Application of King IV principles and practices

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

DESIRED OUTCOMES	APPLICATION	REFERENCE
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP		
The board leads ethically and effectively. The board governs the ethics of Omnia in a way that supports the establishment of an ethical culture and ensures that Omnia is seen to be a responsible corporate citizen.		
Principle 1: The governing body should lead ethically and effectively	• The board terms of reference outline the governing body's duties as custodian of an ethical leadership • The code of ethics and conduct details how individual directors shall at all times act in the best interest of the company • The company secretary appropriately informs directors and executives of closed periods and insider trading legislation. Each board meeting addresses conflicts of interest and required disclosures	• Board terms of reference
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	• Omnia's code of ethics and conduct uncompromisingly states that honesty, integrity, professionalism, and service orientation must underpin each and every relationship Omnia enters into albeit with our employees, management, customers, suppliers or any other stakeholder • The aspirational Omnia culture is value-driven, sustainable, promoting equality, human rights and safety in a fast changing regulatory environment	• Omnia code of ethics and conduct
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	• Ethical business practices, responsible corporate citizenship, human rights considerations, social and economic development, environmental sustainability, good labour conditions, and health and safety are within the mandate of SERC. The board, however, approves the strategy and priorities of the business including those related to sustainability • The remuneration policy denotes fair, responsible and transparent remuneration. An implementation report is included in the IAR each year • Through stakeholder engagement, the organisation commits to a responsiveness to the expectations of our shareholders	• SERC terms of reference • Remuneration policy • HR recruitment and selection policy • Diversity and inclusion policy • Anti-discrimination policy • Sustainability strategy • Stakeholder engagement framework

Corporate governance continued

DESIRED OUTCOMES	APPLICATION	REFERENCE
STRATEGY, PERFORMANCE AND REPORTING		

The board clearly appreciates that Omnia's core purpose, our risks and opportunities, our strategy, business model, performance and sustainability development are all inseparable elements of the value-creation process. Reports are issued by Omnia to enable stakeholders to make informed assessments of our performance and our short, medium and long-term prospects.

DESIRED OUTCOMES	APPLICATION	REFERENCE

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 board reviews and approves the strategic direction and objectives presented by the executive committee
	• During a two-day strategy workshop in March 2021, management presented the updated strategy, providing an opportunity for the board to interrogate key elements of the plan including:
	  ○ Whether the strategy was adequately prioritised and mapped
	  ○ The assumptions were foundation-worthy, the timeframe was achievable
	  ○ The objectives were sustainable, the executive team was sufficiently resourced in capability and capacity
	  ○ Capital was allocated to the correct projects where return of investment could be realised
	  ○ Whether there were macro issues that could affect the materiality of the strategy
	• The board considered the positive and negative consequences of Omnia's activities, how these were leveraged or mitigated, and whether an adequate response had been developed
		• 2021 IAR: governance report
		• Strategy framework

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 was compliant in all material respects with the requirements of the Companies Act, the JSE Listings Requirements and its MOI	• 2021 IAR • AFS
GOVERNING STRUCTURES AND DELEGATING		

Omnia's board serves as the focal point and custodian of corporate governance. The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. Furthermore, the board ensures that arrangements for delegation within its own structures promote independent judgement, assist with the balance of power and the effective discharge of duties. The board evaluates its own performance and that of its committees. Delegation to management contributes to role clarity and effective exercise of authority and responsibilities.

DESIRED OUTCOMES	APPLICATION	REFERENCE
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation	• The board is the custodian of corporate governance and is committed to good governance	• Omnia board terms of reference • 2021 IAR: chair's report • 2021 IAR: governance report
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 independence of the board was confirmed through annual declarations and evaluations • The board draws on a set of desirable skills and industry experience from its members to guide Omnia. A criteria matrix tracks the balance of skills and the level of knowledge of the board. Directors are rated against these criteria. The board it satisfied that it has 'sufficient' to 'advanced' experience in all areas considered	• Omnia board terms of reference • Annual declarations of independence • Skills and diversity matrix

DESIRED OUTCOMES	APPLICATION	REFERENCE
GOVERNING STRUCTURES AND DELEGATING 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	• Omnia's board committees are a forum for communication between the board, management and professional service providers. The delegation of authority to committees does not detract from the board's responsibility to discharge its fiduciary duties to the Group. The committees assist the board to meet the provisions of its charter, promote independent judgement and ensure a balance of power. Each committee has its own terms of reference which are reviewed together with its annual workplan	• Omnia board terms of reference • Committee terms of reference
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	• In June 2021, as required by the relevant terms of reference, performance assessments were completed on the board, its committees and the company secretary. The evaluations were distributed and analysed independently, and outcomes were presented to the respective chairs for feedback to the board as a whole • Results of the board evaluation indicate a well-balanced governing body which is the right size, and which maintains sufficient knowledge and experience according to the criteria matrix. Meetings are well organised and efficiently run. The board discharged its responsibilities and contributes meaningfully to the value creation of Omnia • Each committee confirmed that it had functioned satisfactorily and fulfilled its duties in accordance with its terms of reference and annual workplan	• Annual evaluations of the board and committees • Omnia board terms of reference • Committee terms of reference • 2021 IAR: governance report
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 authority of the board is conferred on management. The CEO leads management for the Group as a whole. To ensure role clarity and an effective exercise of authority, a delegation of authority framework sets out those matters that are reserved for the board and those that are delegated to the CEO, Group FD, executive management or divisional management	• Delegation of authority framework

Corporate governance continued

DESIRED OUTCOMES	APPLICATION	REFERENCE
GOVERNANCE FUNCTIONAL AREAS		

The Omnia board governs risk and IT in a way that supports the organisation in setting and achieving our strategic objectives. The board governs compliance with applicable laws and adopts non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. The board ensures that it remunerates fairly, responsibly and transparently to achieve its short, medium and long-term goals. 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.

DESIRED OUTCOMES	APPLICATION	REFERENCE
Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	• Omnia's key stakeholders and their moderated needs and wants, fundamentally shape Omnia's strategy. The risks arising from the expressed strategy's resultant initiatives and business processes, must be properly managed. The board oversight responsibility for this risk management is delegated to the SERC. A baseline strategic risk register was developed by management and presented to the committee during the May 2021 committee meeting • An important component of reducing risk to an acceptable level is through securing the appropriate level of assurance from the appropriate parties (both internal and external to the company) that matters are indeed as stated, or purported to be • The IAR contains details of material risks to the Group, which include the macro-environment, business ethics, compliance, people, and technology risks	• SERC terms of reference • Strategic risk register • Internal audit charter • 2021 IAR: material risks
Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	• The board is responsible for IT governance, and the upgrade of the security and IT infrastructure was a top priority to address this operational risk. The business continues to focus on the redesign and optimisation of the environment to improve cyber resilience and operational performance • The management of information and technology risk is delegated to the AC. An IT policy supports the confidentiality, integrity and availability of information. A steering committee was constituted to assist management with the implementation of the IT policy	• IT policy • Network security policy • Identity access and credential Management policy • Remote access tools policy • Data and document retention and destruction policy • Acceptable use of IT resources policy • Internet usage monitoring and filtering policy • Firewall and reuter configuration policy
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	• We aim to make a sustainable contribution to the global communities in which we operate. In South Africa, with a thrust towards supplier development and preferential procurement, we have maintained a level 2 B-BBEE rating. The SERC monitors our corporate citizenship responsibilities against a workplan and compliance checklist, and reviews progress against transformation targets and an employment equity plan	• Sustainability strategy • 2021 IAR: sustainability report • 2021 IAR: governance report • 2021 IAR: report of the SERC chair • SERC terms of reference

DESIRED OUTCOMES	APPLICATION	REFERENCE
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	• The governance of remuneration is delegated to the RNC which annually reviews the remuneration policy and implementation, including the allocation of short-term and long-term incentives • The IAR discloses the remuneration to public officers and executive management, as well as the remuneration to non-executive directors	• 2021 IAR: report of the RNC chair • Remuneration policy • Remuneration implementation report • RNC terms of reference
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	• The combined assurance model is a progressive development and will be finalised following the conclusion of the risk appetite and tolerance process. A structured risk training process will be key to embedding the combined assurance model into the organisation	• AC terms of reference • 2021 IAR: report of the AC chair
STAKEHOLDER RELATIONSHIPS		

Omnia's Board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Omnia over time.

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	• Engaging with stakeholders forms an integral part of our strategy, and the board has delegated responsibility to the SERC to approve and review policies relating to the management of stakeholder relationships and to monitor stakeholder engagement plans, guidelines and practices • A sustainability strategy and stakeholder engagement framework govern the relationship and interaction with stakeholders, with the board and SERC assuming responsibility for stakeholder engagement. Stakeholder engagement takes place at all levels, in all geographies, across subsidiaries and the Group. Engagement with shareholders and investors takes place through roadshows, meetings and ongoing interactions facilitated by the investor relations team • In addition to the mandate to the SERC, the board has delegated the responsibility for stakeholder engagement regarding remuneration to the RNC and executive management who engage openly with key stakeholders on matters of material interest	• Sustainability strategy • Stakeholder engagement framework • 2021 IAR: sustainability report • 2021 IAR: report of the SERC chair • 2021 IAR: report of the RNC chair