

KING IV APPLICATION REGISTER

The draft King IV Report on Corporate Governance for South Africa 2016 (King IV) was published in anticipation of its launch on 1 November 2016. Whilst it will only replace King III on the effective date, we have completed an assessment of our practices against the principles of King IV to benchmark our practices against the latest available guidelines and trends. Below we detail the practices implemented and progress made towards achieving the principles and, ultimately, the governance outcomes envisaged:

Principle	Practices implemented and progress made
1 Governance outcome: ethical culture	
<p>1.1 Ethical leadership The governing body should set the tone and lead ethically and effectively.</p>	<p>RMI's board of directors is its governing body. The directors hold one another accountable for decision-making and behave ethically, as characterised in King IV. The chairman is tasked with monitoring this as part of his duties. The results of the performance assessment of individual directors in respect of the ethical characteristics they demonstrated were satisfactory. The board will make an ongoing assessment to ensure that the ethical characteristics demonstrated by the individual directors are continued.</p>
<p>1.2 Organisation values, ethics and culture The governing body should ensure that the organisation's ethics is managed effectively.</p>	<p>RMI's values of commitment, integrity, responsibility, innovation and connectivity guide the behaviour of how everyone conducts their daily duties. The code of conduct guides the ethical behaviour of all RMI's employees. This includes interaction between colleagues, with clients, contractors, shareholders, suppliers and the communities within which the company operates.</p>
<p>1.3 Responsible corporate citizenship The governing body should ensure that the organisation is a responsible corporate citizen.</p>	<p>The responsibility for monitoring the overall responsible corporate citizenship performance of the organisation was delegated to the social, ethics and transformation committee by the board.</p>
2 Governance outcome: performance and value creation	
<p>2.1 Strategy, implementation and performance The governing body should lead the value creation process by appreciating that strategy, risk and opportunity, performance and sustainable development are inseparable elements.</p>	<p>This integrated report demonstrates how performance is achieved through the strategic objectives. RMI sets and achieves its strategic objectives with reference to its risks and opportunities. The board assesses both the positive and negative outcomes resulting from its business model continuously and responds to it.</p>
<p>2.2 Reports and disclosure The governing body should ensure that reports and other disclosures enable stakeholders to make an informed assessment of the performance of the organisation and its ability to create value in a sustainable manner.</p>	<p>RMI's ability to create value in a sustainable manner is illustrated throughout its business model.</p>

Principle	Practices implemented and progress made
3 Governance outcome: adequate and effective control – governing structures and delegation	
3.1 Role of the governing body The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The board serves as the focal point and custodian of corporate governance of RMI. Its role and responsibilities and the way that it executes its duties and decision-making are documented and are set out in the board charter.
3.2 Composition of the governing body The governing body should ensure that in its composition it comprises a balance of the skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities.	The board, with the assistance of the remuneration and nomination committees, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities. The board has taken steps to strengthen its succession plan to also include an immediate and interim succession plan in the event of an unforeseen event.
3.3 Committees of the governing body The governing body should consider creating additional governing structures to assist with the balancing of power and the effective discharge of responsibilities, but without abdicating accountability.	Membership of the committees is as recommended in King IV. The composition of the committees of the board and the distribution of authority between the chairman and other directors is balanced and does not lead to instances where individuals dominate decision-making within governance structures or where undue dependency is caused.
3.4 Delegation to management The governing body should ensure that the appointment of, and delegation to, competent executive management contributes to an effective arrangement by which authority and responsibilities are exercised.	A detailed delegation of authority policy and framework indicate matters reserved for the board and those delegated to management. The board is satisfied that RMI is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The chief executive does not have any work commitments outside of RMI and its related companies. A succession plan for the chief executive is in place. The chief financial officer is the head of the finance function and he has a senior manager reporting to him. Internal audit is fully outsourced and the chief financial officer is responsible for overseeing and co-ordinating the effective functioning of the outsourcing arrangement. The company secretary is appointed on a full-time basis with the requisite knowledge, experience and stature. The company secretary's performance is assessed annually and the board is satisfied that the company secretary and the function that he oversees are performing well. The company secretary signs off on disclosure of membership of board structures, the number of meetings of each and attendance at each meeting as well as the overall content of the committee information and reporting that are in the public domain.

Principle	Practices implemented and progress made
<p>3.5 Performance evaluations The governing body should ensure that the performance evaluations of the governing body, its structures, its chair and members, the chief executive and the company secretary or corporate governance professional result in continued improved performance and effectiveness.</p>	<p>Assessments of the performance of the chief executive, chief financial officer and company secretary as well as the performance of the board structures and its members are conducted annually.</p>
<p>4 Governance outcome: adequate and effective control – governance functional areas</p>	
<p>4.1 Risk and opportunity governance The governing body should govern risk and opportunity in a way that supports the organisation in defining core purpose and to set and achieve strategic objectives.</p>	<p>The audit and risk committee assists the board with the governance of risk. The board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of RMI. The audit and risk committee implements a process whereby risks to the sustainability of the company’s business are identified and managed within acceptable parameters. The audit and risk committee delegates to management to continuously identify, assess, mitigate and manage risks within the existing and ever-changing risk profile of RMI’s operating environment. Mitigating controls are formulated to address the risks and the board is kept up to date on progress on the risk management plan.</p>
<p>4.2 Technology and information governance The governing body should govern technology and information in a way that supports the organisation in defining core purpose and to set and achieve strategic objectives.</p>	<p>The audit and risk committee assists the board with the governance of Information Technology. The board is aware of the importance of technology and information as it is closely linked to the strategy, performance and sustainability of RMI.</p>
<p>4.3 Compliance governance The governing body should govern compliance with laws and ensure consideration of adherence to non-binding rules, codes and standards.</p>	<p>There were no material or repeated regulatory penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations.</p>
<p>4.4 Remuneration governance The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.</p>	<p>RMI remunerates fairly, responsibly and transparently to promote the creation of value in a sustainable manner.</p>
<p>4.5 Assurance The governing body should ensure that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.</p>	<p>The board is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.</p>

Principle	Practices implemented and progress made
5 Governance outcome: trust, good reputation and legitimacy	
<p>5.1 Stakeholders As part of its decision-making in the best interests of the organisation, the governing body should ensure that a stakeholder-inclusive approach is adopted, which takes into account and balances their legitimate and reasonable needs, interests and expectations.</p>	<p>RMI has identified its stakeholder groups and actively balances their legitimate and reasonable requirements, interests and expectations.</p>
<p>5.2 Responsibility of shareholders The governing body of an institutional investor should ensure that the organisation responsibly exercises its rights, obligations, legitimate and reasonable needs, interests and expectations, as holder of beneficial interest in the securities of a company.</p>	<p>RMI ensures, through active participation and representation, that it exercises its rights and obligations with regard to its investee companies.</p>