

King IV application register 2019

Principle	Application / Explanation	Reference
Leadership, ethics and corporate citizenship		
<p>Principle 1: Leadership</p> <p>The governing body should lead ethically and effectively.</p>	<p>The oversight role of the Board of AfroCentric Investment Corporation Limited (AfroCentric) rests on an ethical foundation, and directors hold one another accountable for acting in the best interests of the Group. The AfroCentric Board subscribes to those generally accepted norms of conduct that find application in society as a whole.</p> <p>AfroCentric has an approved Code of Ethics Policy applicable to all directors and internal stakeholders.</p> <p>The Board’s annual assessment of the performance of its committees and directors, and executives, includes a focus on ethical outcomes.</p>	<p>Corporate Governance Report – Board effectiveness (page 82)</p>
<p>Principle 2: Organisational ethics</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The AfroCentric Board subscribes to the ethical standards detailed in the AfroCentric Code of Conduct and plays an oversight role for the implementation of the Code of Conduct through the Social and Ethics Committee in line with Section 72 of the Companies Act.</p>	<p>Corporate Governance Report - Social and Ethics Committee report (page 88)</p>
<p>Principle 3: Responsible corporate citizenship</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>AfroCentric seeks to invest in healthcare related businesses that demonstrate the potential to grow and diversify its revenue resources while contributing to the sustainable health and welfare of South African communities.</p> <p>Our main operating subsidiary, AfroCentric Health (Pty) Ltd, has achieved a Level 1 BBBEE contributor status. AfroCentric leverages transformation through the diversity of our</p>	<p>Integrated Report – Our Social Impact (page 54)</p>

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	<p>workforce, various skills development initiatives, developing vendors and suppliers through our Enterprise and Supplier Development and Socio-Economic Development Programmes.</p> <p>The Board delegates accountability for monitoring overall corporate citizenship performance to the Social and Ethics Committee.</p>	
Strategy, performance and reporting		
<p>Principle 4: Strategy and performance</p> <p>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>The AfroCentric Group is committed to fulfilling its mission of becoming a leading global, responsible and diversified healthcare investment company, while ensuring that our clients and other stakeholders benefit from our growth. The governance structure of the Board actively identifies and responds to, and communicates on, those material issues that impact on its ability to create value.</p> <p>The Board is responsible to shareholders for creating and delivering sustainable shareholder value by managing the Group’s businesses and ensuring that the strategic objectives of the Group deliver on long-term value.</p>	<p>Corporate Governance overview (page 80)</p>
<p>Principle 5: Reporting</p> <p>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>	<p>The Group’s annual integrated report and annexures are prepared according to the applicable reporting frameworks. The AfroCentric Board has also delegated to the Audit and Risk Committee an oversight role to review the integrity of the annual Integrated Report, Annual Financial Statements and all relevant information to enable key stakeholders to assess the performance of AfroCentric in the short, medium and long-term.</p>	<p>Integrated Report and Annual Financial Statements (www.afrocentric.za.com)</p>
Governing structures and delegation		

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<p>Principle 6: Primary role and responsibilities of the governing body</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The Board of directors adheres to an approved Board Charter and the requirements of the JSE Limited, Companies Act and King IV, which enables it to execute its responsibilities in an ethical manner and based on principles of good corporate governance.</p>	<p>Corporate Governance Report – Board Committees and Attendance (page 82)</p>
<p>Principle 7: Composition of the governing body</p> <p>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>	<p>The AfroCentric Board is comprised of highly qualified directors from diverse backgrounds, reflective of the changing demographics of the economy. AfroCentric recognises that a diverse board is able to make decisions more effectively by reducing the risk of “groupthink”, paying more attention to managing and controlling risks and having a better understanding of the Group’s clients.</p>	<p>Corporate Governance Report – Board gender diversity (page 76) and The Board of Directors (page 71)</p>
<p>Principle 8: Committees of the governing body</p> <p>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>The Board is supported by six Board sub-committees which have delegated responsibilities on its oversight role, namely:</p> <ul style="list-style-type: none"> • Nominations Committee • Audit and Risk Committee • Remuneration Committee • Investment Committee • ICT Steering Committee • Social and Ethics Committee 	<p>Corporate Governance Report – Board Committees and Attendance (page 83)</p>
<p>Principle 9: Evaluations of the performance of the governing body</p> <p>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</p>	<p>An annual assessment of the performance of the Board and its sub-committees is conducted and reported to the Board as appropriate. The Company Secretary in consultation with the Chairperson, are responsible for implementing any actions emanating from these evaluations in order to improve the effectiveness of the Board.</p> <p>All new Board members are inducted by the Company Secretary and the Chairperson of</p>	<p>Corporate Governance Report – Board effectiveness (page 82)</p>

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performance and effectiveness.	the Board on the strategic thrust, including the growth strategy, of the Group.	
<p>Principle 10: Appointment and delegation to management</p> <p>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>	<p>AfroCentric has an approved Delegation of Authority Policy which outlines the Board's inherent powers and delegated authority to management.</p> <p>The Board approves the appointment of the CEO, Executive Directors and the Company Secretary. Through the Remuneration Committee, the Board monitors and ensures effective succession planning.</p>	Corporate Governance Report – Board Committees and Attendance (page 82)
<p>Principle 11: Risk governance</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	The AfroCentric risk management process enables it to mitigate risks that could hinder the achievement of strategic objectives and opportunities. The Board and the Audit and Risk Committee oversee the Group's risk management processes in line with the Enterprise Risk Management Framework, Risk Policy and Risk Appetite.	Enterprise Risk Management Report (page 90)
<p>Principle 12: Technology and information governance</p> <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	The Board has delegated its oversight role on ICT Governance to the ICT Steering Committee, which is responsible for fusing the ICT and business strategies, goals and resources in order to achieve competitive advantage through cost-effective application and management of ICT systems and resources in the Group.	Corporate Governance Report – Board Committees and Attendance (page 85)
<p>Principle 13: Compliance governance</p> <p>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	Compliance is implemented through development and monitoring of the Regulatory Compliance Universe that contains all relevant applicable legislation, categorised according to the level of significance, namely Core, Secondary and Topical. This further includes two formal, established projects, firstly, on implementation of the Protection of Personal Information Act (POPIA) and, secondly, the Insurance Fraud Management System (IFM),	Corporate Governance Report – Governance policies, procedures and processes (page 89)

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	that is implemented to recover proceeds on healthcare fraud, waste and abuse.	
<p>Principle 14: Remuneration governance</p> <p>The governing body should ensure that the organisation 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>The Board has delegated its oversight role on remuneration governance to the Remuneration Committee, which is responsible for implementation of the approved Remuneration Policy, the Remuneration Report for purposes of disclosure on the Integrated Report, and remuneration of executives and senior management.</p>	<p>Corporate Governance Report – Board Committees and Attendance (page 87)</p>
<p>Principle 15: Assurance</p> <p>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>	<p>AfroCentric has a delegated Combined Assurance Committee that ensures the effective implementation of controls and processes by all assurance providers from all levels of defence. This is strictly monitored by the Audit and Risk Committee.</p> <p>AfroCentric has an independent Internal Audit function, headed by the CAE and governed by an approved Internal Audit Charter, which outlines the role, organisational status authority, responsibilities and scope of Internal Audit activity.</p>	<p>Corporate Governance Report – Governance policies, procedures and processes (page 93)</p>
Stakeholder relationships		
<p>Principle 16: Stakeholders</p> <p>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>	<p>The stakeholder management of AfroCentric is implemented under the leadership of the Group Marketing and Corporate Affairs Department. All key engagements within stakeholder management are geared towards ensuring that our stakeholders, both internal and external, benefit from our growth path.</p>	<p>Integrated Report – Stakeholder Engagement (page 49)</p>