

PRINCIPLES OF CORPORATE GOVERNANCE

The following table sets out the principles contained in the King Code of Governance Principles for South Africa 2009 (“King III”) and how [Acsion] applies such principles.

As Acsion Ltd is a company formed for the purpose of listing many of the principles, committee’s and processes will only be applied once the listing has taken place. Therefore many of the principles below will be explained before listing and applied during the first year after listing.

GOVERNANCE ELEMENT	PRINCIPLE		Applied/ Explained	SUMMARY OF HOW ACSION APPLIES THE KING III PRINCIPLES
Responsible Leadership	1.1	The Board should provide effective leadership based on an ethical foundation	Applied	The board of directors of Acsion (“the board” or the “Directors”) lead Acsion based on the four values underpinning good governance being, responsibility, accountability, fairness and transparency. These principles are incorporated in the approved board charter and demonstrate a sound framework for effective leadership premised on an ethical foundation.
Ethical Foundation	1.2	The Board should ensure that the company is and is seen to be a responsible corporate citizen	Explained	The board and the Social and Ethics committee will strive to ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates.
	1.3	The Board should ensure that the company's ethics are managed effectively	Explained	The board will create an ethical corporate culture and ensure that the company's ethics are effectively managed by: incorporating ethical risks and opportunities into the risk management process; an ethics policy has been created and trained to all staff members; as well as monitoring and reporting on the company's ethics performance.
Role and function of the board	2.1	The Board should act as the focal point for and custodian of corporate governance	Explained	The board shall act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.
	2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	Explained	The board will appreciate that strategy, performance and sustainability are inseparable and to give effect to this by : Contributing to and approving the Company's strategy; Satisfying itself

				that the Company's strategy and business plans do not give rise to risks that have not been thoroughly assessed by management; Identifying key performance and risk areas; Ensuring that the Company's strategy will result in sustainable outcomes; Considering sustainability as a business opportunity that guides strategy formulation;
	2.3.	The Board should provide effective leadership based on an ethical foundation		Refer to Principle 1.1
	2.4	The Board should ensure that the company is and is seen to be a responsible corporate citizen		Refer to principle 1.2
	2.5	The Board should ensure that the company's ethics are managed effectively		Refer to principle 1.3
	2.6	The Board should ensure that the company has an effective and independent audit committee		Refer to principles 3.1-3.10
	2.7	The Board should be responsible for the governance of risk		Refer to Principles 4.1- 4.10
	2.8	The Board should be responsible for information technology (IT) governance		Refer to principles 5.1-5.7
	2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards		Refer to principles 6.1- 6.7
	2.10	The Board should ensure that there is an effective risk-based		Refer to principles 7.1-7.5

		internal audit		
	2.11	The Board should appreciate that stakeholders' perceptions affect the company's reputation		Refer to principles 8.1- 8.6
	2.12	The Board should ensure the integrity of the company's integrated report		Refer to principles 9.1 – 9.3
	2.13	The Board should report on the effectiveness of the company's system of internal controls		Refer to principles 7.1- 7.5 and 9.1 – 9.3
	2.14	The Board and its directors should act in the best interests of the company	Explained	Directors are appointed in terms of the company's memorandum of incorporation and the Companies Act No. 71 of 2008 (Companies Act) and act according to their fundamental duties. Conflicts of interest will be disclosed and appropriately managed. A policy on directors' dealings is in place and has been adopted by the board. Once listed the employees will be trained around closed and sensitive periods.
	2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	Explained	The board will consider the going concern status of the company at least quarterly. The board will regularly monitor whether the company is financially distressed (as defined in the companies Act) and will consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed.
	2.16	The Board should elect a Chairman of the Board who is an independent non-executive director. The CEO of the company should not also fulfil the role of Chairman of the Board	Applied	Mr David Green, an independent non-executive director, is the chairman of the board. Kiriakos Anastasiadis, an executive director, is the CEO of the company. The roles and functions of the chairperson are separate and clearly defined.
	2.17	The Board should appoint the chief	Explained	The board will be responsible for the appointment and annual evaluation of the CEO. The collective responsibilities

		executive officer and establish a framework for the delegation of authority		of management vest in the CEO and, as such, the CEO bears ultimate responsibility for all management functions. The board delegates (without abdicating its duties and responsibilities to management via the CEO, which in turn delegates to those reporting to him. A formal Delegation of authority has been created and will be reviewed annually by the board.
Composition of the Board	2.18	The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Applied	There are currently four independent non-executive directors, and two executive directors on the board. Additionally the board charter provides that it is intended that the board will comprise a majority of non-executive directors of whom the majority are independent.
Board appointment process	2.19	Directors should be appointed through a formal process	Explained	There will be a formal process for identifying suitable candidates, including the nomination and evaluation of such candidates. Non-Executive Directors will be selected for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy and strategy.
Director development	2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Explained	The board will ensure that the collective skills and experience of the directors are suitable for the board to carry out its responsibilities, to achieve the company's objectives and create shareholder value over the long term. As referred to in the board charter Continuing professional development programmes are implemented which ensure that directors receive regular briefings on changes in risks, laws and the environment.
Company secretary	2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary	Applied	The board selects and appoints the company secretary and recognises the important role that the company secretary plays. The company secretary for the group is CMA Incorporated who were appointed in 2014.
Performance assessment	2.22	The evaluation of the Board, its committees and the individual directors should be	Explained	The board and its committees will be evaluated annually by the chairman or the chairman of each committee, alternatively a duly authorised external

		performed every year		party may be asked to perform that evaluations
Board committees	2.23	The Board should delegate certain functions to well structured committees but without abdicating its own responsibilities	Applied	<p>The board committees assist the board in executing its duties, powers and authorities. The required authority is delegated by the board to each committee to enable it to fulfil its respective functions through formally approved terms of reference. Delegating authority to board committees of management, other than specific matters for which the Audit and Risk committee carries ultimate accountability in terms of the Companies Act, does not mitigate or discharge the board and its Directors of their duties and responsibilities and the Board fully acknowledges this fact.</p> <p>The board has established the following committees:</p> <ul style="list-style-type: none"> • The Audit and Risk committee • The social and Ethics committee • The Remunerations and nominations committee • The Investment committee
Group Boards	2.24	A governance framework should be agreed between the group and its subsidiary Boards	Explained	The Board advocates and promotes good governance by its subsidiaries. The formalised Board charter will be implemented in order to ensure that good corporate governance is maintained throughout the group in line with the requirements of the King III code of good corporate governance.
Remuneration of directors and senior executives	2.25	Companies should remunerate directors and executives fairly and responsibly	Explained	The remuneration Committee will ensure that the Company remunerates executive directors, non-executive Directors and executives fairly and responsibly. The remuneration committee administers remuneration at all levels in the Company and will ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets the Company's needs and strategic objectives.
	2.26	Companies should disclose the remuneration of each individual director and certain senior executives	Explained	This shall be disclosed in integrated report and statutory financials annually.
	2.27	Shareholders should approve the company's	Explained	The remuneration committee will ensure that the remuneration policy is put to a non-binding advisory vote at the general meeting of the shareholders once every

		remuneration policy		year.
Audit committee	3.1	The Board should ensure that the company has an effective and independent audit committee	Applied	The Audit and Risk committee comprises three duly appointed independent non-executive Directors. The members are Sonja Griesel, David Green and Thabani Jali.
Membership and resources of the audit committee	3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors	Applied	The Company's Audit and Risk Committee comprises financially literate, professionally qualified and commercially astute members and is constituted by only independent non-executive Directors. The chairwoman is a Chartered Accountant.
	3.3	The audit committee should be chaired by an independent non-executive director	Applied	Sonja Griesel is the independent Chairwoman of the Audit and risk committee.
Responsibilities of the audit committee	3.4	The audit committee should oversee integrated reporting	Explained	The Audit and Risk committee will oversee integrated reporting and will approve the annual integrated report for approval by the board.
	3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	Explained	It is the responsibility of the Audit and Risk committee to ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities. . The Audit and Risk committee will ensure that the combined assurance received is appropriate to address all the significant risks facing the company; and monitors the relationship between the external assurance providers and the Company.
	3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	Explained	The audit and Risk committee will review the expertise, resources and experience of the Company's financial function, and will disclose the results of the review in the Company's integrated report. The financial director's suitability, experience and expertise are reviewed by the Audit and Risk committee annually.
Internal assurance providers	3.7	The audit committee should be responsible for overseeing internal audit	Explained	The Audit and Risk committee is accountable for the systems of internal accounting control used by the Company and the Group with management being responsible therefore. The systems and controls are designed to provide reasonable assurance regarding the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the assets.
	3.8	The audit committee should be an integral component of the risk management process	Explained	The audit and Risk committee will be an integral component of the risk management process and oversees: financial reporting risks; internal financial

				controls; fraud risks as they relate to financial reporting, verify and maintain accountability of the assets.
External assurance providers	3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	Explained	The Audit and Risk Committee has the sole responsibility to nominate the appointment of the auditor for the company. The auditor must be a registered auditor who, in the opinion of the Audit and Risk Committee, is independent of the Company. The Audit and Risk committee is responsible for the evaluation, co-ordination and monitoring of the external audit process.
Reporting	3.10	The audit committee should report to the Board and shareholders on how it has discharged its duties	Explained	The audit and Risk committee is solely responsible for preparing a report for the annual financial statements each year. The Audit and Risk committee chairman, (or other suitable member in her absence) shall attend Annual general meetings of the company in order to answer questions concerning matters falling within the ambit of the audit and Risk committee's responsibilities.
The Board's responsibility for risk governance	4.1	The Board should be responsible for the governance of risk	Explained	The board recognises that it is ultimately responsible for the governance of risk and monitoring thereof for the group. The Audit and Risk committee are delegated the responsibility of implementing, enforcing and monitoring risk management procedures.
	4.2	The Board should determine the levels of risk tolerance	Explained	The board will identify key performance and risk areas and the mitigation of risk such that the ultimate risk tolerance of the Company is acceptable.
	4.3	The risk committee or audit committee should assist the Board in carrying out its risk responsibilities	Explained	The Audit and risk committee will take into account material changes and trends in the risk profile and consider whether the control systems, including reporting, adequately address the risks identified by risk management procedures. This review will occur quarterly.
Management's responsibility for risk management	4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	Explained	The policy and plan for the system and process of risk management will be reviewed and recommended by the Audit and Risk committee, and approved by the board if required. Management is responsible for the implementation of the policy and plan for risk management.
Risk assessment	4.5	The Board should ensure that risk assessments are performed on a continual basis	Explained	The board will ensure that continual risk assessments are performed. The effectiveness of the risk management process will be reviewed quarterly by the Audit and Risk committee.
	4.6	The Board should ensure that frameworks and	Explained	The board is responsible for ensuring that frameworks and methodologies are implemented to increase the probability

		methodologies are implemented to increase the probability of anticipating unpredictable risks		of anticipating unpredictable risk. Acision will implement relevant risk management processes that will enhance the Company's ability to achieve its strategic objectives.
Risk response	4.7	The Board should ensure that management considers and implements appropriate risk responses	Explained	The board will ensure that management continually monitor risk and consider and implement appropriate risk management processes.
Risk monitoring	4.8	The Board should ensure continual risk monitoring by management	Explained	See principle 4.7
Risk assurance	4.9	The Board should receive assurance regarding the effectiveness of the risk management process	Explained	The Audit and Risk committee will ensure that the combined assurance received is appropriate to address all the significant risks facing the Company and will monitor the relationship between the external assurance providers and the company.
Risk disclosure	4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	Explained	The board is responsible for ensuring that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.
IT governance	5.1	The Board should be responsible for information technology (IT) governance	Explained	The board is responsible for IT governance and has delegated the regulation of IT governance to the Audit and Risk Committee
	5.2	IT should be aligned with the performance and sustainability objectives of the company	Explained	The board is responsible for aligning IT with the performance and sustainability objectives of the Company.
	5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	Explained	IT risk governance falls within risk management of the Company, which is reviewed and recommended to the board by the Audit and Risk Committee and is implemented and monitored by management.
	5.4	The Board should monitor and evaluate significant IT investments and expenditure	Explained	The board will monitor and evaluate significant IT investments and expenditure.
	5.5	IT should form an integral part of the company's risk	Explained	IT risk management will include the assessment and management of all significant IT risks

		management		
	5.6	The Board should ensure that information assets are managed effectively	Explained	The board is to be advised of the management of these assets and confirm that appropriate structures and procedures for their management are in place.
	5.7	A risk committee and audit committee should assist the Board in carrying out its IT responsibilities	Explained	The audit and Risk committee will assist the board in carrying out its responsibilities regarding IT.
Compliance	6.1	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Explained	The board will monitor compliance. Compliance is a regular item on the board's agenda, which will be reported on a quarterly basis. The board is responsible for ensuring that the Company complies with all relevant laws and codes of best governance practises, and considers adherence to other non-binding rules, codes and standards.
	6.2	The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	Explained	The board understands the context of the law and how laws interact with each other, and has a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business. The Directors sufficiently familiarise themselves with the general content of applicable laws, rules, codes and standards, in order to discharge their legal duties with the assistance of the company secretary.
	6.3	Compliance risk should form an integral part of the company's risk management process	Explained	Compliance is a regular item on the Board's agenda, which is reported on a quarterly basis. Non-Compliance risks will be identified and responded to through the risk management processed of the company.
	6.4	The Board should delegate to management the implementation of an effective compliance framework and processes	Explained	The implementation of an effective compliance framework and processes is delegated to management. The board will disclose in the Company's annual integrated report details regarding how it discharged its responsibility to establish an effective compliance framework and processes, and also details of material or repeated instances of non-compliance.
The need for and role of internal audit	7.1	The Board should ensure that there is an effective risk based internal audit	Explained	An effective risk-based internal audit function will be created. The purpose, authority, and responsibilities of the internal audit function are defined in the Board approved Audit and Risk Committee Terms of reference.
Internal audit's approach and plan	7.2	Internal audit should follow a risk-based approach to its plan	Explained	A risk –based approach to internal audit will be adopted in assessing the Groups control environment and will be aligned

				to the risk assessment process,
	7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management	Explained	The company will maintain an internal audit department which functions independently to appraise, examine and evaluate the company's accounting systems, internal accounting controls and general internal controls and general internal control mechanisms within the Company.
	7.4	The audit committee should be responsible for overseeing internal audit	Explained	The Audit and Risk committee is accountable for the systems of internal accounting control used by the Company and the Group with management being responsible. These systems and controls are designed to provide reasonable assurance regarding the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the assets.
Internal audit's status in the company	7.5	Internal audit should be strategically positioned to achieve its objectives	Explained	The internal audit function will have unrestricted access to the Chairman, the board, the Audit and Risk Committee and the executives of the Group. The internal audit function will be adequately skilled and resources to discharge its duties.
Stakeholder relationships	8.1	The Board should appreciate that stakeholders' perceptions affect a company's reputation	Explained	The board provides effective leadership based on an ethical foundation by, among other things, taking account of the Company's impact of internal and external stakeholders. The board will facilitate the establishment of mechanisms and processes that support stakeholders in constructive engagement with the Company.
	8.2	The Board should delegate to management to proactively deal with stakeholder relationships	Explained	The interactions with stakeholders by the board and/or committee members will be managed by the social and ethics committee.
	8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	Explained	The board will strive to achieve the appropriate balance between its various stakeholder groupings in the best interests of the Company, realising that there are a board range of stakeholders which have a stake in or are affected by the company,
	8.4	Companies should ensure the equitable treatment of shareholders	Explained	Shareholder will be treated equitably. Shareholders will be encouraged to attend the annual general meetings and will be given information timeously.
	8.5	Transparent and effective communication with stakeholders is	Explained	Complete, timely, relevant, accurate, honest and accessible information will be provided by the Company to Stakeholders, having regard to legal and

		essential for building and maintaining their trust and confidence		strategic considerations. Board communication will be a clear and understandable language. The board will disclose in the Company's annual integrated report the number and reasons for refusals or requests for information that were lodged with the Company in terms of the Promotion of Access to Information Act, No2 of 2000.
Dispute resolution	8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	Explained	The board will ensure that appropriate individuals are selected to represent the company in legal proceedings.
Transparency and accountability	9.1	The Board should ensure the integrity of the company	Explained	The integrity of the company's integrated report will be ensured through the application of the Company's risk management process.
	9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	Explained	The Company's integrated report will include commentary on the Company's financial results, the going concern status of the Company, an explanation of the Company has generated its profit and/or loss and the positive and negative impacts of the Company's operations and means to manage the negatives.
	9.3	Sustainability reporting and disclosure should be independently assured	Explained	If deemed necessary, sustainability reporting and disclosure is independently assured. The Audit and Risk Committee will oversee the provision of assurance over sustainability issues.