

# KING IV APPLICATION REGISTER 2018

## CORPORATE GOVERNANCE – KING IV APPLICATION REGISTER 2018

This application register has been prepared in terms of the JSE Listings Requirements and sets out the application of the corporate governance principles 6-10 by Mainland Real Estate Ltd (“Mainland”) as recommended by the King IV Report on Corporate Governance and in line with the provisions of the JSE Listings Requirements for companies listed on the AltX (hereafter referred to as King IV).

GOVERNING STRUCTURES AND DELEGATION		
PRINCIPLE	DESCRIPTION	APPLICATION
6	The governing body should serve as the focal point for and custodian of corporate governance in the organisation.	The board of directors of Mainland (the “ <b>Board</b> ”) serves as the focal point and custodian of corporate governance. Its role and responsibilities and the way it executes its duties and decision-making are set out in the Board charter and the charters of the Audit and Risk, Corporate Governance and Investment Committees.
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.	<p><b>Composition of the governing body</b></p> <ul style="list-style-type: none"> <li>• The Board is satisfied that the current composition of the Board has been made taking into account the size of the Company, the optimal mix of knowledge, skills, experience, independence, the requirement in numbers for its committees, quorum requirements and regulatory requirements.</li> <li>• CEO and CFO are members of the Board.</li> <li>• The Board comprises a majority of non-executive directors, most of whom are independent (2 of 3).</li> </ul> <p><b>Appointment of directors</b></p> <p>Directors are appointed by the Board. These procedures are formal and transparent, and a matter for the Board as a whole, assisted by the Corporate Governance Committee. In terms of the Company’s constitution, the appointment of new directors is confirmed by shareholders at the next annual general meeting, following their appointment</p> <p><b>Independence and conflicts</b></p> <ul style="list-style-type: none"> <li>• Declarations of interests are tabled at every Board and committee meeting.</li> <li>• The Board members formally update the register of directors’ interests or when a change is required.</li> </ul> <p><b>Chair of the governing body</b></p> <ul style="list-style-type: none"> <li>• The Chair of the Board is an independent non-executive director.</li> <li>• The role and responsibilities of the Chair is documented in the Duties of the Chairman.</li> <li>• The Chair of the Board is not a member of the Audit Committee.</li> <li>• The Chair of the Board is a member of but not the Chair of the Corporate Governance Committee.</li> </ul>

## GOVERNING STRUCTURES AND DELEGATION

PRINCIPLE	DESCRIPTION	APPLICATION
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.	<p>As set out in the Board Charter, the Board has three committees that assist it in discharging its duties and responsibilities. The committees are as follows: the Corporate Governance Committee (nomination and remuneration matters), the Audit and Risk Committee and the Investment Committee.</p> <p>These committees operate in accordance with Terms of Reference approved by the Board, which are reviewed annually.</p> <p>Executive directors and senior management are invited to attend committee meetings to provide pertinent information and insights in their areas of responsibility. Every director is entitled to attend any committee meeting as an observer.</p> <p>The number of meetings held each year by the Board and each committee and details of attendance are disclosed in the integrated annual report.</p> <p>The Company has processes in place to ensure directors have no conflicts of interest in fulfilling their duties. Where conflicts do exist, they are properly declared and dealt with as per regulations.</p>
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.	<p>The effectiveness and performance of the Board and each individual director, including the Chairperson, is evaluated annually at the last Board meeting held in the applicable financial year.</p> <p>Assessments of the performance of the Committees and its individual members are conducted annually by the Board, assisted by the Company Secretary, by way of internal evaluation processes.</p>
10	The governing body should ensure that the appointment of and delegation to management contribute to the role clarity and effective exercise of authority and responsibilities.	<p>While retaining overall accountability and subject to matters reserved to itself, the Board has delegated authority to the Chief Executive Officer and other Executive Directors to manage the day-to-day affairs of the Company, subject to a delegation of authority framework which contributes to the effective exercise of responsibilities.</p> <p>After the resignation of the Acting Chief Executive Officer, Andrew Glencross, the Company is in the process of recruiting a Chief Executive Officer and such appointment will be announced in due course.</p>