

AUDIT COMMITTEE

Mandate from the Board

- Assists the Board by advising and making submissions on the financial reporting, oversight of governance, financial risk management processes and internal financial and non-financial controls, independent audit functions and statutory and regulatory compliance

Legislation, regulation and governance

- The Audit Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Audit Committee has complied with its charter and its legal and regulatory responsibilities set out in the Listings Requirements and Companies Act
- The Audit Committee has considered the requirements of King IV and certain recommended practices still require application

Membership

- Three independent non-executive directors with suitable skills and experience
- All members of the Board attend the Audit Committee meetings by invitation
- The independent auditor attends relevant sections of the Audit Committee meetings and have unrestricted access to the members of the Audit Committee
- The Chairman of the Audit Committee also chairs the Risk Committee, which ensures that the functions of these committees align in understanding and overseeing the risk management and financial risk management processes

Meetings held during the year

- Five scheduled meetings
- One special meeting

Responsibilities

- Reviewing the Consolidated and Separate Annual Financial Statements prior to approval, both with management and in a separate forum with the independent auditor
- Reviewing the appropriateness of the accounting policies and ensuring that the Consolidated and Separate Annual Financial Statements fairly present the financial performance, financial position and cash flows of the Company and the Group as at 28 February 2019
- Considering and pre-approving any proposed agreements in respect of non-audit services to be provided by the independent auditor
- Reviewing arrangements for combined assurance
- Receiving and addressing any concerns or complaints relating to the accounting policies, internal controls, internal financial controls or auditing of the Consolidated and Separate Annual Financial Statements

- Making submissions to the Board on any matter related to the Company's accounting policies, financial controls, records and reporting procedures

Key focus areas for FY2019

- Reviewed the appointment of BDO as the Group's independent auditor and recommended the appointment of Moore Stephens as independent auditor
- Reviewed the independence of Moore Stephens to act as the Company's independent auditor and confirmed such independence to the Board
- Reviewed the terms of engagement and fees of Moore Stephens and compliance with relevant legislation
- Considered the impact of changes to the application of IFRS15 in respect of DIBs and PPE
- Considered the impact of IFRS10 resulting in the consolidation of The ConnectNet Incentive Trust, as well as the impact of IFRS2 in the accounting treatment, as well as current and future share-based payments
- Reviewed the JSE's report back on proactive monitoring for 2018

Key focus areas for FY2020

- Review of the adequacy and effectiveness of internal control over financial reporting
- Enhanced engagement with internal and external resources relative to discharging the Audit Committee's functions

Key disclosures

- The Audit Committee Report to Shareholders is on pages 77 to 78 of the annual financial statements and includes key disclosures by the Audit Committee

Annual performance evaluation

- The Audit Committee assessed its performance and effectiveness during the period under review and was found to be functioning and discharging its duties satisfactorily.

RISK COMMITTEE

Mandate from the Board

- Assists the Board in ensuring that management identifies and implements appropriate risk management controls
- Assists the Board in reviewing both upside risk and downside risk which may affect the Company
- Assists the Board in ensuring that risk is governed in a manner which promotes the delivery of the Growing Huge Strategy

Legislation, regulation and governance

- The Risk Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Risk Committee has complied with its charter

03 Governance continued

- The Risk Committee has considered the requirements of King IV and certain recommended practices still require application

Membership

- Four non-executive directors, the majority of whom are independent
- Chairman of the Risk Committee is independent
- All members of the Board attend the Risk Committee meetings by invitation
- Chairman of the Risk Committee also chairs the Audit Committee, which provides the Risk Committee with the ability to interact closely with the functions performed by the Audit Committee to ensure that there is an adequate understanding of the risk management processes

Meetings held during the year

- Three scheduled meetings

Responsibilities

- Ensuring that effective risk management policies and strategies are in place and are recommended to the Board for approval
- Ensuring that the material risks are identified and that appropriate risk management processes were in place
- Reviewing the adequacy of the risk management plan
- Monitoring the Company's risk identification and assessment methodologies
- Ensuring that appropriate resources are directed towards areas of high risk
- Ensuring that stakeholder risk management as an integral part of the groupwide risk management plan
- Reviewing the insurance and other risk transfer arrangements and considering whether appropriate coverage is in place
- Reviewing the Company's sustainability risk on a regular basis

Key focus areas for FY2019

- Monitored the effective implementation of risk management policies and strategies by management
- Reviewed and approved the Company and Group risk registers, ensuring that the risks are identified on a quantitative and qualitative basis, according to probability and impact
- Reviewed the Company's IT governance structures and procedures

Key focus areas for FY2020

- Review of the Company's risk appetite and risk tolerance levels, relative to reward or opportunity risk
- Review of the Company's exposure to security risk

Key disclosures

- The Materiality and Risk Report is on pages 24 to 26, which sets out the key disclosures of the Risk Committee

Annual performance evaluation

- The Risk Committee assessed its performance and effectiveness during the period under review and while it was found to be functioning and discharging its duties satisfactorily

INVESTMENT COMMITTEE

Mandate from the board

- Assists the Board in deliberating any strategic investment activity and interactions with the investment community

Legislation, regulation and governance

- The Investment Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Investment Committee has complied with its charter

Membership

- Four members, including executive and non-executive directors
- All members of the Board attend the Investment Committee meetings by invitation

Meetings held during the year

- Four scheduled meetings

Responsibilities

- Consider potential acquisition opportunities and make representations to the Board
- Monitor compliance with the Company's Investor Relations Policy
- Monitor compliance with the Company's Capital Structure Policy
- Review activities relating to investor relations and communications
- Review and recommend the appointment of service providers in respect of the Company's investment activities

Key focus areas for FY2019

- Consider potential acquisition opportunities, including any due diligence activities undertaken in respect of potential targets and make recommendations to the Board

Key focus areas for FY2020

- Review and make recommendations to the Board in respect of delivering the strategic objective of growing the Group through acquisitive action

Key disclosures

- The Investment Strategy on page 6 discloses to shareholders the criteria which the Investment Committee considers in respect of potential acquisition opportunities

Annual performance evaluation

- The Investment Committee assessed its performance and effectiveness during the period under review and it was found to be functioning and discharging its duties satisfactorily

REMUNERATION COMMITTEE

Mandate from the Board

- Assists the Board in discharging its responsibilities relating to the remuneration of the Company's executive directors and senior management of the Group
- Oversees the development of, and monitors the consistent application of, the Group's Remuneration Policy and Remuneration Implementation Plan
- Assists the Board in ensuring that the disclosure of remuneration matters is accurate, complete and transparent

Legislation, regulation and governance

- The Remuneration Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Remuneration Committee has complied with its charter and its legal and regulatory responsibilities set out in the Listings Requirements and Companies Act
- The Remuneration Committee has considered the requirements of King IV and certain recommended practices still require application

Membership

- Three non-executive directors, of which one is independent
- The Board Chairman is also the Chairman of the Remuneration Committee; however, the Board is of the view that Dr da Silva is the most suitable candidate for this role, due to his experience in respect of aligning remuneration practices with strategic delivery
- Vincent Mokholo, while not independent, is considered by the Board to be an important appointment to the Remuneration Committee, due to his experience in respect of remuneration matters
- All members of the Board attend the Remuneration Committee meetings by invitation
- Executive directors do not participate in the deliberations relating to their own remuneration

Meetings held during the year

- Four scheduled meetings

Responsibilities

- Reviewing the outcomes of the Remuneration Implementation Plan and determining whether the Remuneration Policy is achieving its intended objectives

- Reviewing the annual remuneration trends of the Group and noting any significant changes in remuneration and/or employee benefit structures and policies that management may implement from time to time
- Overseeing implementation of remuneration practices with a view to ensuring that same supports the achievement and ongoing delivery of the Growing Huge Strategy
- Advising the Board on the remuneration of the non-executive directors, having given due consideration to independent research and market related practices
- Reviewing the terms and conditions of the employment contracts of the executive directors
- Considering whether benefits, including any retirement benefits and other financial arrangements, were appropriately administered and valued

Key focus areas for FY2019

- Considered the Remuneration Policy and approved an amendment to the remuneration philosophy which provided for the Company to pay market related industry salaries in the median, rather than the upper, quartile.
- Engaged with shareholders on executive remuneration
- Approved a budget increase of 5.5% for Huge employee remuneration
- Assessed the performance of the Chief Executive Officer against agreed criteria and recommended the award of a performance-based incentive
- Mandated executive management to develop performance criteria for senior executives
- Mandated executive management to develop an incentive scheme for senior executives and employees

Key focus areas for FY2020

- Enhanced review of remuneration trends, practices, performance appraisals and benchmarking
- Implementation of the performance measurement targets and incentive scheme for executive directors, senior executives and employees

Key disclosures

- The Remuneration Report on pages 42 to 47, which includes the key disclosures of the Remuneration Committee

Annual performance evaluation

- The Remuneration Committee assessed its performance and effectiveness during the period under review and it was found to be functioning and discharging its duties satisfactorily.

03 Governance continued

NOMINATION COMMITTEE

Mandate from the Board

- Assists the Board to determine the process for nominating, electing and appointing members to the Board and its committees
- Assists the Board in considering succession planning procedures
- Oversees the Board and committee evaluation processes
- Assesses the independence of non-executive directors

Legislation, regulation and governance

- The Nomination Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Nomination Committee has complied with its charter
- The Nomination Committee has considered the requirements of King IV and certain recommended practices still require application

Membership

- Three independent non-executive directors
- Chairman of the Nomination Committee is independent
- All members of the Board attend the Nomination Committee meetings by invitation

Meetings held during the year

- Two scheduled meetings

Responsibilities

- Overseeing succession planning for the Board, committees, executive directors and senior management and ensuring that suitable processes are implemented
- Considering the rotation of directors and making recommendations to the Board in respect of directors retiring by rotation and standing for re-election at the annual general meeting of shareholders, after assessing the credentials and fitness for office of each director
- Considering the members of the Audit Committee and making recommendations to the Board in respect of the re-election to the Audit Committee at the annual general meeting of shareholders, after assessing the credentials and fitness for office of each member
- Developing criteria for the selection of candidates to serve on the Board
- Reviewing the structure and composition of the Board committees and recommending changes to the Board where appropriate
- Evaluating the effectiveness of the committees and reporting its findings to the Board

- Keeping abreast of corporate governance practices and making recommendations to the Board for participation in continued professional development
- Reviewing the adequacy of the directors' and officers' liability insurance coverage for all Board directors and prescribed officers
- Reviewing and monitoring the Company's application of the Gender and Racial Diversity Policy

Key focus areas for FY2019

- Implementation of succession planning processes for the Board, committees, executive directors and senior management
- Considered the suitability of appointments of the Chief Operating Officer and the Chief Financial Officer and recommended same to the Board for approval

Key focus areas for FY2020

- Review of committee structure and membership
- Oversee the implementation of the succession planning processes for executive directors and senior management
- Overseeing arrangements in respect of continued professional development for members of the Board, executives and senior management

Key disclosures

- The Gender and Racial Diversity Policy is on page 29 of the Governance Report. A groupwide succession planning exercise was conducted during FY2019 and is discussed on page 29 of the Governance Report

Annual performance evaluation

- The Nomination Committee was constituted by the Board during the prior reporting period and will undergo its inaugural evaluation process during the next reporting period

SOCIAL AND ETHICS COMMITTEE

Mandate from the Board

- Assists the Board in monitoring compliance with legislative, regulatory requirements and codes of best practice in respect of social and economic development, corporate citizenship, transformation, environmental matters, health and public safety, stakeholder relationships and labour and employment

Legislation, regulation and governance

- The Social and Ethics Committee has adopted a formal charter which is reviewed annually
- The Board is satisfied that the Social and Ethics Committee has complied with its charter and its legal and regulatory responsibilities as set out in the Companies Act and the Listings Requirements
- The Social and Ethics Committee has considered the requirements of King IV and certain recommended practices still require application

Membership

- Three members, the majority of whom are non-executive directors
- Chairman of the Social and Ethics Committee is independent
- All members of the Board attend the Social and Ethics Committee meetings by invitation

Meetings held during the year

- Three scheduled meetings

Responsibilities

- Monitoring the Company's compliance with the Revised B-BBEE Codes and the ICT Sector Charter
- Ensuring that the Company is, and is seen to be, a good corporate citizen
- Ensuring that the Company complies with the relevant labour and employment legislation
- Ensuring that the Company complies with the relevant consumer protection legislation
- Considering the impact of the Company on the environment, as well as matters related to the health and safety of its employees
- Overseeing policy implementation which supports ethical behaviour

Key focus areas for FY2019

- Monitoring the implementation of B-BBEE compliance plans
- Reviewed the Company and Group gender and racial diversity policies
- Reviewed the Group's environmental and safety reports
- Overseeing the development of a revised Code of Ethics as a key component of the strategic initiative of the Growing Huge Strategy to create a people centric organisation, which entrenches an ethical value system across the Group

Key focus areas for FY2020

- Monitor the implementation of B-BBEE compliance plans across the Group
- Monitor the implementation of the revised Code of Ethics on a groupwide basis

Key disclosures

- The Social and Ethics Committee Report to shareholders is on page 48 of the Governance Report, which discloses to shareholders how it has discharged its obligations.

Annual performance evaluation

- The Social and Ethics Committee assessed its performance and effectiveness during the period under review and it was found to be functioning and discharging its duties satisfactorily