prides itself on its reputation for good ethical conduct which has been built up with all of its stakeholders over many years. This stems from the uncompromising belief that honesty, integrity, professionalism and service must underpin every relationship entered into with employees, management, customers, suppliers, governments and the communities in which the Group operates.

The Group has implemented a Code of Conduct (the Code), which has been fully endorsed by the board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. The directors believe that the ethical standards of the Group as stipulated in the Code are adequately monitored and are being met. Where there is non-compliance, the appropriate disciplinary procedures are consistently enforced. The Group responds promptly to offences to prevent their recurrence.

In summary, the Code requires that, at all times, all company personnel act with the utmost integrity and objectivity and in compliance with the letter and the spirit of national laws and Group policies. The Code is provided to each employee as part of induction training, and employees annually sign declarations confirming their compliance with the Code.

## DEALING IN SECURITIES

The Group has a policy in place to ensure that it is compliant with all laws and regulations governing insider trading and trading during prohibited periods. This policy and practice complies with the Financial Markets Act, the JSE Listings Requirements and all other relevant legislation. To comply with this policy and practice, the Group restricts its directors, officers and other employees from dealing in the company's securities prior to any formal announcement in respect of its financial results, or during any other period where such dealings may be considered price sensitive. The policy also regulates the dealings by directors in Omnia's securities, as required by the JSE Listings Requirements. This policy is implemented

and monitored by the company secretary. To comply with JSE Listings Requirements, the chairman approves all share transactions by company directors prior to each transaction. The Group managing director approves all share transactions by the chairman and senior management prior to each transaction. This policy is reviewed and updated from time to time to ensure that it remains compliant with any changes in legislation.

## RELATIONS WITH SHAREHOLDERS

The Group pursues dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives within the parameters of statutory, regulatory and other directives overseeing the dissemination of information by companies and their directors. Management communicates the strategy and performance of the Group with investors and analysts through various presentations and meetings. The preparation of this information is based on the standards of promptness, relevance and transparency.

The Group makes every effort to ensure that information is distributed via a broad range of communication channels with regard to security and integrity while bearing in mind the need for critical financial information to reach all shareholders simultaneously and timeously. In communicating the Group's strategy and results, the Group makes use of communication channels such as the Omnia website [www.omnia.co.za](http://www.omnia.co.za), SENS, as well as print, radio and television media.

Merchantec Capital served as the company's Sponsor during the year under review.

The Group acknowledges the importance of its shareholders attending the annual general meeting as this is an opportunity for shareholders to participate in discussions relating to agenda items and to raise additional issues. Explanatory notes setting out the effects of all proposed resolutions are included in each notice of meeting.

The board is committed to applying and enforcing appropriate corporate governance principles, policies and practices within each of the Group's operations.

## GOING CONCERN ASSESSMENT

At the end of each financial year, the board assess whether the Group continues to be a going concern and whether any factors have significantly changed since the going concern assessment at the interim reporting stage. The board has concluded that there is a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future, and has therefore prepared the financial statements on a going concern basis.