

KING IV APPLICATION DISCLOSURE



Profitability. Empowerment. Positive Social Impact.

Glossary

- Board: Brimstone Board of Directors
- Brimstone IR: Brimstone Investment Corporation Limited's 2021 Integrated Report

PRINCIPLES	IMPLEMENTATION
Leadership, Ethics and Corporate Citizenship GOVERNANCE OUTCOME: ETHICAL LEADERSHIP	
Principle 1 – Leadership The governing Body should lead ethically and effectively.	Refer to page 32 of the Brimstone IR.
Principle 2 – Organisational Ethics The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Group Code of Conduct had been updated and all employees have access thereto.
Principle 3 – Responsible Corporate Citizenship The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Refer to “Corporate Social Initiatives” on pages 26 – 29 of the Brimstone IR.
Strategy, Performance and Reporting GOVERNANCE OUTCOME: GOOD PERFORMANCE AND LEGITIMACY	
Principle 4 – Strategy and Performance The governing body should ensure that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Brimstone IR, in its entirety, explains how the Board has ensured that Brimstone’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
Principle 5 – Reporting The governing body should ensure that the reports issued by the organisation enable the stakeholders to make informed assessments of the organisations performance and its short, medium and long-term prospects.	The Board has ensured that the Brimstone IR and additional documentation which is available on the Company’s website www.brimstone.co.za , enables stakeholders to make informed assessments of the Company’s performance and its short, medium and long-term prospects.

PRINCIPLES	IMPLEMENTATION
<p>Governing Structures and Delegation GOVERNANCE OUTCOME: GOOD PERFORMANCE AND EFFECTIVE CONTROL</p>	
<p>Principle 6 – Primary role and Responsibilities of the Board The governing body should serve as a focal point and custodian of corporate governance in the organisation.</p>	<p>Refer to the sections on board governance and leadership on page 32 of the Brimstone IR.</p>
<p>Principle 7 – Composition of the Board The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>Refer to pages 16 – 17 of the Brimstone IR for details of the Brimstone directorate. The chairman is not an independent non-executive director, however a strong lead independent director ensures that the necessary independence is maintained in the functioning of the Board. Two new independent non-executive directors with the appropriate knowledge and skills were appointed to the Board during November and December 2021 respectively.</p> <p>The Board is comprised of a majority of independent non-executives and is satisfied that there is the appropriate balance of knowledge, skills, culture, age, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> <p>An approved Diversity policy is in place.</p>
<p>Principle 8 – Committees of the Board The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and effective discharge of its duties.</p>	<p>The Board is satisfied that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and effective discharge of its duties. Please refer to pages 32 – 37 of the Brimstone IR for an explanation of how the Board delegates within its own structures.</p> <p>Reports from the Social and Ethics and Remuneration and Nominations Committees can be found on pages 38 – 46 of the IR. The Audit Committee has also executed its responsibilities as set out in Section 94 of the Companies Act 71 of 2008 and as set out in 3.84(h) of the JSE Limited Listing Requirements. Further detail can be found on pages 47 – 49 of the IR.</p>
<p>Principle 9 – Evaluations of the performance of the Board The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>Performance evaluations of the board, its sub-committees, individual directors, chairman, CEO and the company secretary are conducted. The nomination for re-appointment of a director only occurs after the nominations committee and board have recommended the member. Any non-executive director over the age of 70 years is re-elected annually by the Remuneration and Nominations Committee for approval by the Board. The Lead Independent Director was re-elected for the ensuing year.</p>
<p>Principle 10 – Appointment and Delegation to management The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	<p>The Board is satisfied that the appointment of, and the delegation to management contributes to role clarity and the effective exercise of authority and responsibilities. Please refer to pages 32 – 37 of the Brimstone IR for an overview of the executive management and the interaction between the Board and Brimstone Management.</p>

PRINCIPLES	IMPLEMENTATION
<p>Governance Functional Areas GOVERNANCE OUTCOME: ETHICAL CULTURE, GOOD PERFORMANCE AND EFFECTIVE CONTROL</p>	
<p>Principle 11 – Risk Governance The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The board is responsible for overseeing governance and risk. The board charter outlines the directors’ responsibilities for ensuring that an appropriate system and process of risk management is implemented and maintained.</p>
<p>Principle 12 – Technology and Information governance The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic goals.</p>	<p>The Board is cognisant of the importance of technology and information. The audit and risk committee has oversight responsibility for IT governance and risk management. A key focus area was to ensure that the Company’s IT infrastructure and systems were secure and operating effectively, to support optimal efficiency of all staff working from home in the COVID-19 environment.</p>
<p>Principle 13 – Compliance Governance The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>The sections on how the Board governs compliance can be found in the Brimstone IR on the following pages: i. Our material risks – page 14 ii. Governance report – page 32</p>
<p>Principle 14 – Remuneration Governance The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>Please refer to the report of the remuneration committee on pages 39 – 46 of the Brimstone IR. The remuneration policy and implementation report will be tabled at the next Brimstone Annual General Meeting scheduled for 30 May 2022, for a separate non-binding advisory vote by shareholders.</p>
<p>Principle 15 – Assurance The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision- making and of the organisation’s external reports.</p>	<p>The Board is satisfied that its combined assurance model enables an effective control environment and supports the integrity of information used by Brimstone for internal decision-making and for its external reports.</p>
<p>Legitimacy, Good Performance and Ethical Culture</p>	
<p>Principle 16 – Stakeholders In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<p>The way in which Brimstone considers and engages with its stakeholders is addressed in the Brimstone IR. Please refer to the Governance Report, “Stakeholder Engagements” on page 37.</p>