

## CORPORATE GOVERNANCE

Good corporate governance provides the framework within which we strive to create superior levels of performance to the benefit of all our stakeholders.

We believe that our governance practices are sound and, in all material respects, conform to the principles embodied within the King IV Report on Corporate Governance for South Africa 2016 (“King IV”) and the Listings Requirements of the JSE Limited. We are also cognizant of the Public Investment Corporation’s corporate governance and proxy voting policy as well as the Code for Responsible Investing in South Africa 2011 and have implemented measures to comply with their requirements as far as possible.

The King Code on Governance Principles underpins Astral’s corporate governance framework and we are in full support of the voluntary principles and leading practices of King IV.

### The constitution and the operation of the board of Directors

#### The board

The board operates in terms of a formally approved Mandate and Terms of Reference which set out its role and responsibilities, the main elements of which are:

- the Chairman of the board must be an Independent Non-executive Director;
- a formal orientation programme for new directors must be followed;
- specific policies, in line with the King IV Report, must exist with regard to conflicts of interest and the maintenance of a register of directors’ interests;
- the board must conduct an annual self-evaluation;
- directors must have access to staff, records and outside professional advice where necessary;
- succession planning for executive management must be in place and must be updated regularly;
- strategic plans and an approvals framework must be in place and reviewed regularly;
- policies to ensure the integrity of internal controls and risk management must be in place; and
- social transformation, ethics, safety, health, human capital, and environmental management policies and practices must be monitored and reported on regularly.

In August 2017, the mandate and terms of reference of the board were updated to include the elements of King IV.

We have a unitary board structure, presently comprising 9 directors, including 5 Independent Non-executive Directors at year end. The roles of Chairman and Chief Executive Officer are separate and distinct. The composition of the board ensures a balance of power and authority, and negates individual dominance in decision-making processes. It also reduces the possibility of conflicts of interest and promotes objectivity. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

## Demographics

7	2
White	Black

## Gender

7	2
Male	Female

## Age

4	1	4
Between 40 – 50 years	Between 50 – 60 years	Older than 60 years

## Split between executive and independent non-executive

4	5
Executive	Non-executive

We believe that the Non-executive Directors are of suitable calibre and number for their views to carry significant weight in the board's decisions. An Independent Non-Executive Chairman leads the board. A schedule of beneficial interests of Directors appears on page 166 of this report. Astral's memorandum of incorporation specifies that Non-executive Directors do not have a fixed term appointment.

We currently have two (22%) South African Directors of previously disadvantaged backgrounds on the board who are Independent Non-executive Directors. The board has set a target of 25% for race and gender representation in its membership.

Astral currently has a Race and Gender Diversity Policy in place. The Race and Gender Diversity Policy is available on our website, [www.astralfoods.com](http://www.astralfoods.com)

In September 2018, an evaluation of each of the Non-executive Directors' performance was conducted. The overall findings were presented to the board and discussed. This evaluation supported the board's decision to endorse all retiring Directors standing for re-election.

During the year, we assessed the independence of Dr. Eloff who has been a Director for more than nine years. After deliberation it was agreed that, considering the requirements for independence as contained in King IV and the Companies Act, he is still regarded by the board as an Independent Non-executive Director.

Dr Eloff's major roles include:

- chairing all general meetings and board meetings;
- assisting with the determination of the agenda for all general meetings;
- ensuring that the board receives accurate, timely and clear information;
- keeping track of the contribution of individual directors;
- ensuring that all directors are involved in discussions and decision-making;
- taking a leading role in determining the composition and structure of the board; and ensuring effective communication with shareholders and, where appropriate, the stakeholders.

Mr. D J Fouché is the Lead Independent Director and his responsibilities are in line with King IV, namely:

- leading in the absence of the Chairman;
- serving as a sounding board for the Chairman;
- acting as intermediary between the Chairman and other members of the board, if necessary;
- dealing with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- strengthening independence on the board if the Chairman is not an Independent Non-executive member of the board;
- chairing discussions and decision-making by the board on matters where the Chairman has a conflict of interest; and
- leading the performance appraisal of the Chairman.

No director is disqualified in terms of the criteria for independence as laid down by the JSE Listings Requirements or by King IV.

We do not have retirement age restrictions as we believe that a board member's effectiveness does not necessarily correlate with the length of his/her board service or his/her age.

The Chairman presides over meetings of the board, guiding the integrity and effectiveness of the board's governance process. This includes ensuring that no individual dominates the discussion, that relevant discussion takes place, that the opinions of all directors relevant to the subject under discussion are solicited and freely expressed, and that board discussions lead to appropriate decisions. The roles and functions of the Chairman have been formalized and there is a formally approved succession plan in place for the position of Chairman of the board.

On a quarterly basis, we actively solicit from our Directors details regarding their external shareholdings and directorships, which potentially could create conflicts of interest while they serve as Directors on our board. The declarations received are closely scrutinized and are tabled at the beginning of each quarterly board meeting. When applicable, Directors are requested to table their interests in material contracts and, if necessary, are requested to recuse themselves from discussions in meetings.

Operational management is the responsibility of the Chief Executive Officer. His responsibilities include, amongst others, developing and recommending to the board a long-term strategy and vision that will generate satisfactory stakeholder value, developing and recommending to the board annual business plans and budgets that support the long-term strategy, and managing the affairs of the group in accordance with its values and objectives, as well as the general policies and specific decisions of the board. There is a formal succession plan in place for the Chief Executive Officer and he has a normal employment contract which is applicable to all employees which includes a notice period of two months by either party. The Chief Executive Officer is not a member of the Human Resources, Remuneration and Nominations or Audit and Risk Management Committees, but attends same by invitation. He does not have any other professional commitments.

A complete list of board members and their CV's appear on pages 8 and 9 of this report. In terms of our memorandum of incorporation all new Non-executive Directors appointed during the year, as well as one third of the existing Non-executive Directors, have to retire on a rotational basis each year but may offer themselves for re-election.

Directors are required to undergo an induction programme including site visits to familiarize themselves with all aspects of our business. Briefing sessions take place when required to bring Directors up to date with changes in laws and regulations pertaining to the company.

The board is accountable for the actions of management and has retained full and effective control of the organization over the past year. The board defines levels of materiality, reserving specific powers to itself, and delegates other matters to management. The board is satisfied that the delegation of authority framework contributes to role clarity and effective exercise of authority.

The board meets at least quarterly to review strategy, planning, operational performance risks, broad-based black economic empowerment compliance, acquisitions, disposals, shareholder communications and other material aspects pertaining to the achievement of the group's objectives.

The board periodically reviews the mix of skills and experience available within the board. Procedures for appointment to the board are formal and transparent and are vested in the board and include detailed screening of nominees to ensure that they meet the eligibility requirements as laid down in the Companies Act and the JSE Listings Requirements.

The board conducts assessments of each Director annually based on several factors including expertise, objectivity, judgement, understanding the group's business, willingness to devote the time needed to prepare for and participate in committee deliberations. The performance evaluations were completed and reviewed by the Chairman and found to be generally satisfactory. The performance evaluation of the Chairman is reviewed by the Lead Independent Non-executive Director. If required, the Chairman meets with individual board members to discuss their performance. The following assessments were completed during the year:

- Performance evaluation of the Audit and Risk Management Committee;
- Performance evaluation of the Human Resources, Remuneration and Nominations Committee;
- Performance evaluation of the Social and Ethics Committee;
- Performance evaluation of the board;
- Performance evaluation of the Chairman;
- Performance evaluation of the Chief Executive Officer; and
- Performance evaluation of the Company Secretary.

The board is satisfied that the evaluation process, although not externally facilitated, does add value and is effective in improving the performance of the board.

Strategic planning meetings take place at least every second year, and progress on strategic objectives is reviewed at every board meeting.

Directors have access to the advice of the Company Secretary and may seek independent and professional advice about affairs of the company at the company's expense.

The board confirms that it is satisfied that it fulfilled its responsibilities in accordance with its Mandate and Terms of Reference for the period under review.

#### Attendance at meetings

Four board meetings and one strategic planning meeting were held during the past year. Additional board meetings may be convened when necessary.

Attendance at meetings was as follows:

DIRECTOR	SCHEDULED BOARD MEETINGS				STRATPLAN MEETING
	2017	2018			2018
	15.11	08.02	09.05	16.08	19.04
G D Arnold	√	√	√	√	√
A B Crocker	√	√	√	√	√
T Eloff	√	√	√	√	√
D D Ferreira	√	√	√	√	√
D J Fouché	√	√	√	√	√
M T Lategan	√	√	√	√	√
T P Maumela	√	√	√	√	√
C E Schutte	√	√	√	√	√
T M Shabangu	√	√	√	√	√

√ Present

The board is supported by the Audit and Risk Management, Human Resources, Remuneration and Nominations and Social and Ethics Committees to carry out its oversight role of ensuring that implementation of the group's strategy is managed in a manner that is consistent with the values of the group.

The board believes that the group has applied all significant governance principles and is compliant with all significant Listings Requirements of the JSE Limited. The group has not breached any regulatory requirements and has complied with all its statutory obligations.

#### Audit and Risk Management Committee

The committee met three times during the year. Attendance at meetings was as follows:

	2017		2018
<b>DIRECTOR</b>	<b>18.10</b>	<b>14.11</b>	<b>08.05</b>
D J Fouché	√	√	√
T M Shabangu	√	√	√
M T Lategan	√	√	√

√ Present

#### Human Resources, Remuneration and Nominations Committee

The committee met three times during the year. Attendance at meetings was as follows:

	2017	2018	
<b>DIRECTOR</b>	<b>25.10</b>	<b>01.03</b>	<b>14.08</b>
T Eloff	√	√	√
T Eloff	√	√	√
T M Shabangu	√	√	√

√ Present

#### Social and Ethics Committee

The committee met three times during the year. Attendance at meetings was as follows:

	2017	2018	
<b>DIRECTOR</b>	<b>26.10</b>	<b>01.03</b>	<b>25.07</b>
T P Maumela	√	√	√
G D Arnold	√	√	√
T Eloff	√	√	√
L W Hansen	√	√	√

√ Present

Non-executive directors received the following fees during the year:

	Fixed fee per annum R'000
Chairman of the board	450
Lead Independent Non-executive Director	200
Member of the board	315
Chairman of the Audit and Risk Management Committee	256
Member of the Audit and Risk Management Committee	133
Chairman of the Human Resources, Remuneration and Nominations Committee	170
Member of the Human Resources, Remuneration and Nominations Committee	96
Chairman of the Social and Ethics Committee	150
Member of the Social and Ethics Committee	90

The remuneration is payable on a monthly basis.

### Board committees

To enable the board to properly discharge its responsibilities and duties, certain responsibilities have been delegated to board committees. All board committees are chaired by an Independent Non-executive Director. Particulars of the composition of the board of Directors and committees appear on pages 8 and 9 of this report. Board committee Mandates and Terms of Reference are reviewed on an annual basis to ensure that the committees' duties and responsibilities are aligned with the requirements of corporate governance and keep abreast of developments in this field. Copies of board committee Mandates and Terms of Reference are available on our website, [www.astralfoods.com](http://www.astralfoods.com)

As the Audit Committee has become a statutory committee in terms of the Companies Act, shareholders are required to elect the members of our Audit and Risk Management Committee at the next annual general meeting.

Shareholders will also be required to elect the members of the Social and Ethics Committee for the forthcoming financial year at the company's next annual general meeting.

The board committees are as follows:

#### The Audit and Risk Management Committee

The Audit and Risk Management Committee comprises three members, all of whom are Independent Non-executive Directors, and meets at least three times a year with management, internal and external auditors as well as the group's risk managers.

The opportunity is created at each meeting for discussion with the external and internal auditors without the presence of management. The members of the committee are knowledgeable about the affairs of the company and have extensive expertise in finance, accounting, legal and risk management practices.

The Audit and Risk Management Committee fulfills the responsibilities as set out in the Audit and Risk Management Committee Mandate and Terms of Reference, which include:

- overseeing the internal and external audit functions
- assisting the board in the discharge of its duties relating to the safeguarding of assets and operation of adequate systems and internal controls
- ensuring the preparation of accurate financial reporting in compliance with all applicable legal requirements, corporate governance and accounting standards
- providing support to the board on evaluating the risk profile and risk management of the group
- providing support to the board on information technology governance and risk

A copy of the Mandate and Terms of Reference of the committee is available on our website, [www.astralfoods.com](http://www.astralfoods.com)

Both the Director: Risk Management and the external auditors have unfettered access to the Chief Executive Officer, the Chairman of the board and the Audit and Risk Management Committee.

The committee reviews and confirms the following additional responsibilities required by the King IV report and the JSE Listings Requirements:

- the independence of the external audit function;
- the competence of the Chief Financial Officer and the finance function of the company; and
- the Integrated Report.

Divisional Audit Committee meetings are scheduled twice a year at every business unit. These meetings are chaired by the Chief Financial Officer, attended by the Chief Executive Officer, internal audit, external audit and the business unit Chief Operating Officer and Finance Executive.

### *Risk Management*

We are committed to the following risk management action plan:

- identifying the risks to which the company is exposed.
- identifying the most effective ways of eliminating or mitigating risk exposures as far as is reasonably practical.
- insuring against catastrophic incidents and other losses beyond our self-insurance capacity; and
- minimising in the long term, the total cost of risk.

We apply an enterprise-wide risk management approach, involving all levels of management, with assistance from outside consultants for assessing insurable risks.

The senior management at each operation is responsible for the development and implementation of a sound risk control program based on the group's risk control standards. The integrity of the risk control program is regularly independently monitored by appointed risk analysts.

Members of the Audit and Risk Management Committee are:

<b>Member</b>	<b>Independent Non-executive</b>	<b>Period</b>
D J Fouché (Chairman)	Yes	November 2015 to date
T M Shabangu	Yes	November 2014 to date
M T Lategan	Yes	September 2016 to date

### *Internal audit*

We have established an independent, objective and effective internal audit department governed by a charter approved by the board. The internal audit function reports to the Chief Executive Officer and has unfettered access to the Chairman of the board and the Chairman of the Audit and Risk Management Committee.

The role of internal audit is to review compliance with internal controls, systems and procedures. The board is satisfied that the internal controls are adequate to safeguard the assets, prevent and detect errors and fraud, ensure the accuracy and completeness of accounting records and the preparation of reliable financial statements.

The internal audit department is staffed by qualified and experienced internal auditors, The annual internal audit programme is approved by the committee and all significant findings, together with steps taken to rectify lapses in internal control, are reported at every committee meeting.

The independence of the internal audit function is reviewed by the Audit and Risk Management Committee to satisfy itself of the independence of the internal audit function. The appointment and removal of the head of internal audit is a matter for the Audit and Risk Management Committee in consultation with management.

### *Information technology (IT)*

The board has delegated responsibility for information technology to the Audit and Risk Management Committee, but retains overall accountability.

An IT Charter, aligned to the King IV report has been implemented. The IT strategy is reviewed by the Audit and Risk Management Committee and by the board. The IT Charter can be viewed on our website, [www.astralfoods.com](http://www.astralfoods.com)

Management has the responsibility for the management of IT and the governance framework which includes:

- IT Steering Committee to monitor and manage IT governance.
- IT policies and procedures to regulate the management of all IT functions;
- relevant standards and processes that are subject to audits, reviews and benchmarks.
- policies and procedures to govern the active directory and exchange which has been outsourced.

All IT acquisitions fall within the same capital approval processes as other capital expenditure projects and would thus, based on value, be submitted to the board for approval.

A formalised disaster recovery programme is in place to ensure the minimum disruption in the event of disaster.

The outsourced active directory and exchange environment as well as an independent application review will take place in the 2018 financial year.

### *Integrated reporting*

The committee oversees integrated reporting, and in particular:

- Takes cognizance of all factors and risks that may impact on the integrity of the Integrated Report including matters that may predispose management to present a misleading picture, significant judgments and reporting decisions made, monitoring or enforcement actions by a regulatory body and any evidence that brings into question previously published information, forward-looking statements or information;
- Reviews for reliability, the disclosure of sustainability in the Integrated Report;
- Recommends to the board whether or not to engage an external assurance provider on material sustainability issues;
- Recommends the Integrated Report for approval by the board; and
- Considers whether the external auditor should perform assurance procedures on interim results or be engaged for any non-audit assignments.

The committee recommended to the board to continue not to publish a summarized Integrated Report or engage an external assurance provider to confirm material elements of the sustainability part of the Integrated Report. This decision was based on the fact that sustainability reporting formed part of the budget process and is reported on by business units and approved by the Executive Directors. This approach will be reviewed every year. We have appointed a full-time Sustainability Manager who is responsible for sustainability within the group.

Further information regarding the activities of the committee is available in the Audit and Risk Management Report on pages 118 to 123.

### [The Human Resources, Remuneration and Nominations Committee](#)

In 2010 a decision was taken by the board to combine the Human Resources and Remuneration Committee with the Nominations Committee and form a committee known as the Human Resources, Remuneration and Nominations Committee. The primary duty of the committee in terms of the nomination process, is to ensure that the procedures for appointments to the board are formal and transparent, by making recommendations to the board on all new board appointments and reviewing succession planning for Directors. The committee also has to evaluate all candidates for the position of Director on the basis of skill and experience. Thorough background checks are conducted.

T M Shabangu chairs all sections of meetings of the committee dealing with Human Resources and Remuneration. However sections dealing with matters related to Nominations are chaired by T Eloff, the Chairman of the board. The committee's Mandate and Terms of Reference is available on our website, [www.astralfoods.com](http://www.astralfoods.com)

Members of the Human Resources, Remuneration and Nominations Committee are:

<b>Member</b>	<b>Independent Non-executive</b>	<b>Period</b>
T Eloff (Chairman for Nominations function)	Yes	June 2014 to date
D J Fouché	Yes	June 2016 to date
T M Shabangu (Chairman for Human Resources and Remuneration function)	Yes	February 2017 to date

The committee is constituted as a board committee and assists the board in discharging its responsibilities for the development of the company's general policy on executive and senior management remuneration and to determine specific remuneration packages for Executive Directors of the company, including but not limited to basic salary, benefits in kind, bonuses, performance-based incentives, retention incentives, share incentives, pensions and other benefits. The committee determines criteria necessary to measure the performance of Executive Directors in discharging their functions and responsibilities.

Further information regarding the activities of the committee is available in the Remuneration Report on pages 90 to 108.

### Social and Ethics committee

A Social and Ethics Committee has been appointed consisting of four members. A formal mandate and terms of reference have been approved by the board. The Chairman of the committee, T P Maumela, is present at the annual general meeting and will be available to report to shareholders on the matters within its mandate. A copy of the committee's mandate and terms of reference is available on our website, [www.astralfoods.com](http://www.astralfoods.com)

Members of the Social and Ethics Committee are:

<b>Member</b>	<b>Independent Non-executive</b>	<b>Period</b>
G D Arnold	No	October 2011 to date
L W Hansen	No	October 2011 to date
T P Maumela (Chairman)	Yes	August 2014 to date
T Eloff	Yes	July 2017 to date

The main functions of the committee are:

Monitor the company's activities, having regard to any relevant legislation, other legal requirements and codes of best practice, including but not limited to:

- social and economic development;
- good corporate citizenship;
- environment, health and public safety;
- consumer relationships;
- labour and employment;
- drawing matters within its mandate to the attention of the board; and
- reporting annually to the shareholders at the company's annual general meeting on matters within its mandate.

The committee's approved work plan for the short to medium term will focus on:

- **Human Rights**  
To support and respect for the protection of internationally proclaimed human rights
- **Labour**  
To uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.
- **Environment**  
To support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmental friendly technologies.
- **Anti-corruption**  
To work against corruption in all its forms, including extortion and bribery.
- **Social and ethical awareness**  
To conduct ethical climate surveys.
- **Community upliftment and donations**  
To develop guidelines for charities and sponsorships.
- **Consumer development**  
To ensure compliance with the Consumer Protection Act.
- **Environment and sustainability reporting**  
To investigate areas which do not fall within the scope of responsibilities of the Audit and Risk Management Committee.

For more information regarding the activities of the committee, refer to the Social and Ethics Report on pages 109 to 111.

## ORGANISATIONAL INTEGRITY AND ETHICS

We maintain a Code of Ethics, which requires all employees, managers and Directors to comply with the letter and spirit of the code by observing the highest ethical standards and ensuring that all business practices are conducted ethically.

A policy provides guidelines as to what constitutes fraud, theft, corruption, or associated internal irregularities, to outline our response to these, and to detail the procedures to be followed in order to report such incidents that are suspected or discovered.

We have a “zero tolerance” approach towards fraud and corruption and protect employees who raise concerns relating to fraud and corruption from victimization.

We utilise the services of Deloitte & Touche to provide an independent “Tip-offs anonymous” hotline. All incidents reported are investigated and appropriate action taken in terms of the relevant policies and disciplinary procedures.

Copies of our ethics policy are displayed on all notice boards, laminated abridged copies are handed to every employee and the Chief Operating Officer of each business unit is tasked to act as champion for his business unit to ensure that the ethics policy is understood and adhered to by all employees. The ethics policy forms a permanent part of every management agenda and external suppliers are required to adhere to the ethics policy. Any non-adherence is reported to business unit management and in turn reported to the Chief Executive Officer and ultimately to the board.

The Code of Ethics deals with:

- complying with all laws, regulations and codes;
- culture, ethics and values;
- dealing openly and honestly with customers, suppliers and other stakeholders;
- respecting and protecting privacy and confidentiality;
- respecting human rights and dignity of employees;
- social responsibility;
- guidelines in respect of receiving and giving gifts and entertainment;
- prohibiting the acceptance of bribes, directly or indirectly;
- prohibiting the payment or offering of bribes;
- integrity of financial information;
- protection of confidential information;
- protection and use of company property;
- conflict of interest; and
- actioning any contravention of the Code.

In terms of accountability, all employees are required to:

- commit to individual conduct in accordance with the Code of Ethics;
- observe both the spirit and the letter of the law in their dealings on the group's behalf;
- recognize the group's responsibility to its shareholders, customers, employees, suppliers and to society;
- conduct themselves as responsible members of society, giving due regard to health, safety and environmental concerns, and human rights, in the operation of the group's business; and
- report any suspected breach of the law or the Code of Ethics to the internal audit department or the board who will protect those who report violations in good faith.

The board accepts overall responsibility for the adherence to the Code of Ethics and has no reason to believe that there has been any material non-adherence to the code of ethics during the year under review. The Code of Ethics is reviewed on a regular basis by the Social and Ethics Committee.

A copy of the abridged Code is available on our website, [www.astralfoods.com](http://www.astralfoods.com).

## **RESTRICTIONS ON SHARE DEALINGS**

Directors and employees are prohibited from dealing in Astral shares during price sensitive periods. Closed periods extend from 31 March and 30 September, being the commencement of the interim and year-end reporting dates, up to the date of announcement of interim and year-end results, and include any other period during which the company is trading under a cautionary announcement. All Directors are required to obtain written permission from the Chairman before dealing in any Astral shares in order to protect them against possible and unintentional contravention of the insider trading laws and stock exchange regulations.

We have implemented an Information Policy that deals with prohibited periods for dealing in Astral shares, the determination of price sensitive information, periodic financial disclosure and affected Directors' dealings in Astral shares. The Information Policy is available on our website, [www.astralfoods.com](http://www.astralfoods.com)

Participants in our share incentive schemes are subject to the rules of the schemes and the provisions of the Listings Requirements of the JSE Limited.

## **MANAGEMENT REPORTING**

We have comprehensive management reporting disciplines, which include the preparation of strategic plans and annual budgets by all operations. Group strategic plans and budgets are considered and approved by the board. Results and the financial status of the operations are reported monthly to the executive management and quarterly to the board and then compared with approved budgets and results of the previous year. Working capital requirements and borrowing levels are monitored on an ongoing basis and corrective or remedial action taken as appropriate.

## **COMPANY SECRETARY**

The Company Secretary is suitably qualified and experienced and plays an important role in ensuring that the board procedures are followed correctly and reviewed regularly. The Company Secretary is responsible for the duties set out in Section 88 of the Companies Act No. 71 of 2008 and is appropriately empowered by the board to fulfill these duties.

The board assesses the qualification, competence and expertise of the Company Secretary and confirms her suitability in terms of the JSE Listings Requirements on an annual basis. For further information on the Company Secretary, please refer to Corporate Services on page 78.

The Company Secretary is not a Director of any of the Astral group's operations and accordingly maintains an arm's length relationship with the board and its Directors. In order to confirm the Company Secretary's arm's length relationship with the board, the following factors are taken into consideration:

- the Company Secretary is independent from management;
- the board empowers the Company Secretary to act as gatekeeper of good corporate governance;
- there are no special ties between the Company Secretary and any of the directors;
- the Company Secretary is not party to any major contractual relationship which may affect her independence; and
- there are no matters affecting the Company Secretary's ability to adequately and effectively perform her company secretarial duties.

The annual assessment concluded that the Company Secretary, when engaging with the board, acted professionally, independently from the board and interacted on an equal footing with the board. The relationship between the Company Secretary and the board was without influence or undue pressure.

## **POLITICAL PARTY CONTRIBUTIONS**

We do not make any contributions to political parties.

## **WHISTLEBLOWING MEASURES**

In accordance with the provisions of the Protected Disclosures Act No. 26 of 2000, management has ensured that no employee who has made a protected disclosure shall be subject to any occupational detriment and shall be afforded anonymity without fear of consequential victimization.

## **ACCESS TO PROFESSIONAL CORPORATE GOVERNANCE SERVICES**

The board believes that access to professional corporate governance services are available and is effective.

## **CORPORATE GOVERNANCE FRAMEWORK**

The board operates according to an approved corporate governance framework which provides for prudent management and oversight of the business and adequately protect the interests of all shareholders.

The members of the executive committee and the heads of support functions are responsible for adherence to and implementation of the framework in their business and operational areas.

*A copy of the Corporate Governance Framework is available on [www.astralfoods.com](http://www.astralfoods.com)*

*A copy of the Overview of King IV Principles is available on [www.astralfoods.com](http://www.astralfoods.com)*