



Organisational overview continued

Application of King IV principles and practices

The following table summarises how Omnia has applied the requirements of King IV, key activities in the financial year as well as focus areas for the coming year:

Desired outcomes	Activities in the year	Proposed 2021 focus
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP		
<p>Principle 1: The governing body should lead ethically and effectively</p>	<ul style="list-style-type: none"> Extended the skills of the board to be more effective Updated the ethics code 	<ul style="list-style-type: none"> Appoint a new lead independent director Create a more principle-based governance policy and structure
<p>Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture</p>	<ul style="list-style-type: none"> Formalised a corruption and gifts policy and aligned with the approved ethics policy Further embedded the contract management process at the divisions Enhanced the provisions for declaring conflicts of interest, with particular focus on the tender process 	<ul style="list-style-type: none"> Ensure further awareness and training on the whistle-blowing facilities
<p>Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen</p>	<ul style="list-style-type: none"> Finalised the Group sustainability strategy, aligned to the overall Group strategy and the relevant SDGs Approved the donation of food parcels to persons affected by lockdowns and other restrictions imposed as a result of COVID-19 Mandated the business to develop and leverage IP to promote environmentally friendly solutions Monitored and reduced consumption of electricity and water and used alternative energy or co-generated where possible Successfully engaged with lenders and investors through the rights issue and debt restructure towards a better understanding of what Omnia does Closed out the Sakhile 1 share scheme including employee pay-outs 	<ul style="list-style-type: none"> Move the Group forward on our sustainability strategy and monitor sustainability performance Readdress the corporate citizenship strategy and set ESG targets Continue to review the cost of water, energy and environmentally friendly options



Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
STRATEGY, PERFORMANCE AND REPORTING		
<p>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</p>	<ul style="list-style-type: none"> Approved key performance metrics and targets for 2020 beyond just financial performance Reviewed and interrogated the strategic direction and objectives in relation to risks, opportunities, resources and relationships at the annual board strategy session Reviewed solvency, liquidity and going concern status 	<ul style="list-style-type: none"> Refine the proposed operating model and implement immediate shifts in focus Consider core competencies required to action the strategic shift
<p>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</p>	<ul style="list-style-type: none"> Provided more detailed trading updates to ensure shareholders have a better understanding of the challenges faced Improved the engagement with key investors through the new management team and remuneration and nominations committee Enhanced the integrated reporting process and integrated thinking 	<ul style="list-style-type: none"> Hold an IAR workshop to ensure the governing body has early input into IAR Strategise and centralise communication with investors and other stakeholders Ensure that all required reports are issued, comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders
<p>Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation</p>	<ul style="list-style-type: none"> With the relative issues faced in the year, the board appointed an ad hoc board sub-committee to oversee the debt restructuring and capital raise and related strategic discussion in that regard with report back to the full board Four additional board meetings were scheduled in the year to ensure the board was appraised of all changes and made well-informed decisions swiftly 	<ul style="list-style-type: none"> Annual declarations of interest for all staff Improve the ethical culture of Omnia by interventions such as an ethics survey and enhanced communication to staff
<p>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</p>	<ul style="list-style-type: none"> Updated the board matrix to assess non-executive directors' skills against targeted areas of expertise and strengthened the board's composition accordingly Evaluated the independence, eligibility and interests of all non-executive directors, with specific focus on long tenured directors Appointed two independent non-executive directors and retired one non-executive director to improve the status of independence and tenure of the board structure Appointed the lead independent non-executive director as the new chair to the board Reviewed board composition against voluntary diversity targets to inform planned restructures 	<ul style="list-style-type: none"> Appoint a lead independent non-executive director Enhance black representation on the board Consider the size of the board Address the appointment of an independent non-executive director with chemical (mining) experience



Organisational overview continued

Desired outcomes

Activities in the year

Proposed 2021 focus

STRATEGY, PERFORMANCE AND REPORTING continued

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, assist with the balance of power and the effective discharge of its duties

- Updated the Group delegation of authority
- Approved the appointment of directors to subsidiaries
- Refreshed the composition of board committees
- Appointed an ad hoc board sub-committee to consider the statement of financial position restructure of Omnia

- Succession planning will commence for key roles
- Strengthening of the finance and IT functions

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

- Performed an evaluation of the board, committees and the company secretary through a series of self-assessment questionnaires

- Consider the need for an independent in-depth performance assessment of the board and its committees

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

- Cascaded the approved Group delegation of authority framework, set risk tolerance levels and aligned them to the requirements of each division

- Streamline the Group structure and legal entities and align the Group governance framework and delegation of authority for divisions and across jurisdictions

Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
GOVERNANCE FUNCTIONAL AREAS		
<p>Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</p>	<ul style="list-style-type: none"> • Due to the cyber-attack and COVID-19, risk was managed at a board and Group executive level rather than at a committee level • Reassessed the insurance portfolio • Reviewed the risk groupings and ratings 	<ul style="list-style-type: none"> • Improve the risk governance process, ensuring a better identification of enterprise risks and opportunities at the time of the strategy and budget discussions biannually • Continue to enhance risk governance processes
<p>Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives</p>	<ul style="list-style-type: none"> • Mandated an investigation into the cyber-attack • Implemented data recovery protocols and ensured internal controls informed any interim manual work required 	<ul style="list-style-type: none"> • Improve all aspects of information and technology governance in a top down and holistic manner, with specific reference to information and cyber-security, an IT architecture framework, oversight of IT operations and performance, governance of outsourcing arrangements and technology and information strategies
<p>Principle 13: The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen</p>	<ul style="list-style-type: none"> • Competition Commission training • Considered legal compliance systems and processes to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Omnia operates • Considered the effectiveness of the Group's ethical policies and whistleblowing hotline 	<ul style="list-style-type: none"> • Monitor compliance to ensure the fulfilment of licence operating conditions • Define Omnia's compliance universe • Continue with Omnia's comprehensive competition law compliance programme to ensure that the Group promotes and maintains a culture of fair competition and good corporate governance • Leverage the Global Platform for Intellectual Property to manage compliance



Organisational overview continued

Desired outcomes

Activities in the year

Proposed 2021 focus

GOVERNANCE FUNCTIONAL AREAS continued

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic and positive outcomes in the short, medium and long term

- Implemented the FY2020 remuneration policy which was aligned with the Group strategy and incorporates the principles of King IV
- Appointed an interim human resources executive to introduce a job grading system and provide strategic direction
- Replaced the Group's long-term incentive plan with the 2020 share plan

- Approve and implement the remuneration policy
- Enforce performance contracts, KPIs and detailed job descriptions
- Consider performance measures of the short-term incentive scheme
- Develop a new employee share scheme

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

- Ensured that the combined assurance model is implemented to effectively cover significant risks and material matters through the various assurance service providers and functions
- Implemented an integrated risk management system (IsoMetrix) for enhanced reliability and integrity of data and trend analysis supporting overarching management
- Achieved effective identification of critical controls and required mitigation measures to adequately address risk aspects
- Ensured greater legal oversight of compliance and the closing out of hotline issues

- Continue endeavours to ensure that the combined assurance process is sufficiently robust to place reliance on the integrity of reports and ensure adequacy and effectiveness of the control environment

STAKEHOLDER RELATIONSHIPS

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

- Held collaborative engagement with the Group's debt providers
- Managed open lines of communication with the top Omnia shareholders
- Identified material stakeholders and oversaw the formulation of stakeholder engagement strategies
- Engaged with institutional investors regarding remuneration

- Consolidate and centralise stakeholder communication
- Improve corporate affairs communication
- Brand protection