



OMNIA APPLICATION OF KING IV PRINCIPLES AND PRACTICES

2023



YEARS OF INNOVATION

Application of King IV principles and practices

Desired outcomes	Application	Reference
Leadership, ethics and corporate citizenship		
The board leads ethically and effectively. It 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	<ul style="list-style-type: none"> The board terms of reference outline the governing body's duties as custodian of an ethical leadership. The Omnia code of ethics and conduct details how individual directors shall act in the best interest of the Company at all times. 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Omnia's code of ethics and conduct uncompromisingly states that honesty, integrity, professionalism and service orientation must underpin every relationship Omnia enters into albeit with its employees, management, customers, suppliers or any other stakeholder. The code of ethics and conduct was reviewed in FY23 to align it more closely with current trends and legislation. The aspirational Omnia culture is value driven, sustainable, promoting equality, human rights and safety in a fast-changing regulatory environment. Training was rolled out in FY23 regarding the new South African requirements around corruption, prevention, fraud awareness and reporting. 	<ul style="list-style-type: none"> Omnia code of ethics and conduct Contract management framework Declaration of Interest register
Principle 3: The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen	<ul style="list-style-type: none"> 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 monitoring and tone-setting mandate of the social and ethics committee (SEC). 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 its shareholders. 	<ul style="list-style-type: none"> SEC terms of reference Remuneration policy HR recruitment and selection policy Board nominations and appointments diversity policy Anti-discrimination policy Sustainability strategy Stakeholder engagement framework

Application of King IV principles and practices continued

Desired outcomes	Application	Reference
Strategy, performance and reporting		
<p>The board clearly appreciates that Omnia’s core purpose, its risks and opportunities, its 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 its performance and its short, medium and long-term prospects.</p>		
<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"> The board reviews and approves the strategic direction and objectives presented by the executive committee. During a two-day strategy workshop in March 2023, management confirmed its commitment to the strategy to protect Omnia’s core business while investing and growing internationally. 	<ul style="list-style-type: none"> 2023 IAR: Governance report Strategic framework Capital allocation framework
<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"> The Group was compliant with the requirements of the Companies Act, 2008, the JSE Listings Requirements and its memorandum of incorporation (MOI) in all material respects. 	<ul style="list-style-type: none"> 2023 IAR Annual financial statements Solvency and liquidity test Going concern assessment
Governing structures and delegating		
<p>Omnia’s board serves as the focal point and custodian of corporate governance. It comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. It 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.</p>		
<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"> The board is the custodian of corporate governance and is committed to good governance. 	<ul style="list-style-type: none"> Omnia board terms of reference 2023 IAR: Chair’s report 2023 IAR: Governance report
<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"> The independence of the board was confirmed through annual declarations and performance 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 is satisfied that it has ‘sufficient’ to ‘advanced’ experience in all areas considered. In May 2022, the board bolstered the audit and risk committee by appointing an additional CA(SA). The phased retirement of long-tenured directors is being paused while additional non-executive directors with relevant industry experience are being recruited. 	<ul style="list-style-type: none"> Omnia board terms of reference Annual declarations of independence Skills and diversity matrix Board nominations and appointments diversity policy

Application of King IV principles and practices continued

Desired outcomes	Application	Reference
Governing structures and delegating continued		
<p>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</p>	<ul style="list-style-type: none"> • 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 in meeting the provisions of its charter, promoting independent judgement and ensuring a balance of power. Each committee has its own terms of reference and workplan which are reviewed annually. • To ensure a more effective oversight of safety, ESG, and risk and opportunity, the mandates of the social and ethics committee (SEC) and audit and risk committee (ARC) were restructured in April 2023. 	<ul style="list-style-type: none"> • Omnia board terms of reference • Committee terms of reference
<p>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</p>	<ul style="list-style-type: none"> • In June 2023, as required by the relative terms of reference, performance assessments were completed on the board, its committees and the company secretary. The board chair undertook individual performance interviews with each director and an independent service provider was engaged to evaluate each committee. • Results of the board evaluation indicate a well-balanced governing body that has mutual respect, is able to ensure open and frank discussions, and maintains a good relationship with the executives. • Each committee fulfilled its duties in accordance with its terms of reference and annual workplan and improved its rating over each of the two previous years. 	<ul style="list-style-type: none"> • Annual evaluations of the board and committees • Omnia board terms of reference • Committee terms of reference • 2023 IAR: governance report
<p>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</p>	<ul style="list-style-type: none"> • 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 finance director, executive management or divisional management. A limits of authority matrix applies financial limits to the delegations. 	<ul style="list-style-type: none"> • Delegation of authority framework • Limits of authority matrix

Governance functional areas

The Omnia board governs risk and Information and Technology (IT) in a way that supports the organisation in setting and achieving its 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 these support the integrity of information for internal decision making and the organisation’s external reports

<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"> • 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 mandate for risk is overseen by the audit and risk committee. • In the financial year, the management of risk was improved by the appointment of an enterprise risk manager, and the approval of an enterprise risk management policy and framework. • The internal financial control environment improvement project has provided a more matured process and foundation for CEO/FD attestation statements. Hygiene assessments for each business unit support attestation statements. • Cash flow forecasting has improved with additional controls built in between the Group and business units. 	<ul style="list-style-type: none"> • Enterprise risk management policy and framework • Internal financial control framework • Materiality framework • ARC terms of reference • Internal Audit Charter • 2023 IAR: Material risks • Financial risk management committee • Interest rate risk policy • Tax risk policy and registers
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Desired outcomes	Application	Reference
Governance functional areas continued		
<p>Principle 12: The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives</p>	<ul style="list-style-type: none"> • The board, under the oversight of the ARC, is responsible for IT governance. The business continues to focus on the standardisation and optimisation of the environment to improve operational performance. • A cyber-security maturity assessment was performed by the internal auditors to confirm the adequacy of the cyber-security strategy and roadmap. • An IT policy supports the confidentiality, integrity and availability of information. A steering committee oversees the implementation of the IT policy. The position of chief information officer is to be filled. • The IT strategy is being adjusted to consider the full scope of Omnia's geographic presence and mirror the growth in the business. The drive to automate information, specifically in respect of international operations, will improve visibility of tax risk and compliance. • Omnia's disaster recovery programme (DRP) and enterprise resource planning (ERP) were reviewed by the board. 	<ul style="list-style-type: none"> • 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 router configuration policy
<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"> • Omnia aims to make a sustainable contribution to the global communities in which it operates. In South Africa, with a thrust towards supplier development and preferential procurement, Omnia has maintained a level 2 B-BBEE rating. The SEC monitors the Group's corporate citizenship responsibilities against a workplan and compliance checklist, and reviews progress against transformation targets and an employment equity plan. • The board continues to monitor the draft Employment Equity Act sectoral targets and the relative impact on Omnia. • The board is monitoring the environment, social and governance (ESG) standards anticipated for release in 2023. 	<ul style="list-style-type: none"> • Sustainability strategy • 2023 IAR: Sustainability report • 2023 IAR: Governance report • 2023 IAR: Report of the SEC chair • SEC terms of reference
<p>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</p>	<ul style="list-style-type: none"> • The governance of remuneration is delegated to the RNC which annually reviews the remuneration policy and implementation plan, including the allocation of short-term and long-term incentives. • The IAR discloses the remuneration of public officers and executive management, as well as the remuneration of non-executive directors. • The RNC reviews parity of remuneration and equal pay for equal value of work. • Omnia's remuneration processes continue to mature with performance management now feeding into rewards and remuneration. 	<ul style="list-style-type: none"> • 2023 IAR: Report of the RNC chair • Remuneration policy • Remuneration implementation plan • RNC terms of reference
<p>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</p>	<ul style="list-style-type: none"> • Omnia has adopted a combined assurance approach which integrates assurance and risk management activities across the Group. A combined assurance model provides the landscape to collaborate the efforts of all assurance providers, to avoid duplication of assurance effort, optimise assurance cost and ensure a better understanding of the business by all participants in the forum. Internal audit coordinates its work with that of the other assurance providers, including the external auditors, to provide the ARC with comfort that the significant risks of Omnia are adequately addressed. 	<ul style="list-style-type: none"> • ARC terms of reference • 2023 IAR: Report of the AC chair • Combined assurance model

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Desired outcomes	Application	Reference
<p>Stakeholder relationships</p> <p>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.</p> <p>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</p>	<ul style="list-style-type: none"> Engaging with stakeholders forms an integral part of the Group’s strategy and the board has delegated responsibility to the SEC 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. 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 SEC, 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 remuneration and performance measurement. 	<ul style="list-style-type: none"> Sustainability strategy Stakeholder engagement framework 2023 IAR: Sustainability report 2023 IAR: Report of the SEC chair 2023 IAR: Report of the RNC chair



OMNIA

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