

KING IV APPLICATION REGISTER 2020				
Roles & responsibilities	Principles	Practices	Reference	Governance outcomes
Steers and sets strategic direction	<p>1. Ethical and effective leadership</p> <p>2. Organisational ethics</p>	<p>1. The Cartrack Board of Directors prescribe to conduct that displays integrity, competence, responsibility, accountability, fairness and transparency, consistent with the Group's values. Conflicts are consistently managed to ensure directors act in the best interest of the Company and directors are under obligation to disclose any conflicts prior to commencement of board meetings. The terms of reference of the Board and subcommittees are reviewed annually and are published on the Company website. The Remuneration and Nominations Committee ensures that the directors have the appropriate mix of skills, knowledge and experience to effectively discharge their duties. Measures are in place to ensure that all directors have sufficient knowledge of the business operations, the industry, operating context and applicable regulatory requirements. Evaluation of the individual and collective performance of directors and the Company Secretary is done annually and areas for development are addressed through the Chairman.</p> <p>2. The Company's ethics are governed by the Code of Ethics ("Code"), Media- and Whistle Blowing policies, approved by the Board and implemented, monitored and reported on to the Board by management, through the Social and Ethics Committee. The Code addresses acceptable conduct for employees and directors in interaction with colleagues, customers, suppliers and other stakeholders. It addresses aspects of confidentiality, non-discrimination, acceptance and giving of gifts and entertainment and bribery. All</p>	<p>Annual Integrated Report (AIR) p3, 18 - 19 Code of Ethics</p> <p>Board and committee Terms of Reference (TOR)</p> <p>Code of Ethics</p> <p>Whistle-blowing Policy</p> <p>Media and Public Relations Policy</p>	ETHICAL CULTURE

		<p>Ethics Committee. The Social and Ethics Committee approves an annual plan, implemented and reported on by management, which includes employment equity, development of employees, health & safety, economic transformation, community development and environmental protection measures.</p> <p>The Board is aware of the laws that apply to the business and activities of the Group and the design and implementation of risk management plans to monitor compliance is a specific focus area.</p>		
Approves policy and planning	<p>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> <p>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</p>	<p>4. The Board's paramount responsibility is to ensure that the Company creates value for its stakeholders by driving performance through strategic initiatives in the context of risks and opportunities. The sustainability of the Group's business operations is a key consideration in the development and implementation of the business model. Risks and opportunities are identified and considered as part of this process. The Audit and Risk Committee assists the Board with the governance of risks in accordance with an approved Risk Management Framework. The Board regularly considers the Group's solvency and liquidity and going concern status and is aware of the general viability of the business and the effect of its activities on its capitals.</p> <p>5. The Board is committed to clear, transparent, balanced and truthful communication to all stakeholders. The Company's integrated report, which details both historical performance and future outlook, is published annually and is available on the</p>	<p>AIR p3,7-12, 14,15, 19 – 21, 25 – 27</p> <p>AIR, AFS, SENS</p>	<p>GOOD PERFORMANCE</p>

	short, medium and long-term prospects.	<p>Company's website. Information is also made available to stakeholders via investor presentations and announcements on SENS, which are available on our website.</p> <p>The Company has adopted a policy to govern engagement with the media, dissemination of information and the use of social media.</p>	Media and Public Relations Policy	
Oversees and monitors	<p>6. The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and</p>	<p>6. The roles and responsibilities of the Board and subcommittees, the way in which it makes decisions and executes its duties are set out in the relevant TOR, which are published on the website. Although meetings are scheduled at the beginning of the year, ad hoc meetings are scheduled if required. Agendas and supporting documentation are circulated to the directors before each meeting. The Board considers both financial and qualitative information at their meetings and has access to executive and senior management to validate or enhance information if required. The Board's overarching role is to steer the organisation and to settle its strategic direction, approving policies and planning, overseeing and monitoring implementation and execution by management. In monitoring execution, the Board has to ensure accountability, timely and accurate reporting and adequate disclosure.</p> <p>7. The Board comprises a majority of independent, nonexecutive directors. The chief executive officer and chief financial officer are the executive members of the Board. The roles of chairman and CEO are separate and clearly defined. Abbreviated CVs of Board members are published in the AIR. The Board</p>	<p>TOR</p> <p>AIR p16 – 27</p> <p>AIR p16 – 27 AFS Diversity Policy</p>	EFFECTIVE CONTROL

	<p>responsibilities objectively and efficiently</p> <p>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>	<p>is satisfied that the range of skills, experience, knowledge, diversity and independence represented on the Board is appropriate to enable it to discharge its roles and responsibilities. The Board, with the assistance of the Nominations Committee, annually considers its composition in relation to its ability to discharge its duties. The Company supports the principles and aims of diversity and the Board has adopted a diversity policy</p> <p>8. The Board determines delegation to subcommittees, groups of members, individual members and management. The Board has appointed 3 sub-committees, each with its own Board-approved TOR, setting out its objectives, authority, composition and responsibilities:</p> <p>Audit and Risk Committee – separate agendas are compiled for Audit- and Risk-related matters to ensure that each is afforded the focus required. Separate meetings are held when the subject matter of the agenda require specific focus, such as annual and interim financial reporting. All members of this committee are independent nonexecutive directors with the necessary financial literacy, skills and experience. The Risk agenda comprises review and oversight of risk reports in accordance with the approved Risk Management Framework, IT governance and risks and legal compliance. The executive directors and other members of senior management are invited to attend meetings.</p> <p>Remuneration and Nominations Committee – although the members are the same, separate</p>	<p>AIR AFS</p> <p>TOR AIR AFS</p> <p>TOR AIR</p>	
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	<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> <p>10. The governing body should ensure that the appointment of and</p>	<p>agenda are prepared for Remuneration -and Nominations-related matters and different nonexecutive directors chair the different parts of the meeting, in accordance with the JSE Listings Requirements. All members are non-executive directors.</p> <p>Social and Ethics Committee – The Chairman is a non-executive director. The other members are members of executive management within the Group. Although the recommendation of the King Code is that the majority of members should be non-executive, this recommendation has not been followed, as the functions of this committee overlap with that of the Risk and Remuneration Committees. Moreover, the chair of this committee is the Chairman of the Board and reports back to the Board on the activities of the committee. Minutes of the meetings are circulated to all Board members.</p> <p>9. Formal evaluation of the Board, sub-committees, individual directors and company secretary is performed annually in accordance with Board-approved objectives. The Chairman of the Remuneration Committee coordinates the process and the Board Chairman interviews each individual to discuss the results and address any remediation if required.</p> <p>10. The Board is responsible for the appointment of the CEO, approval of the company strategy, risk management and corporate governance frameworks.</p>	<p>AFS</p> <p>TOR AIR</p>	
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	<p>delegation to management contribute to role clarity and effective exercise of authority and responsibilities.</p> <p>11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>12. The governing body should govern technology and information in a way that supports the organization setting and achieving its objectives</p>	<p>The Board reviews and approves the business plans, monitors financial performance and the implementation of strategies. A detailed delegation of authority clearly determines which matters are delegated to management and which are reserved for the Board. The CEO and CFO are appointed on contract with a notice period of 3 months. The Board annually agrees formal performance objectives with the CEO and measures his performance at the end of the financial year. The CFO's performance is considered and assessed by the Audit Committee on an annual basis.</p> <p>11. The Audit & Risk Committee assists the Board with the governance of risk. The Board recognises the importance of risk management in relation to strategy, performance and sustainability. The Board has implemented a framework for the identification, assessment, mitigation and monitoring of risk by management. Key risks are identified and reported on to the Board.</p> <p>12. The Audit & Risk Committee assists the Board with the management of Information Technology Risk. Management established an IT Steering Committee with terms of reference approved by the Board. The minutes of meetings are circulated to the Audit & Risk Committee. A governance officer has been appointed to monitor IT compliance and risk management.</p>	<p>AIR p25,26</p> <p>AIR p21</p>	
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	<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 organization being ethical and a good corporate citizen</p> <p>14. The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term</p> <p>15. The governing body should ensure that assurance services and functions enable an effective</p>	<p>13. The Board has identified major legislation applicable to the Group and monitors compliance by receiving regular reports from the Company Secretary. Management is responsible for entrenching compliance within business processes. The design and implementation of risk management plans to monitor compliance is a specific focus area. During the review period there were no material finding of non-compliance and there were no sanctions, prosecutions or fines.</p> <p>14. As part of the creation of sustainable value, the Company remunerates fairly, responsibly and transparently. The Group’s Remuneration and Recruitment Philosophy is reviewed by the Remuneration Committee and approved by the Board. The aim is to attract, motivate and retain high-calibre, high-performing and independent minded people with above-average industry ability and leadership potential to effectively achieve operational and strategic objectives. The Remuneration Report is contained in the AIR and the Board proposes a non-binding resolution to shareholders at the AGM to gauge support for its remuneration approach. Enhanced implementation disclosure will be a focus area for the next report. Directors’ remuneration has been disclosed in the AFS.</p> <p>15. The Board has delegated the responsibility to the Audit Committee to oversee the application of a combined assurance model to enable an effective</p>	<p>AIR p21</p> <p>AIR p22 -24 AFS</p> <p>AIR p21 AFS</p>	
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	<p>control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports</p>	<p>control environment, ensuring the integrity of information and reports. This model includes but is not limited to the Group's internal audit function, risk management function, external auditors and regulators, together with such other external assurance providers as may be deemed appropriate or required from time to time. The Company Secretary provides assurance on aspects of corporate governance, legal compliance and the JSE Listings Requirements. The Board has approved the terms of reference for the internal audit function and monitors the implementation of an approved annual, risk-based internal audit plan. With regard to the external auditors, the Audit Committee annually reviews the independence and suitability of both the designated audit partner and the firm in accordance with the JSE Listings Requirements, and considers and satisfies itself that the Global Chief Financial Officer possesses the appropriate qualifications, expertise and experience required to effectively discharge his duties. The Audit Committee annually reviews the Group's system of internal financial controls, risk management and expertise, resources and experience of the finance function to ensure that they are adequate and effective.</p>		
<p>Ensures accountability</p>	<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</p>	<p>16. The Board has identified the Company's stakeholder groups and engages with them to enable effective governance and management of these relationships. The Company encourages regular engagement with shareholders through bi-annual results presentations (which include a webcast), SENS announcements and</p>	<p>AIR p14,15</p>	<p>LEGITI MACY</p>

	<p>stakeholders in the best interests of the organisation over time.</p> <p>17. Responsible investment</p>	<p>Board attendance at the AGM. The Board assumes responsibility for governance across the entire group of companies.</p> <p>17. The Company is not an institutional investor.</p>		
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