

**CODE OF CORPORATE GOVERNANCE REPORTING TEMPLATE**

A lot of effort has been put in ensuring high standards of corporate governance within Sameer Africa Ltd. To this end we have conducted an internal self-assessment of implementation of code corporate governance. Below is a table showing the status of our implementation of the code corporate governance as issued by CMA

| All elements marked in green are mandatory   F.A-Fully Applied, P.A-Partially Applied, N.A- Not Applied. |   |             |   |
|--|---|-------------|---|
| Mandatory or “apply or explain”  | Question  | Application | Comment   |
|  | <b>INTRODUCTION</b>   |             |   |
| M  | Has the company developed a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?                                | F.A         | Available at <a href="http://www.sameer africa.com">www.sameer africa.com</a> |
| M  | Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with the code requirements?                               | F.A         | Available at <a href="http://www.sameer africa.com">www.sameer africa.com</a> |
| A or E   | Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?                   | F.A         | Within Integrated Report.   |
| M  | How has the Board ensured all directors, CEOs and management are fully aware of the requirement are fully aware of the requirements of this Code?                         | F.A         | Was discussed and shared with management.                                     |
| M  | Do company documents indicate the role of the Board in developing and monitoring the company strategy?  | F.A         | Contained in Charter and various policies.                                    |
| A or E   | Does the company strategy promote sustainability of the company?  | F.A         | Contained in the strategic plan.  |
| M  | Are all Board Committees governed by a written charter/ terms of reference, disclosing its mandate, authority, duties, composition, and leadership and working processes? | F.A         | Adopted by the Board.   |
|  | <b>BOARD OPERATIONS AND CONTROL</b>   |             |   |
| M  | Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?   | F.A         | Committee in place.   |
| M  | Is the Chairperson of the Nomination Committee an independent director?   | F.A         | Chairperson is independent.   |
| M  | Has the Board adopted and published procedures for nomination and appointment of new Board members?   | F.A         | Contained in the policy on appointment.                                       |
| M  | Is the Board size adequate for the exercise of the company business?  | F.A         | Comprises of 9 members.   |
| A or E   | Has the Board adopted a policy to ensure the achievement of diversity including age, race and gender in its composition?  | P.A         | Draft policy under review   |
| M  | Do the Board members represent mix of skills, experience, business knowledge and independence to enable the discharge of their duties?                                    | F.A         | Comprises of diverse skill mix.   |
| M  | Has the Board adopted and applied a policy limiting the number of Board positions each Board member may hold at any one time?   | F.A         | Contained in Board Charter and policy on appointment.                         |

## CODE OF CORPORATE GOVERNANCE REPORTING TEMPLATE (CONTINUED)

| Mandatory or "apply or explain" | Question  | Application | Comment                             |
|---------------------------------|---|-------------|-------------------------------------|
| M                               | Have any Alternate Board members been appointed? If so, have the Alternate Director(s) been appointed according to regulation and code requirements?                                      | N.A         | No alternate Board members.         |
| M                               | Are independent directors at least one- third of the total number of Board members?   | F.A         | 4 out of 9 members are independent. |
| A or E                          | Does the Board have policies and procedures to annually assess the independence of the independent Board members?   | F.A         | Contained in policy on appointment. |
| M                               | Do all independent Board members have a tenure of less than 9 years?  | F.A         | Yes.                                |
| M                               | Is the Board comprised of a majority of non-executive board members?  | F.A         | Yes.                                |
| M                               | How does the Board ensure smooth transition of Board members?   | F.A         | Through succession planning.        |
| M                               | Has the Board established an effective Audit Committee according to Code requirements?  | F.A         | Committee in place.                 |
| M                               | Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?  | F.A         | Yes.                                |
| A or E                          | Is the Chairman of the Board a non-executive board member?  | F.A         | Yes.                                |
| A or E                          | Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?  | F.A         | Yes.<br>Contained in Board Charter. |
| M                               | Has the Board adopted a policy on managing conflict of interest?  | F.A         | Yes.                                |
| M                               | Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?               | F.A         | Yes.                                |
| M                               | Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?  | F.A         | Yes.                                |
| A or E                          | Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?  | P.A         | Being improved.                     |
| A or E                          | Has the Board developed an annual work-plan to guide its activities?  | P.A         | Can be improved upon.               |
| M                               | Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the Company secretary? | F.A         | Yes.                                |
| A or E                          | Has the Board established and applied a formal induction program for in-coming members?   | P.A         | Can be improved upon.               |
| A or E                          | Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?  | F.A         | Yes.                                |

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| Mandatory or "apply or explain" | Question  | Application | Comment  |
|---------------------------------|---|-------------|--|
| A or E                          | Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?    | F.A         | Yes.   |
| M                               | Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?                               | F.A         | Yes.<br>Contained in policy on remuneration.   |
| M                               | How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?                             | P.A         | The company will be subjected to a compliance audit on applicable laws and corporate governance                |
| M                               | In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?   | N.A         | The audit will be scheduled this year  |
| A or E                          | Has the Board subjected the company to an annual governance audit?  | N.A         | The audit will be scheduled this year.   |
|                                 | <b>RIGHTS OF SHAREHOLDERS</b>   |             |  |
| M                               | Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?                                  | F.A         | Contained in the Board Charter.  |
| M                               | Other than at the AGM, how does the Board facilitate the effective exercise of shareholder's rights?  | F.A         | Communication via the media and the company website.   |
| M                               | How does the Board facilitate shareholders participation at the AGM?  | F.A         | All shareholders are given an equal opportunity to raise their questions and seek clarifications on any issue. |
| A or E                          | Are minority and foreign shareholders holding the same class of shares treated equitably?   | F.A         | Yes.<br>Contained in the Board Charter.  |
| A or E                          | Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance? | F.A         | Can be improved upon.  |
|                                 | <b>STAKEHOLDER RELATIONS</b>  |             |  |
| A or E                          | Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?                             | P.A         | Can be improved upon.  |
| A or E                          | Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?  | F.A         | Contained in policy on disclosures.  |
| A or E                          | How does the Board take into account the interests of key stakeholder groups prior to making decisions?   | F.A         | Yes.   |
| M                               | How does the Board ensure effective communication with stakeholders?  | F.A         | Through the media, website and financial reports.  |
| M                               | Has the Board established a formal dispute resolution process to address internal and external disputes?  | F.A         | Yes.<br>Policy in place.   |

## CODE OF CORPORATE GOVERNANCE REPORTING TEMPLATE (CONTINUED)

| Mandatory or "apply or explain" | Question  | Application | Comment   |
|---------------------------------|---|-------------|---|
|                                 | ETHICS AND SOCIAL RESPONSIBILITY  |             |   |
| A or E                          | Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) underpinning good governance and sustainability? | F.A         | Yes.  |
| M                               | Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?                                    | F.A         | Yes.<br>Policy in place.                              |
| A or E                          | How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?   | P.A         | Reporting can be improved.                            |
| A or E                          | Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?   | F.A         | Yes.  |
| A or E                          | How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?   | P.A         | Follow up can be improved.                            |
| A or E                          | Has the company established and implemented a whistle blowing policy?   | F.A         | Yes.  |
| A or E                          | Has the Board/ management developed policies on corporate citizenship and sustainability and strategies for company use?  | P.A         | Draft policy under review                             |
| M                               | Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?  | F.A         | Yes.<br>Has implemented ISO 9001:2015                 |
| A or E                          | Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?   | P.A         | Reporting can be improved upon.                       |
|                                 | ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL  |             |   |
| M                               | Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful factual presentation?   | F.A         | Yes.<br>Contained in the Integrated Financial Report. |
| M                               | Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?   | F.A         | Yes.  |
| A or E                          | Does the Board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?   | N.A         | To be adopted.  |

**CODE OF CORPORATE GOVERNANCE REPORTING TEMPLATE (CONTINUED)**

| Mandatory or "apply or explain" | Question  | Application | Comment  |
|---------------------------------|---|-------------|--|
| M                               | Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?  | F.A         |  |
| A or E                          | Is the Company working toward the introduction of integrated reporting or is the company's Annual report prepared on an integrated basis using a framework available from the integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accounting Standards Board standards? | P.A         | GRI to be implemented.   |
| A or E                          | Has the Board established an effective risk management framework which is inclusive of environmental and social risks and issues?   | P.A         | Incorporated risk registers on-going process.  |
| M                               | Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?  | F.A         | Yes.<br><br>Legal, Audit and ICT department report quarterly on compliance/ noncompliance. |
| M                               | Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?  | F.A         | Yes.<br><br>Risk registers in place and are being reviewed by the Audit Committee.         |
| M                               | Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?  | F.A         | Yes.   |
| A or E                          | Does the Board disclose details of Audit Committee activities?  | F.A         | Yes.<br><br>Contained in the Integrated Financial Report.                                  |
|                                 | <b>TRANSPARENCY AND DISCLOSURE</b>  |             |  |
| M                               | Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.   | F.A         | Yes.<br><br>Policy in place.   |
| A or E                          | Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?   | F.A         | Yes.   |
| A or E                          | Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?  | F.A         | Yes.   |
| A or E                          | Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?   | F.A         | Yes.   |
| A or E                          | As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing policy, Code of Ethics and Information on resignation of directors)?  | F.A         | Yes.   |

**CODE OF CORPORATE GOVERNANCE REPORTING TEMPLATE (CONTINUED)**

| Mandatory or "apply or explain" | Question   | Application | Comment                                       |
|---------------------------------|--|-------------|---|
| A or E                          | Does the Board disclose the management discussion and analysis as required in 7.1.1  | F.A         | Yes.  |
| A or E                          | Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards; ethical leadership, conflict of interest, corporate social responsibility and citizenship? | P.A         | Can be improved upon.                         |
| A or E                          | Has the Board made all required disclosures, including confirming requirements of 7.1.1 which include that a governance audit was carried out and that there are no known insider dealings?            | P.A         |   |
| A or E                          | Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?   | F.A         |   |
| M                               | Has the Board disclosed information on shareholders, Including the extent of their shareholding?   | F.A         | Contained in the Integrated Financial Report. |
| M                               | Has the Board disclosed all related-party transactions?  | F.A         | Contained in the Integrated Financial Report. |
| M                               | Does the Board include in its Annual Report a statement of policy on good governance and status of the application of this Code?   | F.A         | Yes.  |