



Altvest Capital Ltd

King IV Application Register - 2024

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ALTVEST CAPITAL LTD KING IV APPLICATION REGISTER

Introduction:

This register contains an explanation of the implementation by Altvest Capital Ltd ("the company") of the applicable practices as recommended in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV") in relation to the financial year ended April 2024.

The company has applied the King IV disclosure and application regime, recognizing that the practices as recommended in King IV are positioned at the level of leading practices, and may therefore not all be suitable and appropriate for the company to achieve the principles and realise the intended governance outcomes. The company has considered and applied the practices, taking into account proportionality considerations relating to the company's size, resources, and complexity of activities.

1. LEADERSHIP	
Principle	Explanation
<p>The governing body should lead ethically and effectively.</p> <p>Reference: [K IV™ P1 Prac 1-3] [Board Charter]</p>	<p>The Board of Directors of Altvest Capital fully subscribes to the governance provisions set out in the Companies Act as well as the King IV principles of good Corporate Governance.</p> <p>The Board Charter regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all dealings by, in respect, and on behalf of the Company.</p> <p>The Board members are required to act in the best interests of the Company, in good faith, and with integrity, adhering to all applicable legal standards of conduct. They must avoid any conflict of interest between their personal affairs and the affairs of the Company or, where unavoidable, disclose such conflict or potential conflict.</p> <p>The Board's performance is evaluated annually through a self-assessment or self-evaluation process facilitated by the Company Secretary.</p>

2. ORGANISATIONAL ETHICS	
Principle	Explanation
<p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>Reference: [K IV™ P2 Prac 4-7] [Board Charter]</p>	<p>The Board is responsible for setting the values to which the Company will adhere and ensuring that its conduct, as well as that of the CEO, Senior Management, and staff, align with its values and are adhered to in all aspects of its business.</p> <p>The Social and Ethics Committee assists the Board in overseeing the Company's activities related to organisational ethics. This includes monitoring the Company's activities against relevant legislation, other legal requirements, and codes of best practice.</p>
3. RESPONSIBLE CORPORATE CITIZENSHIP	
Principle	Explanation
<p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>Reference: [K IV™ P3 Prac 11-15] [SEC terms of reference] [Board Charter]</p>	<p>The Board is responsible for promoting a stakeholder-inclusive approach to governance (Section 3.1.4 of Board Charter). It shall consider recommendations from the Social and Ethics Committee for adoption and implementation.</p> <p>The Social and Ethics Committee provides oversight and advice to the Board on the Company's activities related to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment. This aligns with the Committee's responsibilities as outlined in Companies Regulation 43(5).</p>
4. STRATEGY AND PERFORMANCE	
Principle	Explanation
<p>The governing body should appreciate 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.</p>	<p>The Board is responsible for determining the Company's strategic direction and exercising prudent control over the Company and its affairs (Section 3.1.1 of Board Charter). It shall approve any material alterations to the Company's business plan</p>

<p>Reference: [K IV™ P4 Prac 1-4] [Board Charter] [Code of Conduct]</p>	<p>The Board recognizes that the Company's core purpose, risks and opportunities, strategy, business model, performance, and sustainable development are inseparable elements of the value creation process.</p>
<p>5. REPORTING</p>	
<p>Principle</p>	<p>Explanation</p>
<p>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</p> <p>Reference: [K IV™ P5 Prac 12-13] [Audit and Risk Committee Terms of Reference]</p>	<p>The Board ensures the integrity and transparency of the Company's reporting through its oversight role. The Audit and Risk Committee assists the Board by reviewing the annual financial statements, interim reports, preliminary or provisional result announcements, summarized integrated information, and any other intended release of price-sensitive information.</p>
<p>6. PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</p>	
<p>Principle</p>	<p>Explanation</p>
<p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>Reference: [K IV™ P6 Prac 1-2] [Board Charter]</p>	<p>The Board serves as the focal point and custodian of Corporate Governance in the Company It exercises its leadership role by steering the Company, setting its strategic direction, approving policies, overseeing and monitoring implementation and execution by management, and ensuring accountability for performance.</p>

7. COMPOSITION OF THE BOARD	
Principle	Explanation
<p>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>Reference: [K IV™ P7 Prac 6-8] [Board Charter]</p>	<p>The Board shall at all times 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>The Board composition is regulated under clause 27 of the Company's MOI, which includes the requirement that there shall at all times be a minimum of 4 Directors on the Board.</p>
8. COMMITTEES OF THE GOVERNING BODY	
Principle	Explanation
<p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p> <p>Reference: [K IV™ P8 Prac 39,42,51,56,57,62,68,70] [Boar Charter] [Audit and Risk Committee Terms of Reference] [SEC Terms of Reference]</p>	<p>The Board may delegate some of its functions to well-structured Committees without abdicating its own responsibilities.</p> <p>Each Board Committee has a formal Terms of Reference which has been approved by the Board and reviewed annually.</p> <p>The Committees include an Audit & Risk Committee, Investment Committee, and Social and Ethics.</p> <p>The Audit and Risk Committee comprises of three independent members. The Committee is chaired by an independent non-executive director.</p> <p>The Social and Ethics Committee comprises of three directors, with a majority being independent non-executives These composition requirements promote independent judgment and a balance of power within the Committees.</p>

9. EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY

Principle	Explanation
<p>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>Reference: [K IV™ P9 Prac 71-73] [Board Charter]</p>	<p>The Board shall conduct a self-assessment or self-evaluation annually, facilitated by the Company Secretary.</p> <p>The Chairperson assesses the effectiveness of each Board member, and an independent service provider shall be appointed annually to evaluate the effectiveness of the Chairperson</p>

10. APPOINTMENT AND DELEGATION TO MANAGEMENT

Principle	Explanation
<p>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>Reference: [K IV™ P10 Prac 76,81,82,89] [Board Charter]</p>	<p>The Board shall satisfy itself that there is a succession plan for the CEO position and periodically review such plans.</p> <p>The Board shall approve and annually review a delegation of authority framework that articulates its set direction on reservation and delegation of power.</p>

11. RISK GOVERNANCE	
Principle	Explanation
<p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>Reference: [K IV™ P11 Prac 1-6] [Audit and Risk Committee Terms of Reference]</p>	<p>The Committee oversees financial reporting risks, internal financial controls, fraud risks related to financial reporting, and IT risks.</p> <p>The Committee is responsible for overseeing the development and annual review of a policy and plan for risk management and monitoring its implementation.</p>
12. TECHNOLOGY AND INFORMATION GOVERNANCE	
Principle	Explanation
<p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>Reference: [K IV™ P12 Prac 10-13] [Corporate Governance Policy] [Cyber Security Policy] [Board Charter]</p>	<p>The Board holds overall responsibility for IT governance and delegates day-to-day management to the CEO. This enables the Group to achieve competitive advantage through the cost-effective application and management of ICT systems and resources.</p> <p>The Cyber Security Policy outlines Altvest's approach to managing cyber risks and protecting its information assets. It includes guidelines for the protection of data security and the company's technology infrastructure, protocols that govern cyber security measures, and rules for company and personal use. The policy addresses the protection of electronic records, especially those of a confidential or private nature.</p> <p>The Information Officer is responsible for ensuring the implementation of the procedures described in the policy.</p>

13. COMPLIANCE GOVERNANCE	
Principle	Explanation
<p>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>Reference: [K IV™ P13 Prac 18,21] [Audit and Risk Committee Terms of Reference] [Companies Regulation 43(5)(a)]</p>	<p>The Audit and Risk Committee oversees the Company's compliance with legal and regulatory requirements.</p> <p>The Social and Ethics Committee monitors the Company's activities against relevant legislation, other legal requirements, and codes of best practice related to its areas of responsibility (Companies Regulation 43(5)(a)).</p>
14. REMUNERATION GOVERNANCE	
Principle	Explanation
<p>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>Reference: [K IV™ P14 Prac 26-29] [Remuneration Policy]</p>	<p>The Remuneration Committee, operating under the Board's authority, ensures responsible and fair remuneration across the Company.</p> <p>The Committee ensures that remuneration is aligned with the Company's overall reward philosophy, which is linked to long-term business objectives and risk management strategy.</p> <p>The remuneration policy aims to attract, retain, and motivate employees and is designed to promote the achievement of strategic objectives and positive outcomes over the short, medium, and long term.</p>

15. ASSURANCE	
Principle	Explanation
<p>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>Reference: [K IV™ P15 Prac 42-47] [Audit and Risk Committee Terms of Reference]</p>	<p>The Audit and Risk Committee oversees the Company's external audit process, ensuring the appointment of a suitable and independent external auditor.</p> <p>The Committee reviews the quality and effectiveness of the external audit process. Additionally, the Committee oversees the Company's integrated reporting process, including reviewing the annual financial statements, interim reports, and other price-sensitive information.</p>
16. STAKEHOLDERS	
Principle	Explanation
<p>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>Reference: [K IV™ P16 Prac 1-7] [Code of Conduct] [Corporate Governance Policy] [Procurement Policy]</p>	<p>The Board is responsible for ensuring that all the Company's stakeholders are dealt with equitably and that there is transparent and effective communication with them.</p> <p>The Board has identified the important stakeholders and strives to achieve a balance between their various expectations. The Board delegates to management the responsibility for implementation and execution of effective stakeholder relationship management.</p> <p>The Procurement Policy outlines Altvest's approach to managing its relationships with suppliers and other stakeholders involved in the procurement process. It includes guidelines on ethical sourcing and supplier selection, fair and transparent procurement processes, promoting diversity and inclusion among suppliers, managing supplier performance and relationships, and ensuring compliance with relevant laws and regulations. The policy also incorporates Altvest's approach to preferential procurement in supporting Broad-Based Black Economic Empowerment.</p>

Conclusion:

Altvest Capital Ltd is committed to applying the King IV principles and practices in a manner that is proportional to its size, resources, and complexity. The company endeavors to align its governance practices with the recommended practices outlined in King IV, while taking into account its specific context and the best interests of its stakeholders. The board and management will continue to monitor and enhance the company's governance practices ensuring ethical leadership, sustainability, and value creation.