CALGRO M3
Group

Building legacies. Changing lives

2020

Corporate Governance Report

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South Hills Lifestyle Estate

The following can be viewed on the Calgro M3 website www.calgrom3.com:

- Integrated Annual Report 2020
- Annual Financial Statements 2020
- ESG Report 2020
- King IV™ application register

Introduction

The Board of Directors of Calgro M3 ("the Board") believes that sound corporate governance structures and processes are crucial to delivering responsible and sustained growth of the Group for the benefit of all its stakeholders. The Group has implemented controls to provide reasonable assurance of its compliance with these requirements, insofar as they are applicable. Transparency, accountability and openness in reporting and disclosure of information, both operational and financial, are vital to the practice of good corporate governance. Achieving these objectives demonstrates the Group's commitment to good corporate governance and that it conducts its business within acceptable ethical standards and prudent risk parameters.

Corporate governance structure

The Group is committed to transparency in its communication and reporting and manages the business along the lines of best practice principles.



* *The Board resolved to dissolve the Investment Committee. Matters normally dealt with by this committee are now dealt with by the Audit and Risk Committee and the Board of Directors.*

Statement of compliance

The Group endorses the corporate governance and other requirements of the JSE. The Group also supports and complies with the principles of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and the International Integrated Reporting Framework.

The Group remains committed to sound corporate governance, sustainability principles and compliance with the JSE Listings Requirements and King IV™. In line with paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its King IV™ application register on its website www.calgrom3.com. We complied with the laws of establishment, Calgro M3's Memorandum of Incorporation and the Companies Act, Act 71 of 2008, as amended (Companies Act).

Board of Directors

The Board is the focal point of corporate governance in the Group and it is ultimately accountable and responsible for the performance and affairs of the Group. The Board has a charter that has been drawn up in terms of the recommendations contained in King IV™ and it is subject to the provisions of the Companies Act, No. 71 of 2008, as amended ("the Companies Act") and the Memorandum of Incorporation ("MOI") of Calgro M3 Holdings, as amended from time to time, the JSE Listings Requirements and any other applicable law or regulatory provision. The charter is reviewed on an annual basis. As detailed in its charter, the Board's objective is to provide responsible business leadership to the Group, acting ethically, with leadership and integrity in the execution of its duties with due regard to the interest of all stakeholders.

Board of Directors (continued)

Responsibilities of the Board

Some of the key responsibilities of the Board include:

- Approve, monitor and review corporate strategy, including business plans and budgets and bring independent, informed and effective judgement and leadership on material decisions of the Group;
- Monitor the relationship with management, the shareholders and other stakeholders of the Group along sound corporate governance principles;
- Ensure that an adequate and effective process of corporate governance is established, maintained and compliant with King IV™;
- Oversight of the Group's systems of internal control, governance, risk management and information technology;
- Approve major acquisitions, disposals and corporate actions;
- Guide Group values, including being a responsible corporate citizen and principles of ethical business practice;
- Ensure the mandate of transformation is upheld by the Group;
- Appointment of the Chairperson and Chief Executive Officer ("CEO"), nomination of Directors and review of Directors' and Senior Management's remuneration, appointments and succession plan;
- Approval of the authorities assigned to its Committees and management; and
- Ensure disputes are resolved as effectively, efficiently and expeditiously as possible.

The scope of authority, responsibilities and functions of the Board are reviewed on an annual basis.

The quorum for Board meetings is 60% of the Directors.

The Board is supplied with all relevant information and has unrestricted access to the management of the Group and all Group information, which enables the Directors to adequately discharge their responsibilities. Directors are afforded the opportunity to engage meaningfully in Board deliberations and to speak up when they have a concern. Full and effective control over all operations of the Group is retained by the Board at all times.

All Directors and Board Committees have unrestricted access to the Company Secretary and may, if deemed necessary and in appropriate circumstances, take independent professional advice at the Group's expense.

Directors are required to complete and sign declaration of interests forms annually as well as to confirm if there are any matters of conflict with respect to any matters on the Board agenda at every Board meeting.

In line with King IV™, the Board conducts biennial performance assessments of the Chairperson, the Board as a whole, and Board Committees, including Committee members, in order to evaluate their effectiveness and performance. The independence of all Non-Executive Directors with nine or more years of service is reviewed annually.

At the last concluded appraisals in February 2020, the Board and its Committees were found to have operated and functioned effectively.

Board composition

The Board operates as a unitary Board comprising four Executive Directors and seven Independent Non-Executive Directors. The Board Chairperson is an Independent Non-Executive Director. The Board also has a Lead Independent Non-Executive Director whose functions include to serve as a sounding board for the Board Chairperson, to strengthen the independence of the Board and to offer support and guidance to the Directors.

The roles of Chairperson and CEO are separate, with a clear division of roles and responsibilities defined in the Board Charter.

The Board reviews, on an annual basis, its composition of Directors. When determining the number of Directors to serve on the Board, the knowledge, skills and resources required as appropriate to the Group is considered. The Group has adopted a policy that sets out the approach to achieve broader diversity at Board level, specifically focusing on the promotion of diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The targets are in line with national demographics and aim to achieve a balance of representation on the Board. Any new appointments are considered against these targets.

	Male	Female	Total
Black	3	2	5
White	4	–	4
Coloured	1	–	1
Indian	–	1	1
Total	8	3	11

In considering candidates to serve on the Board, consideration is also given to candidates who qualify to serve on Board Committees. All Board members have the necessary knowledge, experience and expertise to serve on the Board.

Board of Directors (continued)

Calgro M3 Board of Directors

Independent Chairperson	Lead Independent Director
Pumla Radebe*	Ralph Patmore

Executive Directors	Independent Non-Executive Directors	Non-Executive Director
Wikus Lategan (CEO)	Mdu Gama	Ben Pierre Malherbe°
Waldi Joubert (FD)	Hatla Ntene	
Manda Nkuhlu	George Hauptfleisch	
Wayne Williams	Lynette Ntuli■	
Derek Steyn◆	Themba Baloyi■	

Remuneration and Nomination Committee	Audit and Risk Committee◇	Investment Committee◇	Social and Ethics Committee	Stakeholder Relations
Pumla Radebe* (Chairperson Nomination Committee)	George Hauptfleisch (Chairperson)	Ben Pierre Malherbe° (Chairperson)	Mdu Gama (Chairperson)	Wikus Lategan
Ralph Patmore (Chairperson Remuneration Committee)	Ralph Patmore	Hatla Ntene	Hatla Ntene	Waldi Joubert
Hatla Ntene	Mdu Gama	George Hauptfleisch#	Urvash Kissoon-Singh	Wayne Williams
Wikus Lategan#	Wikus Lategan#	Wikus Lategan	Waldi Joubert#	Manda Nkuhlu
	Waldi Joubert#	Waldi Joubert	Manda Nkuhlu#	
		Derek Steyn#◆	Wikus Lategan#	
		Manda Nkuhlu#	Wayne Williams#	
		Wayne Williams#		

 # Invited to Committee meetings in FY2020. *◆ Derek Steyn resigned on 30 June 2019.* *° Ben Pierre Malherbe resigned on 27 June 2019.*

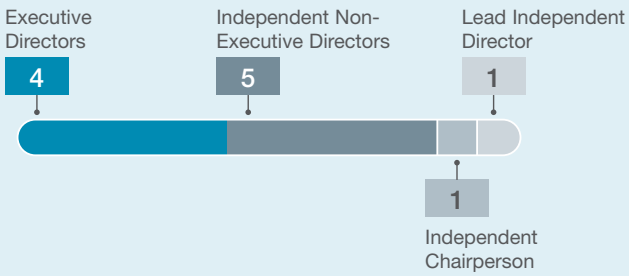
◇ The Board resolved to dissolve the Investment Committee. Matters normally dealt with by this committee are now dealt with by the Audit and Risk Committee and the Board of Directors.

** As announced on SENS on 24 March 2020, Pumla Radebe will be stepping down as Chairperson and member of the Board after the completion of the Annual General Meeting on 26 June 2020. The board has commenced a process of identifying a suitable replacement and shareholders will be advised as soon as such appointment has been made.*

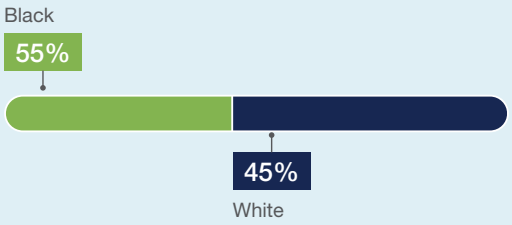
■ *Appointed 23 March 2020.*

Board of Directors (continued)

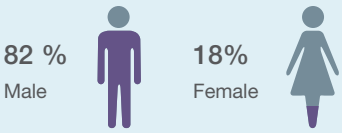
Board composition



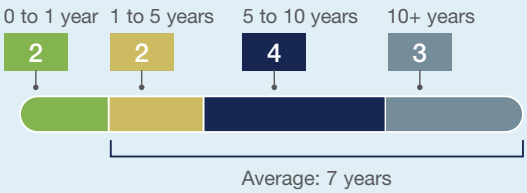
Race



Gender



Tenure



Independent Non-Executive Directors

All Independent Non-Executive Directors have been reassessed for independence.

Appointment and re-election of Directors

Executive and Non-Executive Directors are appointed for their knowledge, skills and experience. The appointment of the two new Non-Executive Directors in the current year was confirmed after the Board identified certain shortcomings in skills on the Board. The two candidates were head-hunted for their unique skills and expertise. Their appointments will assist the Board strategically to ensure future growth. In accordance with the Calgro M3 Holdings MOI, one-third of Non-Executive Directors are subject to rotational retirement every year and re-election by shareholders at the Annual General Meeting.

Non-Executive Directors standing for re-election:

1. Ralph Patmore
2. Hatla Ntene

Non-Executive Directors standing for ratification:

1. Lynette Ntuli
2. Themba Baloyi

Procedures for appointments to the Board are formal and transparent and are a matter for the Board as a whole, with the assistance of the Nomination Committee. Prospective appointees are nominated by the Nomination Committee with the nomination being approved by the Board and the appointment being confirmed by shareholders at the Annual General Meeting. Where possible, new appointments will be made to achieve broader diversity at Board level in line with the adopted policy dealing with such by Calgro M3.

Induction of new Directors

Individual competence of Board members is imperative as they are the decision-makers of the Group and are ultimately responsible for its success.

The governance of Calgro M3 requires that Directors have a sound understanding of the business and knowledge of the markets in which the Group operates and must exercise due care and skill in their fiduciary duties. The selection of Directors is based on their knowledge, experience, business skills, the diversity of their business backgrounds and their academic qualifications. Diversity within the Board plays an important role in the appointment of Directors to ensure that the composition of the Board is in line with the demographics of South Africa. The Group has adopted and implemented a policy that sets out the approach to achieve broader diversity on the Board of Directors in accordance with the JSE Listings Requirements.

Board of Directors (continued)

A formal orientation programme for new Directors is in place to ensure they acquire the requisite level of competence and knowledge of the Group's structure, operations and policies to enable them to fulfil their fiduciary duties and responsibilities.

Independence

In accordance with the Companies Act and the guidelines of King IV™, the independence of Non-Executive Directors is evaluated by the Nomination Committee and reviewed by the Board on an annual basis. Similar principles and processes are in place to ensure that no single Director may exercise unfettered decision-making powers.

Where the CEO is responsible for the implementation and strategic direction and daily operation of the Group, the Board provides guidance and leadership, and oversees the implementation of the strategy. The CEO is assisted in his responsibilities by an Executive Committee ("Exco").

Assessment of the Board

The Board analyses and evaluates its effectiveness in line with King IV™.

The analysis and evaluation of the effectiveness of the Board was conducted in the form of a questionnaire that is based on the principles and practice recommendations contained in King IV™. The questionnaire was completed by the Directors and the results of the evaluation were reported at a Board meeting.

On the basis of results gained in performing the analysis and evaluation, the Board concluded that the Board is appropriately and effectively fulfilling its role and responsibilities.

High ratings were given for: (1) the manner in which the Board established high ethical standards to which members of the Board are committed and ensuring that management is held to those standards. Actions and decisions of the Board take into consideration short and long-term impacts of the Group's business on all its stakeholders; (2) the manner in which the Board ensures that proper attention is paid to compliance with laws and regulations, as well as other rules, standards and codes adopted by the Group; and (3) the manner in which meetings are managed and conducted ensures effective discussions and decision-making.

The results of the analysis and evaluation also highlighted some matters that need to be addressed in order to ensure that the Board is more effective.



The Executive Committee ("Exco")

Exco is responsible for the day-to-day running of the Group. The CEO is the head of Exco which is, in turn, accountable to the Board for the actions and decisions taken by Exco.

Exco's initiatives and progress are reported to the Board via Board packs made available in advance of Board meetings or whenever deemed appropriate or necessary. Exco meets regularly at set intervals, but also holds ad hoc meetings as required.

Attendance register

Board	10 May 2019	26 July 2019	18 October 2019	14 February 2020
Pumla Radebe	✓	✓	✓	✓
Ralph Patmore	✓	✓	✓	✓
Mdu Gama	✓	✓	✓	✓
Hatla Ntene	✓	✓	✓	✓
George Hauptfleisch	✓	✓	✓	✓
Ben Pierre Malherbe◆	✓	n/a	n/a	n/a
Wikus Lategan	✓	✓	✓	✓
Waldi Joubert	✓	✓	✓	✓
Wayne Williams	✓	✓	✓	✓
Derek Steyn◆	✓	n/a	n/a	n/a
Manda Nkuhlu	✓	✓	✓	✓
Tumi April	*	*	*	*
Sponsor#				
Grindrod Bank	✓	n/a	n/a	n/a

★ Attendance as Company Secretary ✓ Attended ◆ Resigned

As a means of saving costs and in view thereof that sponsors are not obliged to attend Board meetings, the Board resolved on 10 May 2019 that sponsors will no longer be required to attend Board meetings unless specifically requested to do so.

PSG Capital was appointed to replace Grindrod Bank as the Company's sponsor with effect from 11 November 2019.

◆ Ben Pierre Malherbe and Derek Steyn resigned on 27 and 30 June 2019, respectively.

Audit and Risk Committee	3 May 2019	18 July 2019	10 October 2019	7 February 2020
George Hauptfleisch	✓	✓	✓	✓
Ralph Patmore	✓	✓	✓	✓
Mdu Gama	✓	✓	✓	✓
By invitation				
Wikus Lategan	✓	✓	✓	✓
Waldi Joubert	✓	✓	✓	✓
Tumi April	*	*	*	*
Sponsor#				
Grindrod Bank	✓	n/a	n/a	n/a
Auditor				
PricewaterhouseCoopers	✓	✓	✓	✓
Internal audit				
Prozilog	✓	✓	✓	✓

★ Attendance as Company Secretary ✓ Attended

As a means of saving costs and in view thereof that sponsors are not obliged to attend Audit and Risk Committee meetings, it was resolved on 10 May 2019 that sponsors will no longer be required to attend the Committee's meetings unless specifically requested to do so.

PSG Capital was appointed to replace Grindrod Bank as the Company's sponsor with effect from 11 November 2019.

Attendance register (continued)

Remuneration and Nomination Committee	14 March 2019	17 July 2019	14 February 2020
Pumla Radebe	✓	✓	✓
Ralph Patmore	✓	✓	✓
Hatla Ntene⊙	n/a	n/a	✓
Attends sections of meeting by invitation			
Wikus Lategan	✓	✓	✓
Tumi April	*	*	*

* Attendance as Company Secretary ✓ Attended ⊙ Appointed

⊙ Hatla Ntene was appointed as a member of the Committee on 26 July 2019.

Social and Ethics Committee	3 May 2019	18 July 2019	10 October 2019	7 February 2020
Mdu Gama	✓	✓	✓	✓
Hatla Ntene	✓	✓	✓	✓
Waldi Joubert◆	✓	✓	×	✓
Urvash Kissoon-Singh◇	n/a	✓	✓	✓
By invitation				
Wikus Lategan	✓	✓	✓	✓
Manda Nkuhlu	✓	✓	×	✓
Wayne Williams	✓	✓	✓	×
Tumi April	*	*	*	*
Veriksha Baijoo	✓	✓	✓	✓
Zelna van der Walt	✓	n/a	n/a	n/a
Camagwini Sigotyana	✓	✓	✓	✓
Takalani Sigama	✓	✓	✓	✓

◆ Waldi Joubert resigned as a member of the Committee on 18 July 2019.

◇ Appointed as a member of the committee on 18 July 2019.

* Attendance as Company Secretary ✓ Attended × Apology ◆ Resigned ⊙ Appointed

Investment Committee	30 April 2019
Ben Pierre Malherbe	✓
Hatla Ntene	✓
Wikus Lategan	✓
Waldi Joubert	✓
Tumi April	*
By invitation	
George Hauptfleisch	✓
Wayne Williams	✓
Derek Steyn	✓
Manda Nkuhlu	✓

Company Secretary

The Board is satisfied that the Company Secretary is appropriately qualified, competent and experienced for her position in a listed company. The Company Secretary plays a pivotal role in the continuing effectiveness of the Board, ensuring that all Directors have full and timely access to information that helps them to perform their duties and obligations, and enables the Board to function effectively.

The Company Secretary's key duties regarding the Directors include, but are not limited to, the following:

- Collating and distributing relevant information, such as Board meeting agenda items, Board/Committee meeting papers, corporate announcements, SENS announcements and any other developments affecting the Group from a regulatory perspective;
- Monitoring the legal and regulatory environment and communicating new legislation and any changes to existing legislation and governance to the Board;
- Providing guidance to the Directors on their individual and collective powers and duties;
- Assisting the Chairperson and CEO with the induction of new Directors together with the Group's sponsor. This includes a briefing of their fiduciary and statutory duties and responsibilities, including those arising from the JSE Listings Requirements;
- The Company Secretary is responsible for the functions specified in section 88 of the Companies Act;
- Ensuring that all official meetings of shareholders, Directors and Board Committees are properly recorded as per the requirements of the Companies Act.

The Company Secretary is not a director of any of the Group operations, nor is she related to any of the Directors which could result in a conflict of interest and accordingly it is concluded that an arm's length relationship with the Board and its Directors is maintained. The Company Secretary reports to the Chairperson and has a direct channel of communication to the CEO and to the Financial Director ("FD").

Based on a formal assessment, which included a review of the Company Secretary's qualifications, experience and demonstration of competence in execution of the abovementioned functions, the Board is of the opinion that Itumeleng April, possesses the requisite competence, qualifications and experience and has confirmed that she is suitably qualified, competent and experienced to hold the position of Company Secretary.

Ms April is a qualified attorney with twelve years' experience in commercial and company law, and seven years' company secretarial experience. The academic and professional qualifications of the Company Secretary were externally verified prior to her appointment.

Shareholder engagement

Transparent communication and engagement with stakeholders is vital to ensure that the principles on stakeholder management expressed in King IV™ are adopted. The Group regularly communicates its strategy, performance and vision to shareholders through presentations delivered during results roadshow presentations. Management regularly meets with investors and shareholders in one-on-one meetings on request. The CEO and FD with the assistance of an external investor relations consultant are tasked to be the spokespersons in the above instances.

It is the policy of the Group to pursue regular dialogue with institutional investors, engaging constructively within the frameworks provided by statutory and regulatory environments regarding the dissemination of information. This helps ensure a fair and accurate representation and valuation of the Group and its performance. PSG Capital acts as the Group's sponsor in compliance with the JSE Listings Requirements.

The Group's Annual General Meeting provides an important platform for engagement with shareholders and offers them the opportunity to participate in discussions relating to the Group.

Code of Ethics

The Group's Code of Ethics outlines the conduct that is required from all Directors and employees. The Code requires of everyone in the Group to be committed to fair dealing, honesty and integrity. The Code of Ethics has been actively endorsed by management and forms part of the induction process of all employees. It assists with:

- Distinguishing between acceptable and unacceptable practices;
- Providing a comprehensive set of ethical corporate standards;
- Encouraging ethical behaviour by the Board, management and the employees across the Group;
- Guiding ethical decision making; and
- Assisting in the resolution of conflicts.

Sustainability

The Group is a GC advanced level and signatory to the UN Global Compact Principles which requires companies and their subsidiaries to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The CEO, Directors, as well as subsidiary directors and management team embrace and are committed to the UN Global Compact Principles.

The Group's sustainability information (contained in the full ESG Report on the Group's website www.calgrom3.com) details Calgro M3's overall strategy and approach for themes such as transformation and B-BBEE, employment equity, skills transfer, training and development, succession planning, occupational health and safety, environmental matters, policies regarding HIV and Aids and human rights issues.

Access to information

Policies and procedures have been implemented to ensure the Board has access to the relevant information as well as engagement with senior management at all reasonable times. Directors are expected to treat all Group information as strictly confidential and to comply with the provisions of the statutes applicable to the use of Group information.

Dealings in securities

No Director, officer or employee may deal either directly or indirectly in the Group's shares based on unpublished price-sensitive information. In addition, no director, officer or employee in possession of price-sensitive information may trade in the Group's shares during closed or restricted periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Group is under a cautionary announcement.

Before dealing in Calgro M3 shares, the Company Secretary and all the Directors and prescribed officers as well as the company secretary and all the directors of major subsidiary companies are required to obtain written clearance from the Group CEO or the Chairperson. Similarly, the CEO requires prior clearance from the Chairperson.

The same rules and restraints apply where securities are held by immediate family members of Directors or senior staff.



The Company Secretary keeps record of all consents and dealings in Calgro M3 shares by Directors, prescribed officers and the Company Secretary.

Conflict of interest

The disclosure to the Board of all and any conflicts of interest or potential conflicts of interest which Directors may have in relation to the business of the Group is required. Directors are further required to recuse themselves from discussions or decisions on those matters where conflicts or potential conflicts of interest may exist. The Board may, if deemed appropriate, request a Director to recuse himself or herself from the meeting for the duration of the matter under discussion should there be a conflict or potential conflict of interest.

IT governance

Information Technology ("IT") at Calgro M3 is a strategic tool that facilitates the successful implementation of the Group's strategy and sustainable business performance. The IT charter is based on the principles of IT governance as described in King IV™, and guides the Board in discharging its IT responsibilities. The Board is responsible for IT governance and is ultimately responsible for ensuring information and IT strategies are aligned with business strategies. The Audit and Risk Committee assists the Board in carrying out these responsibilities. An IT governance framework and reporting system provides the Board with assurance that the IT strategy, procedures and controls within the business reduce IT risk, including information security, to an acceptable level.

IT at Calgro M3 ensures that the intellectual property contained within information systems is protected. The risks associated with business continuity and security as raised by the Audit and Risk Committee, were mitigated through the successful design and implementation of a disaster recovery plan as well as successfully passing a penetration test conducted by an independent expert. Continued measures were enforced to ensure that all personal information is categorised, stored, secured and monitored as a business asset. Reviews were conducted around all user access control policies, security policies and data storage policies. Internal reviews of the existing user access rights, firewalls and security rulesets were conducted.

The Board is satisfied that, based on reports received from this Committee, an appropriate IT governance framework exists and is effectively monitored and functioning.

Legal matters and litigation

To the best of the Board's knowledge there is no material pending or threatening legal action that may have a material effect on the Group's financial and non-financial position.

Whistle-blowing

The Group has an anonymous reporting function (Tip-offs Anonymous line) that enables employees and any concerned individual not in the employ of Calgro M3 to report any fraudulent, corrupt or unethical practices. Please refer to page 51 in the ESG Report for more information.

Contact details are as follows:

Toll-free: 0800 204 837 Email: calgrom3@tip-offs.com Website: www.tip-offs.com





During the period under review there were no material matters reported on the whistle-blowing hotline.

Board Committees

Board committees assist the Board in discharging its duties and responsibilities, but without abdicating the Board's responsibilities. Each committee has formal approved and written terms of reference that are reviewed annually to ensure effective delegation of roles and responsibilities from the Board.

There is full disclosure of matters handled by the Committees to the Board. The Committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the Group. The Board has a Remuneration and Nomination Committee, an Audit and Risk Committee and a Social and Ethics Committee. The Board resolved that it was not necessary to have an Investment Committee. Matters normally dealt with by this committee are now dealt with by the Audit and Risk Committee and the Board of Directors.

Remuneration and Nomination Committee



The full Remuneration Report can be downloaded in the Notice of AGM section of the Integrated Annual Report portal on the Calgro M3 website.

The main purpose of the Remuneration Committee is to ensure the adoption of remuneration policies within the Group which aim at attracting and retaining top talent by motivating and rewarding top performers. Policies are aligned with the Group's strategy to drive performance in the long and short-term.

The Remuneration Committee is chaired by Ralph Patmore, who is an Independent Non-Executive Director. This Committee also fulfils the role of Nomination Committee (chaired by Pumla Radebe), having the responsibility to evaluate the Directors and examine the skills and characteristics required of these individuals. The Nomination Committee is also required to identify suitably qualified candidates for the position of Director, when the need arises as well as to ensure that appropriate succession planning is performed. The Nomination Committee considers the diversity of Directors when determining the composition of the Board as well as any new appointments.

The Board has adopted a policy that sets out the approach to achieve broader diversity at Board level. Any new appointments and changes to members of the Board will be measured against this policy. Any matter of the Nomination Committee is chaired by the Chairperson of the Board. Although the Chairperson of the Board is not the Chair of the Remuneration Committee, the Chairperson of the Board is an active member.

It is the duty of this Committee to align its interests with those of the shareholders and consider the interests of the broader grouping of stakeholders. The integration of the duties of a Nomination Committee with that of the Remuneration Committee has proved to be successful.

The Committee's terms of reference include the following responsibilities:

Assisting the Board from a Remuneration Committee perspective with:

- Approval of the Group's adopted remuneration policy;
- Ensuring that the remuneration strategy is market-related and competitive;
- Ensuring that remuneration for executives, including their short and long-term incentives, is based on performance and as such, that performance is measured and rewarded;
- Determining specific remuneration packages for senior executives of the Group;
- Considering the relationship between senior executive remuneration and that of other senior Group employees;
- Considering and recommending Non-Executive Directors' fees for their services on the Board and its Committees;
- Ensuring that disclosure of Directors' remuneration is accurate, complete and transparent and in line with shareholder expectations;
- Approving the structure of short-term incentive schemes, including determining the targets and participation thresholds thereof; and
- Approving the structure of long-term share incentive schemes, including the determination of allocation criteria and performance conditions.

Assisting the Board from a Nomination Committee perspective with:

- Ensuring the Board has an appropriate composition to execute its duties effectively;

Board Committees (continued)

- Ensuring Directors are appointed through a formal process;
- Facilitating induction and ongoing Director training and development; and
- Overseeing the development of formal succession plans for the Board, CEO and Senior Management.

The CEO attends the meetings by invitation but does not participate in discussions on his own remuneration. The Committee Chairman reports back to the Board on the activities of the Committee at subsequent Board meetings and the minutes of the Committee meetings are circulated to all Directors. During the year, the Committee approved senior appointments, reviewed succession plans and the performance and service agreements of the Exco members. The Committee also assesses the independence of each of the Independent Non-Executive Directors on an annual basis.

Service contracts

Executive Directors are appointed on the Group's standard senior executive terms and conditions of employment.

Meetings required across the year	Meetings held during the year
2	3

Extra meeting held: To identify shortcomings on the Board and determine the specific skills and expertise required by the appointment of new Independent Non-Executive Directors

Social and Ethics Committee

The responsibilities of the Committee are set out in a written terms of reference, which are reviewed periodically and include monitoring the Group's activities considering relevant legislation, regulatory requirements, best practice and codes. The members of this Committee are appointed by the Board. Mdu Gama serves as Chairperson and is an Independent Non-Executive Director. A quorum for this Committee is two members of which one needs to be the Chairperson or another Independent Non-Executive Director attending the meeting on his behalf.

Meetings required across the year	Meetings held during the year
4	4

The Social and Ethics Committee's key responsibilities are to:

- Align the Group's Social and Ethics strategy with its overall business strategy;
- Recommend to the Board the strategies and policies to ensure the Group's Social and Ethics targets are achieved;
- Monitor the implementation and efficiency of Employment Equity;
- Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships;
- Review policies and statements on ethical standards and on whistle-blowing; and
- Monitor empowerment progress within the Group to ensure the adoption of empowerment policies in all areas in a sustainable manner.

Board Committees (continued)

Investment Committee

In view thereof that there is minimal investments in the foreseeable future, other than existing contracts, the Board resolved that it was not necessary to have an Investment Committee at this stage. The Board dissolved the Investment Committee. Matters normally dealt with by this committee are now dealt with by the Audit and Risk Committee and the Board of Directors.

Meetings required across the year	Meetings held during the year
As required	1

Audit and Risk Committee

The full Audit and Risk Committee Report can be downloaded in the Annual Financial Statements section of the Integrated Annual Report portal on the Calgro M3 website.

Meetings required across the year	Meetings held during the year
4	4

The Committee is chaired by George Hauptfleisch, an Independent Non-Executive Director.

The Committee consisted of three members during the year. In accordance with statutory requirements, the members of this Committee are all Independent Non-Executive Directors. In addition to the Committee members, the CEO, FD, internal auditors, external auditors and the Company Secretary attend meetings by invitation.

Overall objectives of this Committee are to ensure:

- Adequate systems of accounting records, effective financial reporting and internal control systems are in place and fully functional;
- Oversight of the Integrated Annual Report, financial results and monitoring of sustainability reporting;
- Recommendations to the Board and shareholders on the appointment of external auditors;
- Review of findings and recommendations of internal and external auditors;
- Evaluation of the expertise and experience of the FD and the overall finance function;
- Monitoring any non-audit services rendered by external auditors;
- That significant business, financial and other risks are identified and mitigated;
- The review of the risk management process and procedures, including the effectiveness of systems and processes;
- Satisfactory standards of governance, reporting and compliance in conformance to King IV™ guidelines, the Companies Act and the JSE Listings Requirements;
- Group assets are safeguarded;
- IT responsibilities are carried out by management;
- The appointment of the auditor is presented and included as a resolution at the Annual General Meeting persuant to section 61(8) of the Companies Act;
- The appropriate financial reporting procedures exist and are working; and
- The external auditor is independent of Calgro M3, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements.

CALGRO M3

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