

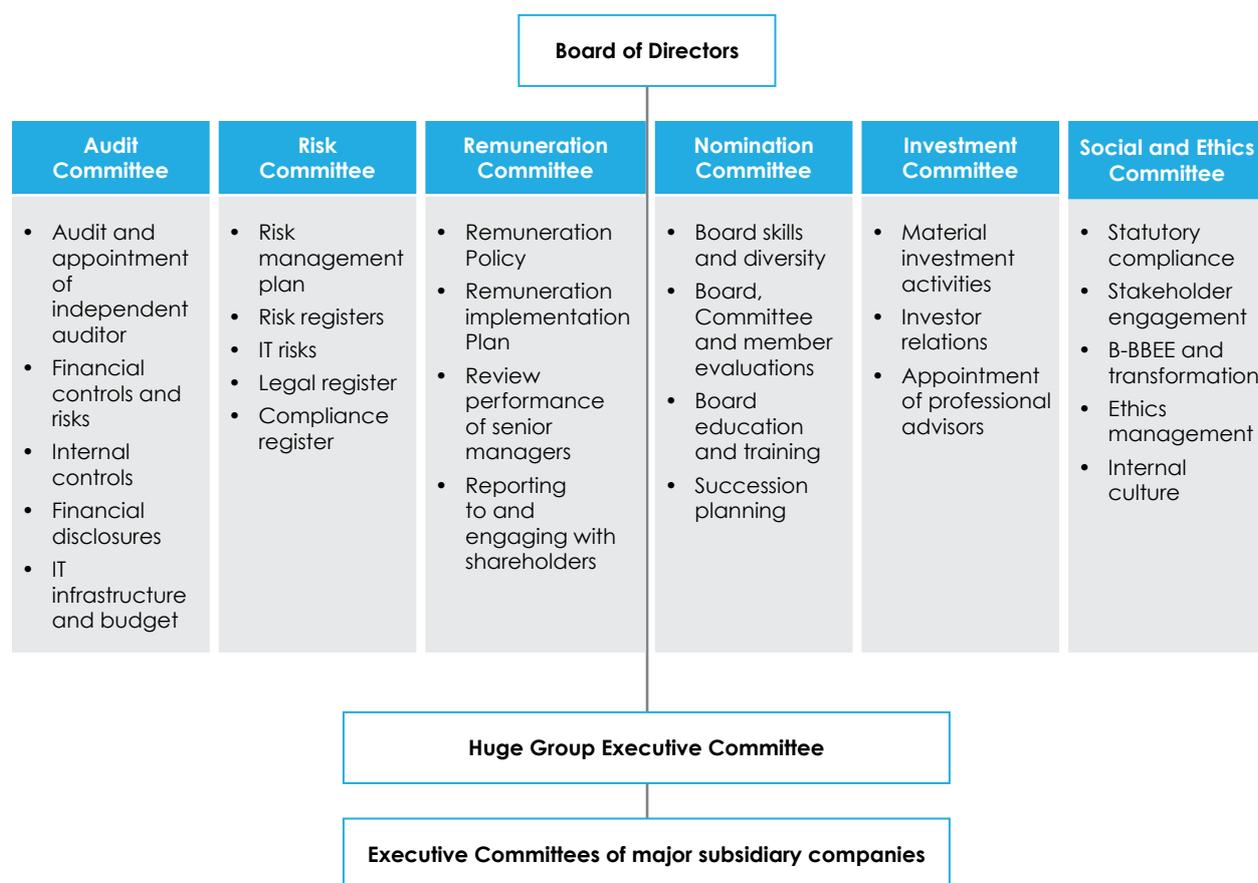
03 Governance

GOVERNANCE REPORT

Overview

Huge and its subsidiary companies value the principles of sound corporate governance as a means to ensuring that the Group delivers sustainable value to its stakeholders.

Governance at Huge is subject to the oversight of the board of directors, which exercises control through the appropriate level of delegation to committees and executive management as detailed below.



03 Governance continued

King IV

During the period under review, the Board continued to implement governance procedures to align with the recommended practices of King IV. Whilst the Group has commenced the process of applying King IV, certain recommended practices still require application.

Governance requirements

In ensuring that the Group meets its governance requirements, management has regard to the following legislation, regulation and internal standards:

- Vision and mission
- Companies Act
- JSE Listings Requirements
- A2X Market Listings Requirements
- King IV
- 10 Principles of the United Nations Global Compact
- Regulatory licence terms and conditions
- Code of Ethics

The board of directors

The Board is the highest governance authority in the Group and remains responsible for the Group's adherence to principles of good governance, ensuring that decisions taken are made with reasonable care, skill and diligence.

The MOI of Huge requires the Board to have a minimum of five directors. The Board currently comprises nine members, of whom three are executive directors, two are non-executive directors and four are independent non-executive directors, ensuring a balance of authority which precludes any one director from exercising unfettered power of decision-making. Directors are appointed to the Board following a formal process, which is overseen by the Nomination Committee. Directors are required to dedicate sufficient time to meeting the Board's requirements. Each director offers the Board a high degree of knowledge, skill and experience in the areas of strategic reference to the Group as a whole.

The role of the Chairman and the Chief Executive Officer are separate. The Chairman of the Board, Duarte da Silva, is not independent and accordingly, the Board has appointed Steve Tredoux to act as the Lead Independent Director. The Board has considered the duration of Mr Tredoux's tenure and is satisfied that he remains independent. The Board views the role of its non-executive directors as essential to protecting shareholders' interests, including those of minority shareholders. Members of the Board remain up to date with Group activities and developments through regular interaction with the executive directors and members of the senior management team. Directors are entitled to receive independent professional advice at the expense of the Company and have unrestricted access to the management team, independent auditor and the Company Secretary.

The Board composition is set out on pages 32 to 33 of this Report, including a brief CV of each director. The categorisation of members is made in line with the Companies Act, King IV and the Listings Requirements. The Board Charter places specific responsibilities on the Chairman, Lead Independent Director, Chief Executive Officer and Company Secretary in respect of overseeing the implementation of sound corporate governance practices. The Chairman is required, *inter alia*, to set the ethical tone for the Board and the Company and provide overall leadership to the Board, ensure that conflicts of interest are managed appropriately and ensure that members of the Board play a full and constructive role in the affairs of the Company. The Lead Independent Director is required, *inter alia*, to fulfil the functions of the Chairman whenever the Chairman is absent or conflicted, serve as a sounding board for the Chairman and act as an intermediary between members of the Board and the Chairman. The Chief Executive Officer is required, *inter alia*, to oversee the implementation of the Board approved strategy and supporting policies. The key responsibilities of Board members are set out in further detail in the Board Charter and Committee Charters, which are available at www.hugegroup.com.

Chief Financial Officer

Samantha Sequeira was appointed as the Chief Financial Officer on 25 March 2019, the position having previously been held by Zunaid Bulbulia, who resigned with effect from 31 December 2018. The Audit Committee has evaluated the expertise and performance of Mrs Sequeira and is satisfied that she has the appropriate knowledge, skills and experience to perform the functions required by her office. The Audit Committee is also satisfied that she is supported by adequate and competent staff.

Company Secretary

The Company Secretary is required, *inter alia*, to oversee Board governance and guide the directors collectively and individually on their duties, responsibilities and powers. All members of the Board have unrestricted access to the Company Secretary, who provides guidance on the duties and responsibilities of the directors. Following a review of the performance of the Company Secretary during the reporting period, the Board is satisfied that Mrs Robinson is competent, suitably qualified and has the necessary knowledge, skills and experience to adequately perform the functions required by her office. Mrs Robinson is not a director of the Company nor any subsidiary company thereof and has an arm's length relationship with the Board.

Board appointments and rotation

The Nomination Committee oversees the formal process for appointing and evaluating directors. The Company's MOI requires that at least one third of non-executive directors must retire at the Company's annual general meetings on an annual basis. These retiring members of the Board may be re-elected, provided they are eligible. The Board, through the Nomination Committee,

recommends the eligibility of these directors for re-election, taking into account their past performance and contribution to the Board.

Accordingly, the Board recommends that Dennis Gammie, Vincent Mokholo and Steve Tredoux, who are standing for re-election, be duly re-elected to the Board by shareholders. Furthermore, the Board recommends that the appointments of Andy Openshaw and Samantha Sequeira, who were appointed subsequent to the last annual general meeting, be confirmed by shareholders.

Gender and Racial Diversity Policy

Improving the Group's B-BBEE profile is a key strategic objective of the Growing Huge Strategy. The Board continuously seeks to improve upon its current level of gender and racial diversity and is supported in this process by the policies of the Nomination Committee and the Social and Ethics Committee. The Board recognises the value of diversity to the quality of its decision-making processes, as well as a positive contribution to transformation.

Succession planning

During the reporting period, the Board, through the Nomination Committee, undertook a comprehensive review of key executive and senior management positions with specific regard to succession planning. Key individuals were identified who could fulfil short-term

appointments on an emergency basis, as well as individuals who could provide long-term succession to these positions. Personal development plans for these individuals are under way to ensure that they are adequately prepared to assume responsibility for key executives and senior management positions.

Directors' dealings in Huge shares

Closed periods and prohibited periods are imposed by the Company in line with the Listings Requirements. Notifications of these periods are distributed to the Board, the directors of subsidiary companies and employees across the Group. Share dealings are managed by a formal policy on share trading and confidentiality and any directors' dealings require the pre-approval of the Chairman. The Company Secretary maintains a register of directors' dealings.

Board remuneration

Non-executive members of the Board are remunerated for their services to the Company by way of a monthly retainer and an attendance fee. Where required, reasonable travel expenses are paid. Shareholders approve these fees on an annual basis at the annual general meeting. Further information on the non-executive director fees are set out in the Remuneration Report on pages 42 to 47.

Board attendance

Directors	Board meetings	Special Board meetings	Audit Committee	Special Audit Committee	Risk Committee	Investment Committee	Social & Ethics Committee	Remuneration Committee	Nomination Committee
No. of meetings held during the year	5	3	5	1	3	3	3	4	2
DF da Silva	5	3	–	–	3	3	–	4	–
SP Tredoux	4	3	4	1	3	–	3	–	–
JC Herbst	5	3	–	–	–	3	–	–	–
Z Bulbulia ¹	4	1	–	–	–	2	3	–	–
BC Armstrong	5	3	–	–	3	–	–	–	2
DR Gammie	5	3	5	1	3	–	–	4	2
CWJ Lyons	5	3	5	1	–	3	–	–	2
VM Mokholo	5	3	–	–	–	–	3	4	–
KE Robinson ²	–	–	–	–	–	–	3	–	–

¹ Z Bulbulia resigned with effect from 31 December 2018.

² KE Robson is the Company Secretary and a member of the Social and Ethics Committee.

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APPLICATION OF KING IV AND SECTION 3.84 OF THE JSE LISTINGS REQUIREMENTS IN RESPECT OF BOARD GOVERNANCE

King IV Principle and/or recommended principle (RP)	JSE Listings Requirements	Principle	Huge Application	Outcomes from evaluation processes	Actions or enhancements for the future
Principle 6 RP2 Principle 7 RP6 Principle 8 RP44(c)	3.84(a)	A policy must be in place which evidences the clear balance of power and authority at Board level to ensure that no one director has unfettered powers of decision-making.	The processes and procedures set out in the Board charter ensure that in undertaking its duties, the Board maintains a balance of power and authority and no one director has unfettered powers of decision-making.	The Board is satisfied that this requirement has been maintained throughout the year.	The Board will continue to monitor this requirement and ensure that it remains upheld.
Principle 7 RP31 to 34	3.84(b)	The Company must have appointed a separate Chief Executive Officer and Chairman. The Chairman must be independent, alternatively a lead independent director must be appointed.	The Company has appointed a separate Chief Executive Officer and Chairman. As the Chairman is not independent, a Lead Independent Director has been appointed.	The Board is satisfied that it has sufficient independence among its leadership.	The Board will continue to assess the independence of its leadership on a regular basis.
Principle 8 RP51	3.84(c)(i)	The Company must appoint an Audit Committee.	The Company has appointed an Audit Committee which meets the requirements of the Companies Act and King IV.	The Committee is satisfied that its charter adequately provides for the application of the King IV recommendations. The Committee has fulfilled its roles and responsibilities and continues to implement the recommended practices of King IV.	The Committee continues to monitor compliance with its roles and responsibilities. Future focus will be given to the advancement of the Company's assurance processes.
Principle 8 RP36(b) RP65	3.84(c)(ii)	The Company must appoint a Remuneration Committee	The Company has appointed a Remuneration Committee. The Board Chairman is also the Chairman of the Committee, however, the Board is of the view that Dr da Silva is the most suitable member for this role.	The Committee is satisfied that its charter adequately provides for the application of the King IV recommendations. The Committee has fulfilled its roles and responsibilities and continues to implement the recommended practices of King IV.	The Committee will continue to monitor the implementation of performance measurements and give consideration to suitable incentive schemes.
Principle 8 RP68	3.84(c)(iii)	The Company must appoint a Social and Ethics Committee.	The Company has appointed a Social and Ethics Committee which meets the requirements of the Companies Act and King IV.	The Committee is satisfied that its charter adequately provides for the application of the King IV recommendations. The Committee has fulfilled its roles and responsibilities and continues to implement the recommended practices of King IV.	The Committee continues to monitor compliance with its roles and responsibilities. Future focus will be given to the advancement of the Company's B-BBEE compliance, and improvements in its racial and gender diversity.
Principle 7 RP20	3.84(d)	A brief CV of each director standing for election or re-election must accompany the Notice of the Annual General Meeting.	This has been included on pages 32 and 33 of this Integrated Report.	-	-
Principle 7 RP7(b) RP 27 RP30(c)	3.84(e)	The capacity of each director must be categorised as executive, non-executive or independent.	The Board charter provides for each director to be categorised as executive, non-executive and independent directors in accordance with the requirements of the Companies Act and King IV.	The Board considered the balance of executive, non-executive and independent directors to be adequate.	The Board will continue to consider the balance of executive, non-executive and independent directors.

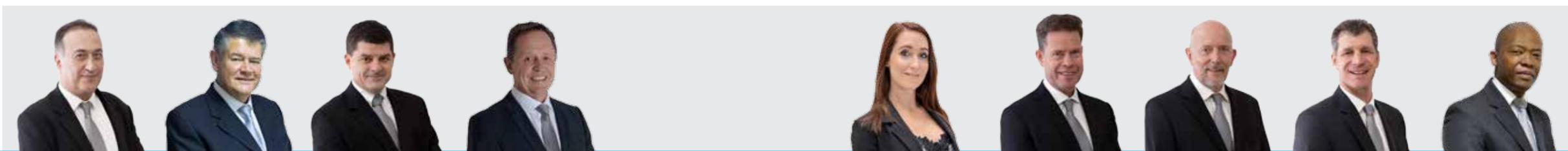
King IV Principle and/or recommended principle (RP)	JSE Listings Requirements	Principle	Huge Application	Outcomes from evaluation processes	Actions or enhancements for the future
Principle 8 RP59(f)	3.84(f) and (g)	The Company must appoint an executive financial director and the Audit Committee must confirm that it is satisfied with the expertise and experience of the financial director; and that it is satisfied that the appropriate financial reporting procedures are in place and operating.	The Audit Committee charter and annual work plan require the Committee to make the requisite assessments on an annual basis.	S Sequeira was appointed as Chief Financial Officer on 25 March 2019. The Audit Committee is of the view that Mrs Sequeira is suitably skilled and experienced for the position. The Audit Committee is also satisfied that there are adequate resources in the finance team and the appropriate financial reporting procedures have been suitably implemented.	The Audit Committee will continue to assess the expertise and experience of the financial director and the appropriateness and operation of the financial reporting procedures.
Principle 8 RP59(a)	3.84(g)(iii)	The Company must satisfy itself that the auditor is independent of the company and must request confirmation of independence from the auditor upon appointment and annually thereafter for every re-appointment.	The Audit Committee charter requires the Audit Committee to review the independence of the auditor on appointment and on an annual basis, when recommending the re-appointment of the auditor to shareholders.	The Audit Committee assessed the independence of Moore Stephens upon appointment and has assessed its independence in making the recommendation to shareholders to reappoint Moore Stephens at the Company's annual general meeting.	The Audit Committee will continue to assess the independence of Moore Stephens on an annual basis.
Principle 10 RP98	3.84(h)	The Board must consider and satisfy itself, on an annual basis, as to the competence, qualifications and experience of the Company Secretary.	The Board charter requires the Board to consider the competence, qualifications and experience of the Company Secretary on an annual basis.	During FY2019, the Board evaluated the performance of Mrs Robinson and considered her competence, qualifications and experience to be adequate for the position.	The Board will continue to assess the performance of the Company Secretary on an annual basis.
Principle 7 RP10 RP11 RP30(b)	3.84(i)	The Board must consider and explain how it has applied the policy on gender diversity in the nomination and appointment of directors and report on progress thereof on agreed voluntary targets.	The Board Charter requires the Board to consider gender diversity in making appointments. In addition, the ICT Sector Charter makes certain compliance requirements in this regard.	The Board takes this matter very seriously and has, through its B-BBEE compliance plans, commenced a process to identify suitable candidates for appointment to the Board and the boards of subsidiary companies.	This matter is monitored on an ongoing basis by the Nomination Committee and the Social and Ethics Committee. Performance against specific targets will be provided in future reporting.
Principle 7 RP10 RP11 RP30(b)	3.84(j)	The Board must consider and explain how it has applied the policy on racial diversity in the nomination and appointment of directors and report on progress thereof on agreed voluntary targets.	The Board charter requires the Board to consider racial diversity in making appointments. In addition, the ICT Sector Charter makes certain compliance requirements in this regard.	The Board takes this matter very seriously and has, through its B-BBEE compliance plans, commenced a process to identify suitable candidates for appointment to the Board and the boards of subsidiary companies.	This matter is monitored on an ongoing basis by the Nomination Committee and the Social and Ethics Committee. Performance against specific targets will be provided in future reporting.
Principle 14 RP37	3.84(k)	The Remuneration Policy and Remuneration Implementation Report must be tabled for separate, non-binding advisory votes by shareholders at the annual general meeting.	The Remuneration Committee is responsible for the development of the Remuneration Policy and overseeing the implementation thereof. The Remuneration Policy makes provision for Board engagement with shareholders where the Remuneration Policy and Remuneration Implementation Report receives less than 75% approval.	The Remuneration Report and the Remuneration Implementation Report are set out on pages 42 to 47 and have been tabled for a separate, non-binding advisory vote at the Company's forthcoming annual general meeting.	The Remuneration Committee will consider any feedback received in respect of the Remuneration Policy and the Remuneration Implementation Report.

A comprehensive list of the Board's approach to adopting the principles and recommendations of King IV can be found on www.hugegroup.com/huge-group-unlocking-business-opportunity-governance-charters/

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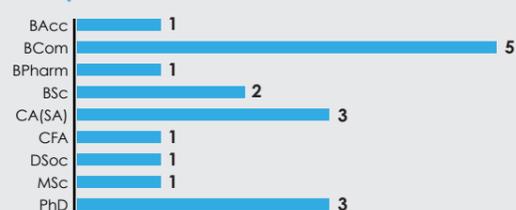
BOARD COMPOSITION

COMPREHENSIVE TABLE



	Duarte da Silva	Steve Tredoux	James Herbst	Andy Openshaw	Samantha Sequeira	Brian Armstrong	Dennis Gammie	Craig Lyons	Vincent Mokholo
Position	Non-executive chairman	Lead independent director	Chief Executive Officer	Chief Operating Officer	Chief Financial Officer	Independent non-executive director	Independent non-executive director	Independent non-executive director	Non-executive director
Age	54	59	48	55	30	57	65	48	45
Qualifications	PhD (Eng); BSc (Mech Eng)	–	BCom, BAcc, CFA, CA(SA)	BPharm	CA(SA)	BSc (Eng), MSc (Eng), PhD	CA(SA)	BCom, D.Soc (Economics)	BSc (Unv. Limpopo) Telecom MBA (Informa Academy UK)
Committee membership	<i>Chairman:</i> Remuneration Committee Member: Risk and Investment Committees	<i>Chairman:</i> Social and Ethics Committee <i>Member:</i> Audit and Risk Committees	<i>Member:</i> Investment Committee	–	–	<i>Member:</i> Risk and Nomination Committees	<i>Chairman:</i> Audit, Risk and Nomination Committees <i>Member:</i> Remuneration Committee	<i>Member:</i> Audit, Nomination and Investment Committees	<i>Member:</i> Remuneration and Social and Ethics Committees
Date appointed	1 March 2016	26 March 2008	1 September 2006	1 March 2019	25 March 2019	1 September 2017	28 June 2012	30 June 2017	2 July 2007
Board tenure	3	11	12	–	–	1.6	6	1.9	11
Years of relevant experience	25	30	20	20	5	30	35	20	20
Present appointments and responsibilities external to Huge	Consultant, Casa Da Luz	Rhodes University Council, Audit Committee and Finance and general Projects Committee	–	Chairman, Radford Dale	–	Professor in the Chair of Digital Business (Wits Business School)	–	Non-executive director on various boards, committees and investment funds	Operations Director, Mano Coal
Prior appointments and responsibilities	<ul style="list-style-type: none"> Regional Head of African Operations at Macquarie Chief Executive Officer of Macquarie First South Deputy Chairman of McCarthy Bank Executive director Merrill Lynch South Africa Top rated technology analyst 	<ul style="list-style-type: none"> Chairman of the Huge Group Various directorships at Huge Group and Huge Telecom Group Executive – Sales and Retail Marketing for MTN Group Held senior management and accounting positions at National Data Systems, Copyreel Production, AVVID and TL Electronics 	<ul style="list-style-type: none"> Chief Financial Officer, Huge Group Managing Director, Huge Telecom Chief Financial Officer, DataPro Group (now Vox Telecom) Private client portfolio manager, Fleming Martin Private Asset Management and BoE 	<ul style="list-style-type: none"> Chief Executive Officer, Reunert Communication Cluster Chief Executive Officer of ECN Held senior sales and marketing positions at Glaxo Pharmaceuticals Founding partner of Professional Pet Products (Vets Choice) 	<ul style="list-style-type: none"> Financial Director, Virgin Mobile South Africa Practice manager, ARC Inc Audit manager, ARC Inc Financial Manager, Propertuity Management Financial Manager, Sandbox Holdings 	<ul style="list-style-type: none"> Group Chief Operating Officer and Group Chief Commercial Officer, Telkom SA Vice president for Middle East and Africa, BT Group Plc Director of the Division for Information and Communications Technology, CSIR Managing Director, AST Networks (now Gijima) 	<ul style="list-style-type: none"> Chief Financial Officer, the Aveng Group Financial Director, Murray & Roberts Materials Financial Director, a subsidiary of the Imperial Group Acting Managing Director, steel manufacturing and underground mining subsidiary of the Aveng Group 	<ul style="list-style-type: none"> Chief Executive Officer, Mvelaphanda Strategic Investments Extensive strategic, management and finance experience in various industries Co-founded, lead and managed two South African investment companies 	<ul style="list-style-type: none"> Chairman, Huge Group Client Services Director, TelePassport Deputy Managing Director, Huge Telecom Director, Ambient Mobile, a portion of which he served as its Chief Executive Officer

Board qualifications



3 Doctoral
3 CA(SA)
5 BCom
2 BSc
5 Other

45 Combined year on the Board
180 Combined years of industry experience
51 Average age

Board independence



Tenure

