Governance

Introduction

Corporate governance is an integral part of the Group's business philosophy and the foundation on which the business is managed and controlled. The Board, Exco and senior management across the Group are committed to maintaining the highest standards of good corporate governance and good corporate citizenship and accept full responsibility for the application of these principles.

These corporate governance principles encompass:

- the creation and ongoing monitoring of a system of checks and balances to ensure a balanced exercise of power within the Group;
- the implementation of a system to ensure compliance by the Group with its legal and regulatory obligations;
- the implementation of a process whereby risks to the sustainability of the Group's business is identified and managed within agreed parameters; and
- the development of practices which make and keep the Group accountable to the broader society in which it operates.

Corporate governance is essentially about responsible leadership of the Group.

We strive for leadership that is transparent, answerable and accountable towards the Group's stakeholders and which aims to achieve a balance between economic, social, individual and collective goals, seeking to align as closely as possible the interests of individuals, the Group and society as a whole.

Statement of compliance

The Board subscribes to full compliance with applicable laws and regulations in the jurisdictions under which it operates.

The Group's governance structures have also been refined in line with the principles of King IV™, by comparing and enhancing existing governance practices to the principles and desired outcomes contained in King IV™. Enhancements to further improve delivery of the desired governance outcomes continue to be sought.

The Board has embraced King IV™ and as recommended, Raubex has provided a narrative based report, referencing each of the King IV™ principles and an explanation of the practices employed, to apply the principles. The Group's King IV™ application register can be viewed on the Group's website www.raubex.com.

Complying with all applicable legislation, regulations, standards and codes is integral to the Group's culture and imperative to achieving our strategy. The Board delegates responsibility for compliance to executive management and monitors this through the Group Governance Risk and Compliance Manager who reports on compliance matters to the Risk Committee.

The compliance function assesses the impact of proposed legislation and regulation and any other material regulatory issues are escalated to the Risk Committee.

During the 2025 financial year, Raubex was compliant in all material respects with the requirements of the Companies Act, the Companies Act regulations, the Company's MOI and the Listings Requirements.

Statement of going concern

The Board concluded and expressed in its responsibility statement of the 2025 Annual Financial Statements, that the Group is a going concern. The 2025 interim results and Annual Financial Statements were prepared on this basis.

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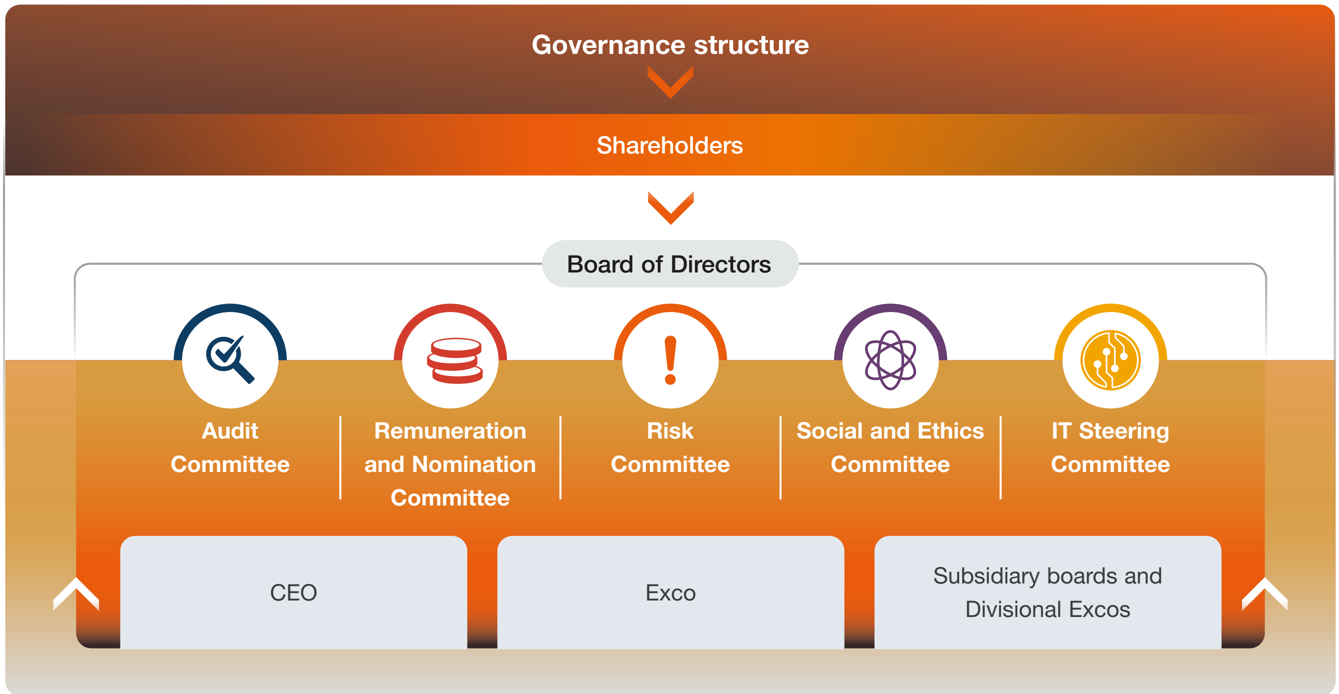
Board accountability and delegation

The Board is ultimately accountable for the effective governance of the Group. It is the responsibility of the Board to ensure that (i) clearly defined roles and responsibilities are given to its various committees and subsidiary boards, (ii) the CEO is supported by the Exco and further (iii) that all key functions are in place.



Structure of the Board

The Group has a unitary Board consisting of nine directors with an appropriate balance between Executive and Non-Executive Directors. The directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the Board.

There is a clear balance of power and authority at Board level, to ensure no one director has unfettered powers of decision-making.

The Board is made up as follows:

Board balance

- **Executive Directors**: 3
- **Independent Non-Executive Directors**: 5
- **Non-Executive Director**: 1

Board diversity

- **B-BBEE representation**: 5
- **Black women representation**: 4

Governance (continued)

Board meetings and attendance

The Board meets on a quarterly basis and holds an annual strategy meeting. Additional meetings are scheduled when necessary.

Board papers are issued to all directors prior to each meeting and contain relevant detail to inform members of the financial and trading position of the Group and each of its operating divisions and also covers material issues pertaining to the Group.

Non-Executive Directors also maintain regular contact with Executive Directors to ensure that they are kept abreast of material matters that may require their input and guidance.

The attendance at Board meetings held during the year is set out below:

	8 May 2024	24 July 2024	7 November 2024	19 February 2025
RJ Fourie (Chairman)	✓	✓	✓	✓
SR Bogatsu (Lead Independent Director)	✓	✓	✓	✓
BH Kent	✓	✓	✓	✓
N Fubu	✓	✓	✓	✓
AM Hlobo	✓	✓	✓	✓
MZ Ndese[1]	×	×	×	✓
NF Msiza	✓	✓	✓	✓
SJ Odendaal	✓	✓	✓	✓
DC Lourens	✓	✓	✓	✓

1. *Appointed 24 January 2025.*

× *Not appointed as a member at the date of the meeting.*

Directors of Raubex

The directors of the Group and their credentials are set out on pages 22 and 23 of the Integrated Report.

Chairman and Lead Independent Director

Rudolf Fourie is not classified as independent in terms of governance best practice criteria due to him being the former CEO of the Group. As recommended by King IV™ and in compliance with the Listings Requirements, Setshego Bogatsu was appointed as Lead Independent Director. The Board recognises that the function of the Lead Independent Director is to provide leadership and advice to the Board when the Chairman has a conflict of interest without detracting from or undermining the authority of the Chairman.

Board Diversity Policy

Raubex supports the principles and aims of appropriate diversity at Board level and to this end, adopted a Board Diversity Policy. Diversity for purposes of the optimum composition of the Board means diversity in terms of business and industry skills, qualifications and knowledge, industry expertise, commercial background, culture, age, race, gender, faiths and other distinctions between and among individuals, including ethnicity and geographical differences. No voluntary targets have been set by the Board in this regard.

The Company will aim to achieve an appropriate level of diversity at Board level. Should a vacancy on the Board arise, the Board will through any appointment/s endeavour to ensure a meaningful combination of skills, diversity and experience on the Board which will best serve the interests of the Group and its stakeholders.

Application of the policy in effecting new or replacement appointments to the Board will be subject to the approval/ratification by the shareholders of the Group to such appointments at AGMs of the Group as required by the Companies Act.

Remco is mandated to assist the Board in managing the policy and will review the state of the Board's diversity on an ongoing basis, to ensure that the policy is appropriately applied and to make recommendations to the Board regarding the appointment of suitable candidates.

The policy will apply equally to any appointment of Executive or Non-Executive Directors of the Board.

Role of the Board

The Board acknowledges its responsibility for the effective governance of the Group and ultimate control of the Group's various businesses, as well as providing clear strategic direction to the Group. The Board directs the Group and provides an independent review on all issues of strategy, performance, resources and standards of conduct, either directly or through its governance committees.

The Board provides effective leadership based on an ethical foundation and ensures that the Group is and is seen to be a responsible corporate citizen and that all deliberations, decisions and actions are based on the values of responsibility, accountability, fairness and transparency that underpin good governance. The Board ensures that the Group's ethics are managed effectively and that it conducts its business in the best interest of the Group and all stakeholders. The Board has a formal charter setting out its responsibilities and is the focal point for and custodian of corporate governance.

The Board appreciates that strategy, risk, performance and sustainability are inseparable. The Board's responsibility includes providing the Group with clear strategic direction, ensuring that there is adequate succession planning at senior levels, reviewing operational performance and management, determining policies and procedures which seek to ensure the integrity of the Group's risk management and internal controls, implementing and maintaining clear channels of communication and overseeing director selection, orientation and evaluation.

Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are separate and each operates under a separate mandate of the Board. This differentiates the division of responsibility within the Group and ensures a balance of authority.

Role of the Chairman

Rudolf Fourie is the Chairman of the Board and is responsible for providing leadership to the Board, overseeing its efficient operation and ensuring good corporate governance practices are applied across the Group. As previously mentioned, the Chairman is not considered to be independent and the role of Lead Independent Director is filled by Setshego Bogatsu.

Role of the CEO

The CEO is responsible for the management of the Group's day-to-day operations and affairs in line with the policies and strategic objectives set out and agreed to by the Board. The CEO is supported by the Financial Director and the COO as well as the Exco, of which she chairs a monthly meeting where the Group's results, strategy execution, performance and prospects are reviewed. The CEO reports at each Board meeting on the strategy execution, performance and prospects of the Group and any other material matters arising for the attention of the Board. The CEO is Felicia Msiza.

Independence of the Board

The executive element of the Board is balanced by a strong group of independent directors to ensure that no individual or small group of individuals can dominate the Board's decision making, ensuring that all shareholders' interests are protected.

The Board maintains its independence through:

- keeping the roles of Chairman and CEO separate;
- having a Lead Independent Director;
- the Non-Executive Directors not holding fixed term service contracts and their remuneration not being tied to the financial performance of the Group;
- all directors having access to the advice and services of the Company Secretary;
- all directors, with prior permission from the Board, being entitled to seek independent professional advice regarding the affairs of the Group at the Group's expense;
- functioning governance committees comprising mainly of Non-Executive Directors; and
- the appointment or dismissal of the Company Secretary being decided by the Board as a whole and not by one individual director.

Annual independence assessment of the Board

King IV™ states that Independent Non-Executive Directors may serve for longer than nine years if an assessment is conducted annually to establish that the director "exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making".

During the year, an annual independence assessment was undertaken by the Board, assisted by an independent external third party, to assess the independence of Bryan Kent, who has served on the Board of Raubex for more than nine years. Consultations were held and questionnaires were completed by all Board members and according to the criteria set, Board members were satisfied with the independence and tenure of Bryan Kent.

It is the Board's view that Bryan Kent possesses the necessary knowledge and skills as member of the Board in his capacity as Independent Non-Executive Director. The Board accordingly confirms that it is satisfied with the independence and tenure of Bryan Kent.

Interests in contracts and conflicts of interest

Directors are required to inform the Board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters. Directors are also required to disclose their other directorships at least annually and to inform the Board via the Company Secretary when any changes occur.

Board and committees' evaluation

The performance of the Board and its standing committees are evaluated every second year against their respective mandates and the results are collated by the Company Secretary and communicated to the chairpersons of the Board and Board committees for appropriate action. This feedback is also considered by the Chairman of the Board in his meetings with the other Non-Executive Directors to ensure that any concerns regarding Board processes or capabilities are addressed. During April/May 2025, a comprehensive evaluation of the effectiveness of the Board and its committees was undertaken by all directors. The next evaluation will take place in April/May 2027.

Governance (continued)

Re-election of directors

In accordance with the MOI of Raubex, one-third of Non-Executive Directors are subject to retirement by rotation and re-election by shareholders on an annual basis.

Non-Executive Director succession

The Board currently comprises a good blend of longer serving and more recently appointed directors. Since the end of December 2022, three new Independent Non-Executive Directors have been appointed to the Board as part of the recently implemented Board Succession Policy. As these new directors are promoted to committee membership, long-serving Non-Executives will be retiring from the Board. This is aimed at ensuring the Group has continuity in terms of the important and ongoing contribution from long-standing directors, while newly appointed Non-Executive Directors grow their knowledge of the Group and increasingly influence Board deliberations.

Board changes

As announced on SENS on 27 January 2025, Zweli Ndese was appointed as an Independent Non-Executive Director of the Board of Raubex with effect from 24 January 2025.

The changes to the various governance committees during the year under review can be seen under each committee's member disclosure.

Share dealing by directors and prescribed officers

Raubex has a Board approved policy relating to share dealings by directors, prescribed officers and other parties who have comprehensive knowledge of the Group's affairs. The policy imposes closed periods to prohibit dealing in Raubex securities before the announcement of interim and year-end financial results or during any other period considered price-sensitive. This complies with the requirements of the Financial Markets Act, 19 of 2012 and the Listings Requirements in respect of dealings by directors and prescribed officers. The Company Secretary undertakes the administration required to ensure compliance with this policy.

Governance committees

The Board delegates duties to governance committees that provide an in-depth focus on specific areas, assisting the Board to discharge its responsibilities. Each governance committee is chaired by an Independent Non-Executive Director and certain executives are required to attend governance committee meetings by invitation. Internal and external auditors attend all Audit Committee meetings.

The Board approves the terms of reference for each governance committee, and ensures that they adhere to corporate governance practices, the Companies Act, King IV™ and other applicable legislation and where appropriate, international best practices.

Audit Committee

The Board has ensured that the Group has an effective and independent Audit Committee which comprises suitably skilled and experienced Independent Non-Executive Directors.

The following members serve on the Audit Committee:

Members

- AM Hlobo (Chairperson)
- BH Kent (Member)
- SR Bogatsu (Member)
- N Fubu (Member)

Invitees

- RJ Fourie (Non-Executive Board Chairman)
- NF Msiza (CEO)
- DC Lourens (COO)
- SJ Odendaal (Financial Director)
- MR Hall (Divisional Financial Manager Head Office)
- R Mamogwe (Group Governance Risk and Compliance Manager)
- Internal auditors
- External auditors

As required by the Companies Act, the Audit Committee members are appointed at each AGM of the Company and during the year, comprised four Independent Non-Executive Directors, which also complies with the requirements of King IV™.

The committee has adopted formal terms of reference which has been approved by the Board. To effectively comply with its terms of reference, the internal auditors, external auditors, the Financial Director and the Divisional Financial Manager Head Office attend the Audit Committee meetings as standing invitees. When appropriate, the Executive Directors and required officers attend the meetings by invitation.

The committee is responsible for assisting the Board in fulfilling its responsibility in respect of financial and non-financial reporting issues. It also has a responsibility to ensure that management has implemented and maintained an effective control environment.

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

- to review and assess the design and implementation of internal financial controls, including the effectiveness of combined assurance arrangements implemented;
- to oversee the Group's risk management processes with specific oversight of financial reporting risks, internal financial controls, fraud risks and IT risks;
- to assess the expertise and experience of the Financial Director to carry out his duties;
- to assess the expertise and adequacy of resources of the Group finance function and experience of the senior members of management responsible for the finance function;
- to assess the effectiveness of the Chief Audit Executive and the outsourced internal audit activity to ensure the organisational independence of the internal audit activity;
- to assist the Board in fulfilling its responsibilities in respect of financial reporting issues and compliance with laws and regulations;
- to monitor and supervise the effective functioning and performance of the internal auditors;
- to ensure that the scope of the internal audit function has no limitations imposed by management and that there is no impairment of its independence;
- to evaluate the independence, effectiveness and performance of the external auditors;
- to ensure that the respective roles and functions of internal audit and external audit are sufficiently clarified and co-ordinated;
- to review financial statements for proper and complete disclosure of timely, reliable and consistent information and to confirm that the accounting policies used are appropriate; and
- to oversee integrated reporting and ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.

The committee also sets the principles for recommending the use of the external auditors for non-audit purposes that include tax services, corporate restructuring, merger and acquisition advice and training.

The Company confirms that the Audit Committee has executed the responsibilities set out in paragraph 3.84 (g) of the Listings Requirements.

The Audit Committee Report commences on page 97 of the Integrated Report.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is an independent committee appointed by the Board.

The committee consists of four members, three of whom are Independent Non-Executive Directors.

The following members serve on the committee:

Members

- N Fubu (Chairperson)
- SR Bogatsu (Member)
- BH Kent (Member)
- RJ Fourie (Member)

As required by King IV™, all of the members of the committee are Non-Executive Directors with the majority being independent. The Chairperson of the committee during the year was an Independent Non-Executive Director.

Governance (continued)

The committee has adopted formal terms of reference that have been approved by the Board and includes the key responsibility of assisting the Board in:

- determining the fees payable to the Chairman of the Board;
- determining the fees payable to the Non-Executive Directors of the Board;
- determining the remuneration, incentive arrangements and benefits of the Executive Directors of the Group, including pension rights and any compensation payments;
- determining the remuneration of the Exco members;
- recommending and monitoring the level and structure of remuneration of senior executive employees;
- considering and deciding upon such other matters as the Board may refer to it;
- reviewing the committee's performance and terms of reference; and
- assisting the Board in the appointment of new directors to the Board.

Directors are appointed through a formal process. In order to appoint a new director, the committee will, taking cognisance of the Board Diversity Policy, source candidates and make proposals regarding candidates. Proposals will be followed up with curriculum vitae and interviews. Candidates will then be recommended to the Board, who may conduct interviews and will then make an appointment, subject to shareholders' approval at the next AGM.

The Remuneration and Nomination Committee Report is set out on pages 13 to 28 of the Notice of AGM.

Risk Committee

The Board is responsible for the governance of risk and has appointed a committee responsible for risk management. The Risk Committee provides risk governance guidance to support the Group in setting and achieving its objectives.

King IV™ recommends that the Risk Committee comprises a majority of Non-Executive Directors and if the committees for audit and risk are separate, the Board should consider that one or more members have joint membership of both committees for more effective functioning. The committee should further have Executive and Non-Executive Directors, with a majority being Non-Executive Directors of the Board.

The Raubex Risk Committee comprised three Non-Executive Directors and two Executive Directors during the year.

Three members had joint membership of both the Audit and Risk Committees.

The following members serve on the Risk Committee:

Members

- AM Hlobo (Chairperson)
- BH Kent (Member)
- NF Msiza (Member)
- N Fubu (Member)
- SJ Odendaal (Member)

Invitees

- SR Bogatsu (Independent Non-Executive Director)
- DC Lourens (COO)
- R Mamogwe (Group Governance Risk and Compliance Manager)
- S Wakeford (Group ESG Manager)

The Board determines the levels of risk tolerance and has delegated to management the responsibility to implement and monitor the risk management plan and quarterly risk assessments.

The Risk Committee is responsible for:

- formulating and driving the Group's Risk and Compliance Framework, while continually monitoring and evaluating the risk and compliance landscape to ensure that the Board has effective control of the system and processes;
- monitoring the Group's Risk Management Policy and ensuring that the Risk Management Policy is adhered to throughout the Group;
- ensuring that risk management assessments are performed on a regular basis and that plans and processes to mitigate high risks are sufficient to reduce risk to acceptable levels; and
- reporting identified risks to the Board.

A formal risk recording and rating methodology is in place which allows risks to be identified and ranked in relation to each subsidiary, which is ultimately recorded in the Group risk register after being reviewed. Decisions are then made on how best to mitigate, manage or transfer high impact, high probability risks. The Board relies on the four lines of defence set out on page 35 to manage risk within the Group in an integrated manner. The Group's risks in terms of likelihood and impact are then mitigated by way of various processes, which can be found on pages 28 to 33.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter.

Considerable time has been spent on the reassessment of risk and reviewing of the regulatory universe, together with Exco to ensure adequate assurance is provided regarding these processes. King IV™ principles relating to risk, opportunity and compliance have been adopted.

The attendance at Risk Committee meetings held during the year is set out below:

	7 May 2024	23 July 2024	6 November 2024	18 February 2025
AM Hlobo (Chairperson)	✓	✓	✓	✓
BH Kent (Member)	✓	✓	✓	✓
NF Msiza (Member)	✓	✓	✓	✓
N Fubu (Member)	✓	✓	✓	✓
SJ Odendaal (Member)	✓	✓	✓	✓

✓ *Attended.*

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Governance (continued)

Social and Ethics Committee

The Companies Act requires all listed public companies to have a Social and Ethics Committee. In line with these requirements, the Group has an established Social and Ethics Committee and the Social and Ethics Committee Report is set out on pages 74 and 75 of the Integrated Report.

The following members serve on the Social and Ethics Committee of the Group:

Members

- SR Bogatsu (Chairperson)
- C van Schalkwyk (Member)
- N Fubu (Member)

Invitees

- AM Hlobo (Independent Non-Executive Director)
- NF Msiza (CEO)
- DC Lourens (COO)
- SJ Odendaal (Financial Director)
- TA Dale (Group Human Resources Manager)
- R Mamogwe (Group Governance Risk and Compliance Manager)
- S Wakeford (Group ESG Manager)

The Companies Act stipulates that the committee must comprise not less than three directors or prescribed officers of the Group, at least one of whom must be a Non-Executive Director.

King IV™ recommends a higher standard for the composition of this committee than what is provided for in the Companies Act. The recommendation is that this committee should have executive and non-executive members of the governing body, the majority of the members of this committee should be non-executive.

As required by the Companies Act, the Social and Ethics Committee members are appointed at the AGM of the Company and during the year, comprised two Independent Non-Executive Directors and one prescribed officer, which also complies with the requirements of King IV™.

The Social and Ethics Committee is responsible for:

- monitoring the Group's activities, taking into account relevant legislation, legal requirements and prevailing codes of best practice, relating to: Group ethics, social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships and labour and employment;
- compliance with the 10 principles set out in the UN Global Compact Principles, the OECD recommendations regarding corruption, the Employment Equity Act, 55 of 1998 and the B-BBEE Act, 53 of 2003;
- good corporate citizenship, including the Group's promotion of equality, prevention of unfair discrimination and reduction of corruption, as well as contribution to development of the communities in which our activities are predominantly conducted or within which our products or services are predominantly marketed and records sponsorships, donations and charitable givings;
- monitoring the Group's activities with regard to environment, health and public safety including the impact of the Group's activities and of its products and services;
- monitoring the Group's consumer relations including the Group's advertising, public relations and compliance with consumer protection laws;
- labour and employment including the Group's compliance with the International Labour Organisation Protocol on decent work and working conditions and the Group's contribution toward the educational development of its employees; and
- ensuring that the Group's ethics are managed effectively including leadership demonstrating support for ethics throughout the Group and a strategy for managing ethics that is informed by the negative and positive risks the Group faces.

Ethical standards are articulated in a code of conduct and supporting policies, structures, systems and processes are in place to ensure that the Board, employees and supply chains are familiar with and adhere to the Group's ethical standards and ethics is embedded in the corporate culture.

The committee is aware that its function will continue to evolve as it addresses all the responsibilities within its mandate. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter. Changes as a result of King IV™ have also been incorporated in the work of the committee including its composition and frequency of meetings.

IT Steering Committee

The Board is responsible for IT governance and ensures that IT is aligned with the performance and sustainability objectives of the Group. The Board has delegated to management the responsibility for the implementation of an IT governance framework.

The IT Steering Committee is a separate committee which meets on a monthly basis with the following function:

- decides strategic direction in the design of systems and the use of IT resources within the Group;
- reviews and approves IT systems and related expenditure within the Group to ensure alignment with Group strategy;
- development and implementation of an IT Governance Framework;
- value delivery through concentrating on optimising expenditure and proving the value of IT;
- risk management through addressing the safeguarding of IT assets, disaster recovery plans and ensuring continuity of operations;
- protection and management of the Group's information;
- coordination of priorities between the IT department, user departments and other stakeholders;
- ensuring that cyber security risk is integrated into risk management and that periodic independent assurance is received on the effectiveness of the Group's IT arrangements, including outsourced services;
- ensuring that IT policies are appropriate for the Group's business and are continually revised based on external developments; and
- ensuring that the effectiveness of technology and information management is monitored and actions are taken where necessary to address findings.

The Group's IT function is adequately resourced with the necessary skills and expertise to manage its systems internally and ensure business continuity.

The IT Steering Committee is chaired by the COO, and the members of the committee comprise the Divisional MDs and the Group IT Manager and senior IT staff.

Executive Committee

The purpose of Exco is to assist the CEO to manage, direct, control and coordinate the business activities and affairs of the Group, subject to statutory limits and the Board's limitations on delegation of authority to the CEO, to achieve sustainable growth within the approved risk profile.

The CEO is the Chairperson of Exco.

The committee's role is both strategic and operational in nature, being the custodian of the Group's strategy as approved by the Board. The committee monitors the implementation of strategy and adherence to the Group's governance and policy framework.

Exco supports the CEO in managing the day-to-day operations of the Group, while ensuring internal controls are effective and functioning.

The following members serve on the Exco of the Group:

Members

- NF Msiza (CEO)
- SJ Odendaal (Financial Director)
- DC Lourens (COO)
- DW Rencken (Divisional Managing Director – Construction Materials)
- WS Mazibuko (Divisional Managing Director – Materials Handling and Mining)
- JG van der Bijl (Divisional Managing Director – Roads and Earthworks)
- AFS Kriek (Divisional Managing Director – Infrastructure)

Invitees

- GM Chemaly (Company Secretary and Legal Advisor)

Exco is chaired by the CEO and has regular input from executives from operations, finance, IT, human resources, legal, compliance and investor relations. Meetings are convened monthly. The committee is responsible for the strategic planning and operations of the Group.

Governance (continued)

Company Secretary

All directors have access to the advice and services of the Company Secretary, Ms Grace Chemaly, who acts as a conduit between the Board and the Group.

The Company Secretary is responsible for the flow of information to the Board and its governance committees and also for ensuring compliance with Board procedures. In addition to various statutory functions and while maintaining an arm's length relationship with the Board, the Company Secretary also provides:

- individual directors and the Board as a whole with guidance on their duties, responsibilities and powers as set out in section 88 of the Companies Act; and
- the Board with the requisite advice on issues of law, governance and related matters, including the impact of legislative and regulatory developments.

In line with the Listings Requirements, the qualifications and experience of the Company Secretary were formally evaluated by the Board. The Board specifically evaluated the objective nature of the role of the Company Secretary, confirming that she has no affiliation or association to any single Board member, holds no directorship and provides independent advice to the Board as a whole. The evaluation found that the Company Secretary is suitably qualified, experienced, and fit and proper to perform the function of Company Secretary and that an arm's length relationship with the Board is maintained.

Litigation and legal

The Company Secretary, who is also the appointed Group Legal Advisor, is responsible for overseeing the Group legal function. Although the outcome of legal proceedings, claims and actions instituted against the Group cannot be predicted, the Group is suitably resourced to manage this process.

Detailed legal reports are provided to the Exco, Audit Committee and Board on any material legal matters within the Group.

The Group has an insurance policy that insures directors and prescribed officers against liabilities they may incur in carrying out their duties.

Internal audit

The Raubex internal audit function is an independent assurance provider to the Audit Committee and Board and evaluates the effectiveness of governance, risk management and control processes within the Group. The internal audit activities conducted during the year were informed by the Group strategy, risks and combined assurance framework. The internal audit service was performed by KPMG.

The Board ensures that there is an effective risk-based internal audit function that subscribes to the Institute of Internal Auditors (IIA) "International Standards for the Professional Practice of Internal Auditing". The risk-based internal audit plan has been developed using this approach. The plan has been approved by the Audit Committee. Internal audit provides quarterly feedback to the Audit Committee and has a functional reporting line to the Group Governance Risk and Compliance Manager who fulfils the role of Chief Audit Executive. The Chief Audit Executive is also responsible for the facilitation of the Group combined assurance process.

The Audit Committee is responsible for overseeing the internal audit function and ensures that it has the appropriate skills and resources.

Compliance with laws, rules, codes and standards

Raubex is committed to the highest ethical, legal and compliance standards and continually monitors the regulatory environment applicable to the Group to effectively update and adapt policies and procedures. The Group is committed to business conduct which ensures that its directors, management and employees do not engage in any conduct which constitutes a prohibited practice.

The Board delegates compliance management to the Risk Committee and assurance is adequately provided through the four lines of defence set out on page 35. The Board also ensures that the Group complies with applicable laws and considers adherence to non-binding rules, codes and standards through its defined regulatory universe. The Board has delegated to management the implementation of an effective compliance framework and processes. Compliance risk forms part of the Group's risk management process and a compliance function has been established which is managed by a designated Compliance Officer who reports into the Risk Committee. The Compliance Policy and Framework was approved by the Board and aligned to the combined assurance plan of the Group.

The Group's compliance management objectives aim to:

- promote a culture of compliance within the Group in line with its code of conduct;
- protect the Group's reputation and stakeholder perceptions and interests;
- ensure that the Group is and is seen to be a good corporate citizen;
- prevent unnecessary fines and penalties being incurred;
- obtain and distribute up to date information about all current and pending changes to legislation relevant to the Group; and
- ensure effective reporting.

The Group also has a Competition law compliance programme in place that is designed to ensure that employees, management, directors and agents are trained on competition law and do not engage in activities that contravene the Competition Act, 1 of 2009.

Stakeholder communication and relations

The Board appreciates that stakeholders' perceptions affect the Group's reputation and strives to achieve the appropriate balance between its various stakeholder groupings in the best interest of the Group. The Board has delegated management to deal with stakeholder relationships and structures have been introduced to manage the interface with the various stakeholder groups.

Communication with stakeholders is considered to be transparent and effective. Further detail on the Group's stakeholder communication is available on pages 19 to 23 of the Sustainability Report.

The Group maintains a website that contains up-to-date information at www.raubex.com.

The Group manages its investor function internally and can be contacted via email at investor.relations@raubex.com.

Anti-bribery and corruption

Bribery and corruption is of one the biggest issues that lies within the scope of governance. Risks and perceived risks of bribery and corruption can undermine trust in a company, as can perceptions that its processes and systems are not sufficiently robust to prevent bribery and corruption.

The Group has a zero-tolerance policy on bribery and corruption.

To achieve this, the Group focuses on:

- developing a Group-wide Anti-bribery and Corruption Policy and associated procedures;
- developing appropriate training focused on the needs of employees in locations or roles assessed to be at a higher risk of bribery and corruption; and
- training all employees on the Group's Anti-bribery and Corruption Policy and applicable procedures.

Quality management

Quality management is a key pillar of overall construction project management. As such, Raubex is committed to continuing to advance and implement its quality management system and improve reporting to stakeholders.

The Group will aim to continually reduce its impact on the planet's resources and will improve and implement its quality management system.

Sustainable and responsible sourcing (supply chain management)

Raubex is committed to reducing its impact on the planet's resources by securing a sustainable supply chain by integrating social, ethical, and environmental performance factors into the process of selecting suppliers. To this end, Raubex has embarked on a journey to understand what sustainable and responsible sourcing means for us as a business.

The Group will aim to reduce its impact on the planet's resources and will focus its efforts on:

- understanding what sustainable and responsible sourcing means for Raubex over the next two years;
- developing a Responsible Sourcing Strategy; and
- investigating, assessing and supporting local suppliers, wherever possible.

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