



onelogix GROUP

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(Incorporated in the Republic of South Africa)

(Registration number 1998/004519/06)

JSE share code: OLG ISIN: ZAE000026399

("OneLogix" or "the company" or "the group")

ONE TEAM **ONE GOAL**

King IV™ application **2019**

KING IV™ APPLICATION REGISTER

Principle	Principle description	Comments
Leadership, ethics and corporate citizenship		
1.	The governing body should lead ethically and effectively	<p>In terms of the board charter, the board ensures sound corporate governance by managing its relationship with management and other stakeholders along sound corporate governance principles. The board is fully committed to upholding the governance principles of responsibility, accountability, fairness and transparency. The board sets the values to which the company will adhere, formulated in its code of conduct, and provides overall leadership for the business, a cornerstone of which is acting as guardian of the group's values and ethics. The board promotes a stakeholder-inclusive approach of governance.</p>
2.	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	<p>In terms of the board charter, the board ensures that the group's ethics are managed effectively. The board ensures that the code of conduct is well communicated and understood across the group. The social and ethics committee assists the board in this regard, and in particular, the following is considered:</p> <ul style="list-style-type: none"> ■ Ethical risks and opportunities are incorporated into the risk management process; ■ A code of conduct and ethics-related policies are in place; ■ The code of conduct is reflected in the operations of the company; and ■ The company's ethics performance is assessed, monitored, reported and disclosed on a bi-annual basis.
3.	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	<p>The board is the focal point of good corporate citizenship and seeks to integrate this value into the group's growth strategy and daily operations. The social and ethics committee as well as the remuneration committee explicitly include good corporate citizenship as part of its responsibilities, which includes a review of the company's remuneration policy and remuneration implementation report, work environment, health and safety requirements, reporting on Broad-based Black Economic Empowerment (B-BBEE), Employment Equity and application of King IV™.</p> <p>A copy of the company's B-BBEE annual compliance report can be found on the company's website www.onelogix.com.</p>

KING IV™ APPLICATION (continued)

Principle	Principle description	Comments
Strategy, performance and reporting		
4.	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>In accordance with the board charter, the board is responsible for approving the company's strategy and aligning strategic objectives, purpose, vision and values with risk and performance. The group monitors the extent of its risk closely. The audit and risk committee is responsible for overseeing the group's risk management policy and programme. The audit and risk committee reports to the board, which retains ultimate responsibility for the control and management of risk.</p> <p>OneLogix is a diversified niche logistics services provider, encouraging creative approaches to existing and new market opportunities. The strategy is kept under review and is considered at each quarterly board meeting.</p>
5.	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	The group understands that transparent and constructive engagement with all stakeholders is critical to the sustainability of the business. The audit and risk committee is responsible for recommending controls to enable it to verify and safeguard the integrity of the company's integrated annual report, annual financial statements and other corporate disclosures.
Governing structures and delegation		
6.	The governing body should serve as the focal point and custodian of corporate governance in the organisation	In terms of the board charter, the board ensures sound corporate governance by managing its relationship with management and other stakeholders <i>in lieu</i> with sound corporate governance principles. The board is satisfied that it has fulfilled its responsibilities in accordance with its board charter for the period.
7.	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	The composition of the board complies with the recommendations of King IV™ and the JSE Listings Requirements. The directors represent diversity, in race and gender as well as expertise, skills and experience to effectively contribute to the requirements of the board and its committees.

KING IV™ APPLICATION (continued)

Principle	Principle description	Comments
8.	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>The board delegates specific functions, without abdicating its own responsibilities, to the following committees:</p> <ul style="list-style-type: none"> ■ Executive committee; ■ Audit and risk committee; ■ Remuneration and nomination committee; and ■ Social and ethics committee. <p>Each of these committees has a formal charter approved by the board and reviewed annually. These can be viewed on the company's website www.onelogix.com. All committees (except the executive committee and social and ethics committee) comprise a majority of non-executive directors of whom the majority are independent. These committees are encouraged to take independent outside professional advice.</p>
9.	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>An assessment of individual board members and each committee is performed on a periodic basis.</p> <p>An internal formal board evaluation was undertaken during FY2019.</p> <p>The board is satisfied that evaluation processes improve its performance and effectiveness.</p>
10.	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities	<p>The board has appointed a CEO who leads the day-to-day management of the company. The role of the CEO is clear and he delegates certain daily tasks to executive management and serves as link between management and the board.</p> <p>The board is satisfied with the delegation of authority framework.</p>
Governance functional areas		
11.	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	<p>The audit and risk committee is responsible for overseeing the group's risk management policy and programme. The committee reports to the board, which retains ultimate responsibility for the control and management of risk.</p> <p>The committee ensures that the risk management disclosure is comprehensive, timely and relevant and that an effective policy and plan is in place to achieve strategic objectives. The risk management policy is widely distributed throughout the company. The risk matrix on page 21 of the integrated annual report is monitored by the board. At least once a year, the committee reviews the implementation of the risk management policy and programme.</p>

KING IV™ APPLICATION (continued)

Principle	Principle description	Comments
12.	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	<p>The board, through the audit and risk committee, is responsible for managing relevant IT risks, and ensures:</p> <ul style="list-style-type: none"> ■ That an IT charter and policies are in place and implemented; ■ The promotion of an ethical IT governance culture and awareness and of a common IT language; and ■ That an IT internal control framework is adopted and implemented. <p>The board receives independent assurance on the effectiveness of the IT internal controls.</p> <p>The IT governance charter is in place and has been refined during the year by the group COO, group IT manager and the IT steering committee.</p> <p>The board is responsible for ensuring the governance of information. Systems, processes and policies are in place to ensure the protection of personal information as well as security of information.</p>
13.	The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen	<p>The board charter demands that the board complies with applicable laws and considers adherence to non-binding rules and standards, with the assistance of the audit and risk committee together with the company secretary. The board monitors the company's compliance with applicable laws, rules, codes and standards.</p>
14.	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>The board charter places the responsibility for ensuring an appropriate remuneration strategy with the remuneration and nomination committee. The group's remuneration and nomination committee makes recommendations to the board for final approval, ensuring that the group remunerates non-executive directors and executives fairly and responsibly. The committee ensures that the disclosure of directors' remuneration is accurate, complete and transparent.</p> <p>The company's remuneration policy is put to shareholders for approval annually by way of a non-binding advisory vote. The remuneration implementation report will also be put to shareholders for approval by way of a non-binding advisory vote at the annual general meeting of the company shareholders to be held on 26 November 2019. In addition, fees for non-executive directors are approved annually, in advance, at the annual general meeting. The remuneration policy and remuneration implementation report are included on pages 48 to 50 of the 2019 integrated annual report.</p> <p>At the 2018 annual general meeting, the remuneration policy and the remuneration implementation report were voted for by 94,82% and 95,01% of the total voting rights exercised in respect of such non-binding advisory votes.</p>

KING IV™ APPLICATION (continued)

Principle	Principle description	Comments
15.	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>An effective and independent audit and risk committee is in place and meets as often as is necessary to fulfil its functions (but no less than twice a year).</p> <p>The audit and risk committee ensures that combined assurance is achieved, without management and meets with internal and external auditors at least once a year.</p>
Stakeholder relationships		
16.	In the execution of its governance roles 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>The group understands that fully functional interaction with all relevant/ legitimate stakeholders is critical to the sustainability of the business. Regular engagements are held with all stakeholders as outlined on pages 35 and 36 of the integrated annual report.</p>
17.	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests	Not applicable.

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