



REGISTER OF APPLICATION OF THE KING IV PRINCIPLES

Grand Parade Investments Limited (“GPI” or “the Company”) is a listed company on the Johannesburg Stock Exchange operated by the JSE Limited (“JSE”). The following table has been developed to provide a summary assessment of the application of the specific applicable recommendations of King IV, which shows that GPI applied all the principles of King IV during the financial year ended 30 June 2021.

Application of the King IV principles	
Leadership, ethics and corporate citizenship	
Leadership	
Principle 1	The board should lead ethically and effectively
	<p>The board of directors exercises effective leadership, adhering to the duties of a director. The board as a whole has the necessary competence and the directors act ethically in discharging their responsibility to provide strategic direction and control of the Company as provided for in the board charter.</p> <p>Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each board meeting and procedures are in place for directors to provide the company secretary with full disclosure of any related-party transactions to which they or their immediate families may be a party.</p> <p>The board is committed to driving the strategy and operations of GPI, based on an ethical foundation, to support a sustainable business, acting in the best interest of GPI, whilst considering the economy, society as a whole, environment and its stakeholders. This consists of considering risks in the business and the monitoring of how management has implemented GPI’s strategy thereby ensuring accountability for the Company’s performance.</p>

Application of the King IV principles	
	The board exercises control through a framework of detailed reporting to the board and its committees, board reserved decision making authority and assurance on internal controls.
Organizational ethics	
Principle 2	The board should govern the ethics of the company in a way that supports the establishment of an ethical culture
	<p>The board determines and sets the tone of GPI's values, including principles of ethical business practice, human rights considerations and the requirements of being a responsible corporate citizen and through the Social and Ethics Committee approves the Company's Code of Ethics and Conduct.</p> <p>Management has been delegated the responsibility for implementation and execution of the Code of Ethics and Conduct and the board through the Social and Ethics Committee exercises ongoing oversight of the management of ethics and ensuring it is integrated in the operations of the Company.</p> <p>The Code of Ethics and Conduct commits the Group and its employees to the highest ethical standards of conduct and regulates aspects such as non-discrimination, confidentiality, appropriate use of company time and property, prevention of conflicts of interests, offering or accepting of gifts, bribes and other forms of consideration.</p>
Responsible corporate citizenship	
Principle 3	The board should ensure that the company is and is seen to be a responsible corporate citizen
	<p>In accordance with its role of overseeing GPI's conduct as a good corporate citizen, the board approves the strategy of the business including matters relating to sustainability. Through stakeholder engagement the board is committed to understanding and responsive to the expectations of all stakeholders.</p> <p>GPI is a values driven organization and the board is committed to ensuring that the Company fulfils its legal and moral obligations as a good corporate citizen.</p> <p>During the period under review, the Social and Ethics and the Remuneration and Nomination Committees considered transformation, employment equity and fair labour practices and will continue to monitor policy development and implementation in this regard.</p>

Application of the King IV principles	
Strategy, performance and reporting	
Strategy and performance	
Principle 4	The board should appreciate that the company'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 alignment with the purpose of GPI, the board approves the Company's strategy and value drivers taking into account the legitimate expectations of its stakeholders ensuring the business remains sustainable after considering all risk factors.</p> <p>The board oversees and monitors the implementation and execution by management of the policies that drive strategy and ensures that the Company accounts for its performance through transparent reporting and disclosures.</p> <p>Strategic plans and budgets are submitted to the board for approval and management is held accountable for achieving the strategic objectives. Management's performance is measured by way of KPIs and targets and remuneration is structured in accordance with the attainment of GPI's strategic objectives.</p>
Reporting	
Principle 5	The board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long-term prospects
	<p>The integrated annual report provides a consolidated view of GPI's financial, social and environmental performance, prospects and strategy in the context of its operating environment to enable stakeholders to make an informed assessment of the Group's value creation in the short, medium and long-term.</p> <p>The board is responsible for the integrity of the Company's reporting and, in conjunction with the Audit and Risk Committee and the external auditors, oversees the production of the Company's annual financial statements and Integrated Report. Copies of these are available on the Company's website for retrieval by stakeholders.</p> <p>The Audit and Risk Committee oversees the reporting process and reviews the audited financial statements.</p>

Governing structures and delegation	
Primary role and responsibilities of the board	
Principle 6	The board should serve as the focal point and custodian of corporate governance in the company
	<p>The board of GPI is committed to the highest standards of corporate governance. Its role and responsibilities and the way it executes its duties and decision-making are set out in the board charter and terms of reference of its committees.</p> <p>Through the delegations of authority, the board has set the direction and parameters for the powers which are to be reserved for itself, and those that are to be delegated to management via the Chief Executive Officer.</p>
Composition of the board	
Principle 7	The board 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>The board aims to ensure that its composition comprises a majority of independent non-executive directors. When considering appointments or re-election of directors the board gives consideration to the knowledge, skills and resources required for conducting the business as well as considering its size, diversity and demographics to ensure effectiveness. One of the non-executive directors has been appointed as Lead Independent Director providing leadership to the board, committees, directors and executives in the event of conflicts of interest.</p> <p>The board has set gender and race diversity targets that it will seek to achieve as vacancies occur on the board.</p> <p>The board is satisfied that there is a balance of skills, experience, independence, diversity and knowledge required to discharge its role and responsibilities.</p>
Committees of the board	
Principle 8	The board 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>Committees have been established to assist the board in discharging its responsibilities. Board committees are constituted in accordance with the provisions of King IV and with due regard to the skills and experience required by each committee to fulfil the relevant committee's mandate and to ensure a balanced distribution of power. The Board Committees have clear terms of reference</p>

	<p>that define their powers and duties and these are documented in Committee Charters which are regularly reviewed by each Committee and amended with the approval of the Board.</p> <p>The committees of the board comprise of an Audit and Risk Committee, a Remuneration and Nominations Committee, a Social and Ethics Committee and an Investment Committee. The committees are appropriately constituted and members are appointed by the board. External advisors, executive directors and members of management attend committee meetings by invitation.</p>
Evaluation of the performance of the board	
Principle 9	The board should ensure that the evaluation of its own performance and that of its committees, its chairperson and its individual members, support continued improvement in its performance and effectiveness
	<p>The Remuneration and Nominations Committee has been delegated responsibility for oversight of the annual evaluation of the board's effectiveness and that of the committees of the board according to a formal process. The committee is assisted in this regard by the company secretary who leads the evaluation process. The objective of the evaluation process is to improve the board's performance and effectiveness.</p> <p>The outcomes from this assessment are brought to the attention of the board.</p> <p>The board chairperson also engages with individual directors to address any area of improvement highlighted in the assessment feedback.</p>
Appointment and delegation to management	
Principle 10	The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities
	<p>The role and function of the CEO are clearly defined and the performance of the CEO is evaluated by the board against these criteria. It is the responsibility of the board to ensure that succession plans are in place for the position of the CEO.</p> <p>The board has also appointed a Financial Director and the Audit and Risk Committee perform an annual review of the effectiveness of the Financial Director and the Finance function. The Audit and Risk Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating.</p>

	The board approves and regularly reviews the framework and top level delegation of authority in terms of which matters are delegated to the CEO and executive management.
Governance functional areas	
Risk governance	
Principle 11	The board should govern risk in a way that supports the company in setting and achieving its strategic objectives
	<p>The board has direct responsibility for the governance of risk. In collaboration with the Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives. A complete review of the Group's risk management processes and reporting framework has been completed and a new process has been implemented across the Group.</p> <p>Management continuously identifies, assesses, mitigates and manages risks within the existing operating environment. Mitigating controls are put in place to address these risks.</p> <p>To support the board in ensuring risk management oversight, the Audit and Risk Committee is responsible for ensuring effective monitoring of the relevant top risks.</p>
Technology and information governance	
Principle 12	The board should govern technology and information in a way that supports the company setting and achieving its strategic objectives
	<p>The board is responsible for IT Governance and has mandated the Audit and Risk Committee with responsibility for considering the efficacy of IT controls, policies and processes to the extent that these pose a risk to the financial reporting process, the effectiveness of financial controls, the achievement of the board's strategic objectives and the continuity of the Group's operations.</p> <p>The Chief Information Officer, who regularly reports to the Audit and Risk Committee, oversees the implementation of the IT policies, assesses and monitors security of the IT systems and information, oversees the management of the Group's information systems, reviews the risks in the IT environment and ensures that business continuity arrangements are in place for continuity in the event of significant incidents and disruptions. Management as a whole is responsible for ensuring that strict standards of corporate conduct are practiced with regard to the use of the Group's IT resources.</p>

	The information management strategy is aligned to GPI's business needs and sustainability objectives. Measures to ensure that compliance to all relevant laws, information security and the protection of personal information are in place.
Compliance governance	
Principle 13	The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen
	<p>The board is responsible for compliance with applicable laws, codes, standards and the terms of the master franchise agreements it should govern compliance with applicable terms under which the Food brands operate. Management is responsible for managing compliance and for reporting any material breaches or incidences of non-compliance and the imposition of significant fines or penalties to the board and the Audit and Risk Committee.</p> <p>A library of policies provides the necessary guidance to employees on the acceptable levels of conduct. The policy library is updated on a continuous basis with policies being amended to reflect the changes in the external environment.</p> <p>The board has delegated the responsibility for implementing compliance to management.</p>
Remuneration governance	
Principle 14	The board should ensure that the company 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 Remuneration and Nomination Committee assists the board in ensuring that the remuneration policies and practices that are applied in the Group reflect a fair, responsible and transparent approach to remuneration to achieve the strategic objectives and positive outcomes in the short, medium and long terms.</p> <p>The Company discloses the remuneration of each director and prescribed officer in the integrated annual report.</p> <p>The remuneration report, including the implementation report and the remuneration policy are set out in the integrated annual report.</p>

Assurance	
Principle 15	The board 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 company's external reports
	<p>The Audit and Risk Committee is responsible for the quality and integrity of GPI's reporting.</p> <p>The Audit and Risk Committee has satisfied itself as to the independence of the external auditor as well as the effectiveness of the internal audit function.</p>
Stakeholder relationships	
Stakeholders	
Principle 16	In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balance the needs, interests and expectations of stakeholders in the best interests of the company over time
	GPI strives to ensure a systematic and integrated approach to stakeholder engagement ensuring that all stakeholder issues are identified, prioritised and appropriately addressed.