

King IV

Invicta fully supports the principles and objectives of King IV. The governance outcomes described in King IV, namely ethical culture, good performance, effective control and legitimacy forms part of the foundation upon which the Group's business practices are built. An explanation of Invicta's application of the King IV principles can be found below and throughout the integrated annual report. The board recognises the value of the work done by the King Committee, and considers the recommended practices in making decisions. While not every recommended practice has been followed, Invicta believes that the essence of the principles have been applied.

King IV principles	Application
1 The governing body should lead ethically and effectively.	<p>The board members have agreed to follow the Group's code of ethics and the board charter. Directors are further subject to a gift declaration policy, share dealing policy and a policy on the declaration of their personal financial interests. Any transactions which involves board members' external interests are subject to increased scrutiny. The board members do not take part in the decisions where they are conflicted.</p> <p>Board evaluations assist in assessing the effectiveness of the board and of individual directors, and directors are encouraged to raise any problems as they occur.</p> <p>Reports of unethical behaviour may also be routed via the Company's tip-off line.</p>
2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	<p>An ethical culture is spread through behavioural leadership, with executive directors emphasising ethics at an operational level. Unethical behaviour is not tolerated and is investigated and dealt with in a consistent manner.</p> <p>Focus will remain on the communication and strict application of the code of ethics.</p>
3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Please refer to pages 31 to 34 of this Report, as well as the Social and Ethics report on page 38.
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.	Please refer to page 31 of this Report, as well as the Joint Chairman and CEO's report on pages 16 to 19.
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.	<p>Invicta publishes an integrated annual report and annual consolidated financial statements each year, which are freely accessible on its website. The Report is reviewed by the board prior to publication.</p> <p>The Group's corporate governance disclosures, commentary on performance and a summary of the Group's strategy are all publicly available.</p> <p>The Company is further subject to the JSE Listings Requirements, which requires the publication of additional financial and non-financial information.</p>
6 The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Please refer to the Corporate Governance Report on page 37.
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.	Please refer to the Corporate Governance Report on page 37.
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>For more information on board committees please refer to page 37 and to the standing committee reports, which can be found on the following pages:</p> <p>Social and Ethics Committee report – 38</p> <p>Remuneration Committee report – 39</p> <p>Audit Committee report – 2 to 4 of the annual consolidated financial statements</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 board believes that internal evaluations are the most effective way to identify gaps and methods to improve its performance and effectiveness. Directors who serve on other boards provide insight and suggestions based on their experience and the Group company secretary further advises the board on the latest developments relevant to board performance.</p> <p>Executive directors are formally assessed under the supervision of the Remuneration Committee, with the results being submitted to the board.</p>

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(continued)

King IV principles	Application
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.	<p>The board has adopted a delegation of authority document for the Group. The board is satisfied that this document contributes to role clarity and the effective exercise of authority and responsibilities.</p> <p>In respect of professional corporate governance services, the board is supported and advised by a full time Group company secretary. The board further has access to external professional advice where required. The board is satisfied that these arrangements are effective.</p> <p>While the CEO is a director of several smaller group and non-group companies, none of these commitments are significant enough to affect his role as CEO. There is no notice period for the CEO in respect of his employment.</p> <p>Succession planning is in place for all executives and is reviewed on an ongoing basis. The board has considered risk mitigation plans for unexpected vacancies as well as long-term development plans for identified successors.</p>
11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Please refer to page 14 for information on the Company's risks and opportunities, as well as the risk section of the Audit Committee report on pages 3 and 4 of the annual consolidated financial statements.
12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	<p>There are various forums used to govern and manage technology and information throughout the Group. The Information, Communication and Technology ("ICT") Committee is responsible for governance of technology and information in the organisation, while the IT departments are responsible for the management of technology and information within their respective business units.</p> <p>The Committee reviews and approves overall Group ICT strategy with a focus on alignment and organisational risk. Strategies are in place to enhance technology through a process of managed evolution and digital fast tracking.</p>
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.	<p>Management is regularly updated in respect of changes to legislation and non-binding rules in order for them to ensure compliance throughout the organisation.</p> <p>Key areas of focus during the reporting period included ISO surveillance and a review of occupational health and safety procedures in CEG. Over the next financial year Invicta plans to focus on understanding the compliance environment in the new jurisdictions it is entering into.</p> <p>There have been no material or repeated regulatory penalties for non-compliance imposed on the organisation or its directors, and there have been no significant interactions with environmental regulators.</p>
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.	Please refer to the Remuneration Committee report on page 39.
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.	<p>The board uses both internal and external assurance resources.</p> <p>The Group's internal audit department performs its duties in terms of a pre-approved and monitored plan. Their procedures are regularly reviewed to ensure that the most appropriate processes are measured to provide the board with assurance on the most relevant risks.</p> <p>Any deficiencies identified and the remedial actions put in place are monitored by the board and its committees.</p>
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.	Please refer to page 31.