

KING IV APPLICATION

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The Rhino Beetle

Distinctive Horns: Male rhino beetles are known for their impressive horn-like structures on their heads, which they use for fighting rivals during mating season. These horns can vary in size and shape depending on the species.

Strength: Rhino beetles are among the strongest animals relative to their size, capable of lifting objects up to 850 times their own weight. This strength helps them in battles for mates and in navigating their environment.

Species Diversity: There are over 300 species of rhino beetles worldwide, found in various habitats ranging from tropical rainforests to temperate woodlands.





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“Effective communication through integrated reporting allows an organisation to explain how it responds to the ever-changing and often challenging context in which it operates. This openness and transparency enhances credibility and trust and allows stakeholders to form a view of the quality of the organisation’s leadership, strategy and performance.

The integrated report is an opportunity to convey how the governing body is leading the organisation, especially through difficult times, and to explain to what extent it creates, preserves or erodes value.” (Mervyn King)

PRINCIPLE 1

Leadership

The governing body should lead ethically and effectively.

HOW WE COMPLY

The Board has approved a code of conduct and ensures that its own and management’s conduct set the example for how Putprop’s values are enshrined in all of its activities. Measures are in place to ensure that all Board members have sufficient working knowledge of the Group, its industry, and all key laws, rules, regulations, codes and standards.

The Board further operates under an approved Charter, which regulates the way business is conducted in line with the principles of sound corporate governance. The Charter details the powers of the Board and provides that the Board has ultimate accountability and responsibility for the Group’s performance and affairs.

Principle 2

Organisational Ethics

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

HOW WE COMPLY

The Board has assumed responsibility for the ethics of the Group by having established a code of ethics that it ensures is clearly articulated and implemented throughout the Group. The code of ethics is reviewed annually and updated where necessary to ensure that it remains relevant to the Group’s activities.

The Board ensures that compliance with the code of ethics is integrated into the strategy and operations of the Group. The Group’s ethics are contained in its vision, strategies, operations, its decisions and conduct as well as the way it treats its internal and external stakeholders.

A whistleblowing hot line has also been established which is independently managed by the Chairman.

Principle 3

Responsible corporate citizenship

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

HOW WE COMPLY

The ESETC Committee manages the Group’s corporate citizenship responsibilities on behalf of the Board through continuous oversight over the Group’s activities in respect of public health, safety, the environment, social responsibility and stakeholder engagement.

The Board ensures that the Company is a responsible corporate citizen, by complying with all legislation and regulations applicable to it and allowing for time at meetings to discuss issues relating to the workplace, the economy, society and the environment.

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Principle 4

Strategy and performance

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.

HOW WE COMPLY

The Board informs and approves strategy and ensures that the strategy is aligned with the purpose and objectives of the Group, the value drivers of its business and the legitimate interests and expectations of its stakeholders.

An overview of the Group’s short, medium and long-term goals, as well as an assessment of the Group’s performance in comparison thereto, is contained on pages 58 to 60 of this report.

Principle 5

Reporting

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.

HOW WE COMPLY

Putprop has controls to enable it to verify and safeguard the integrity and reliability of its integrated report.

The Board is responsible for overseeing the integrity and completeness of the integrated report and has applied its collective mind to the preparation and presentation of the report. The Board is further responsible for ensuring that the Group’s reporting framework complies with the provisions of the Companies Act and the JSE Listings Requirements.

The Board ensures that the integrated report sets out the positive and negative effects of the Group’s operations on the environment and society– as well as any plans to improve the positive effects and remove or reduce the negative effects in the financial year ahead.

The integrated report discloses details of how the Board has satisfied itself that risk assessments, responses and interventions are effective.

Principle 6

Primary role and responsibilities

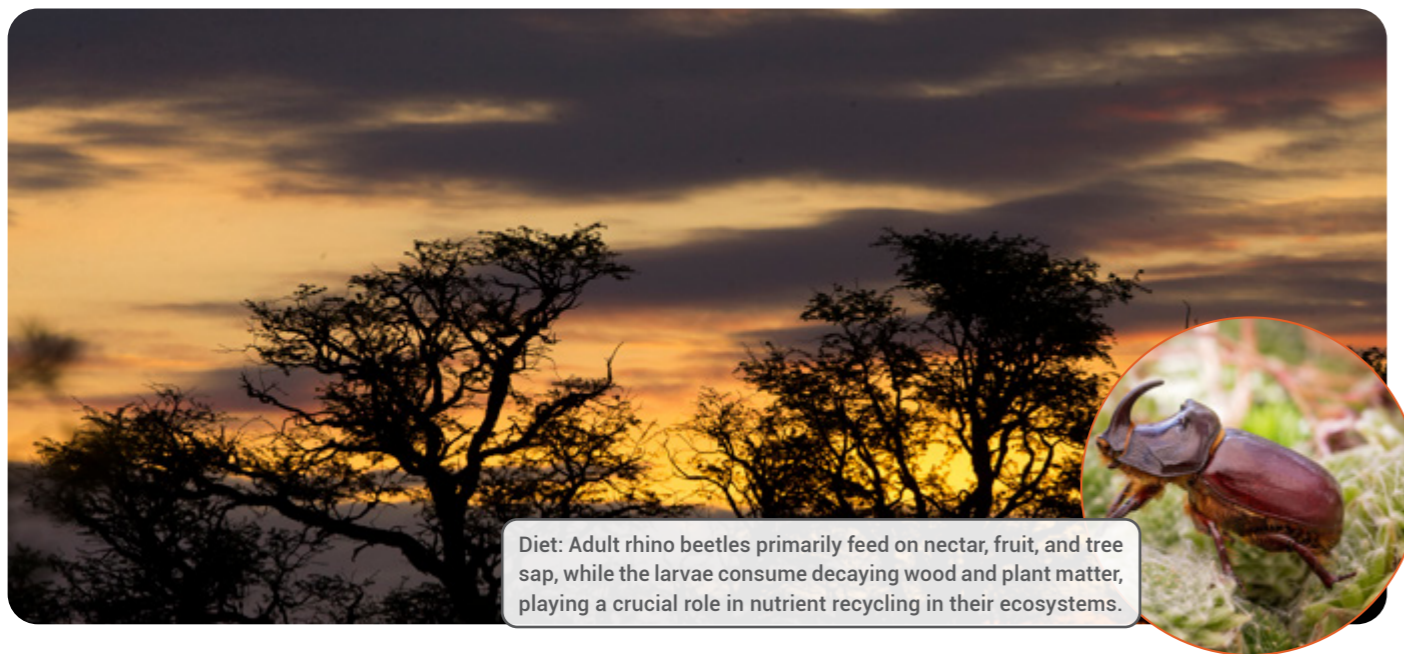
The governing body should serve as the focal point and custodian of corporate governance in the organisation.

HOW WE COMPLY

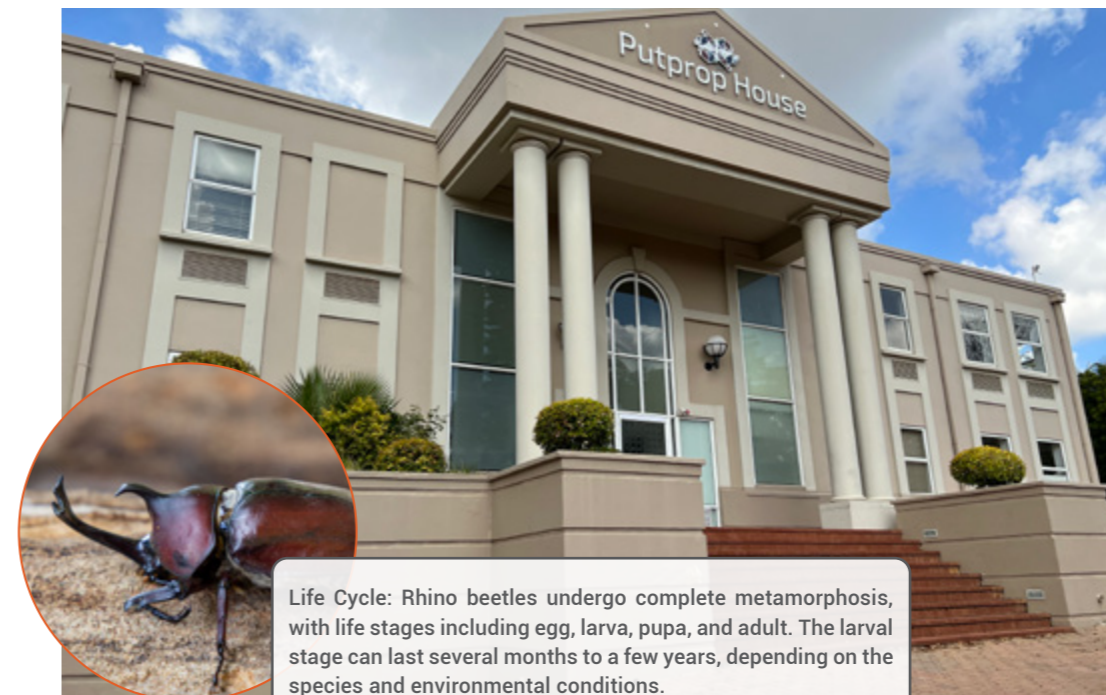
The Board Charter provides that the Board’s role is to act as the focal point for, and custodian of corporate governance in the Group by arranging its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

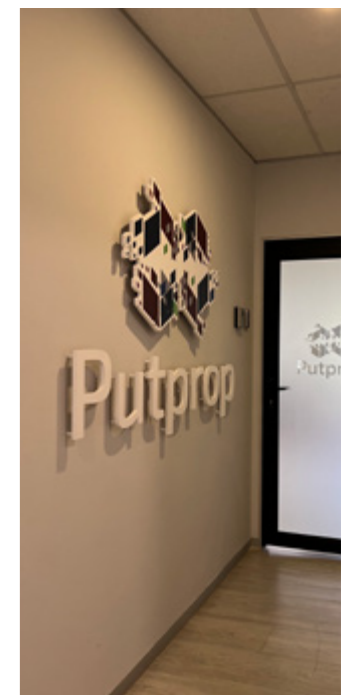
The Board’s activities in this regard are more fully set out on page 114 of this report.



Diet: Adult rhino beetles primarily feed on nectar, fruit, and tree sap, while the larvae consume decaying wood and plant matter, playing a crucial role in nutrient recycling in their ecosystems.



Life Cycle: Rhino beetles undergo complete metamorphosis, with life stages including egg, larva, pupa, and adult. The larval stage can last several months to a few years, depending on the species and environmental conditions.





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Principle 7

Composition

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.

HOW WE COMPLY

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence for it to discharge its roles and responsibilities objectively and effectively.

The Board is comprised of a majority of non-executive members, all of whom are independent, and has a set target in terms of race and gender representation through its approved Race, Colour, Religion, Age and Gender Diversity Policies.

The Chairman is an independent non-executive director and is separate from the Chief Executive Officer (CEO).

A schedule of other professional positions held by Board members is reviewed prior to all meetings.

Periodic rotation of directors is provided for in Putprop's MOI.

Further to the above, the Board Charter encapsulates that a formal induction programme is established for new directors and that inexperienced directors are developed through mentorship and training programmes.

Principle 8

Committees

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.

HOW WE COMPLY

While the Board remains accountable and responsible for the performance and affairs of the Group, Board Committees assist the Board in discharging its duties and responsibilities. These Committees do not, however, in any way, mitigate or discharge the Board of its duties and responsibilities.

Board Committees observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise. The Board has constituted the following Committees: AR Committee, SE Committee and RNHR Committee. Each Committee has a formally determined and Board approved charter, containing clearly agreed upon reporting procedures and a written scope of authority, which is reviewed annually and approved by the Board.

The Board ensures that suitable candidates, who have suitable qualifications, from within its structures are appointed to the above Committees, so as to achieve their respective objectives.

Principle 9

Evaluations of the performance

The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.

HOW WE COMPLY

The Board determines its own role, functions, duties and performance criteria as well as that for directors and Board Committees. An annual effectiveness self-evaluation is undertaken in respect of the Board and its sub-Committees and for the year under review, the Board satisfied itself that it and its sub-Committees operated effectively.

In addition, the Chairman also ensures that the Board operates effectively by regularly engaging with the non-executive directors on their performance and other matters that may need to be raised. Matters of concern are conveyed by the Chairman to the CEO and CFO respectively.

The Board is satisfied that the evaluation process is improving its performance and effectiveness.

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PRINCIPLE 10

Appointment and delegation to management

The governing body should ensure that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.

HOW WE COMPLY

The CEO is responsible for executing the Group's strategy and periodically reports to the Board in this regard.

The Board is satisfied that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.

The Company Secretary is empowered and authorised to provide corporate governance services to the Board and management. The Board is of the view that this arrangement is sufficient.

PRINCIPLE 11

Risk governance

The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.

HOW WE COMPLY

The Risk Committee assists the Board in respect of the governance of the Group's risk tolerance and risk appetite. The implementation and execution of risk management has been delegated to the Executive, however, the Board exercises continuous oversight in this regard.

The Board's responsibility for risk governance is expressed in its Charter as well as the Board approved Risk Management Policy.

The Board, through the Risk Committee, ensures that appropriate risk management programmes are in place and monitors their implementation against key risk indicators.

Each year the Board evaluates the Group's risks against current realities and resets risk tolerances as and when necessary.

An overview of the arrangements for governing and managing risk is included in the Risk Committee report contained on pages 115 to 121 of this report.

PRINCIPLE 12

Technology and information governance

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

HOW WE COMPLY

The Risk Committee assists the Board in respect of technology and information governance. The implementation and execution of the technology and information framework has been delegated to the Executive, however, the Board exercises continuous oversight in this regard.

Management regularly demonstrates to the Board that Putprop has adequate business resilience arrangements in place for disaster recovery.



Sound Production: Some species of rhino beetles can produce sounds by rubbing their abdomen against their wings, a behavior known as stridulation, which is used for communication and deterrence of predators.



Nocturnal Behavior: These beetles are mostly nocturnal, active at night when they search for food and mates, and they are often attracted to lights.



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PRINCIPLE 13

Compliance governance

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

HOW WE COMPLY

The Board ensures compliance with all relevant South African legislation, including REIT, King IV and JSE Listings Requirements. Compliance with laws, rules, regulations and relevant codes is integral to the Group's risk management process and key to ensuring that it achieves its strategy. The AR Committee is responsible for ensuring that an appropriate compliance framework is in place and that non-compliance is reported. The SE Committee has also been mandated to monitor the effectiveness of compliance management.

PRINCIPLE 14

Remuneration governance

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.

HOW WE COMPLY

The Board, assisted by the RNHR Committee, oversees the establishment of a remuneration policy that will promote the achievement of strategic objectives at all levels in the Group and encourage individual performance. The Board reviews the outcomes of the implementation of the remuneration policy on an annual basis.

Non-binding advisory votes in respect of the Group's remuneration policy and remuneration implementation reports are placed before shareholders at the Annual General Meeting of the Company. In the event that either of these are voted against by 25% or more of the voting rights exercised at the Annual General Meeting, the Board engages with dissenting shareholders to address legitimate and reasonable objections and concerns.

PRINCIPLE 15

Assurance

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.

HOW WE COMPLY

The Board is responsible for the management of the Group's systems in respect of internal control and risk management and evaluates the adequacy and effectiveness of these processes. Internal controls are established not only in respect of financial matters, but also operational, compliance and sustainability issues. The Board, through the Board Committees and external assurance providers, operates within the confines of the JSE Listings Requirements, the Companies Act, King IV and the integrated reporting framework to determine the approach and direction of external reporting.

The AR Committee ensures the efficiency and profitability of operations, the reliability of information, and adherence to rules and regulations.

The independent external auditor is responsible for reporting on whether the Annual Financial Statements are fairly presented in compliance with IFRS® and the Companies Act.

The SE Committee is responsible for providing assurance in respect of Putprop's B-BBEE certification, health and safety issues, whistleblowing, corporate social investment and other sustainability issues.

The Board and its Committees rely on management's knowledge and expertise of the various areas requiring assurance in order to scrutinise and validate the results of all external reports.

PRINCIPLE 16

Stakeholders

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

HOW WE COMPLY

Stakeholders have been identified as one of the Group's four key strategic pillars, therefore, the Board has adopted a stakeholder-inclusive approach which carefully considers legitimate and reasonable stakeholder risks and concerns when reviewing and refining strategy.

The CEO and the Chief Financial Officer (CFO) continuously engage with key financial audiences, particularly investors and analysts. Each stakeholder is communicated with through various channels such as SENS announcements, circulars and periodic reports, and feedback is encouraged in writing, telephonically or via the website.

Facts about Rhino Beetle



Conservation Status: While many rhino beetle species are not endangered, habitat destruction and collection for the pet trade threaten certain populations, making conservation efforts important for their continued survival.

Cultural Significance: In some cultures, rhino beetles are kept as pets, used in beetle-fighting competitions, and even considered symbols of strength and power.

Defense Mechanisms: Rhino beetles have a hard exoskeleton that provides protection from predators, and some species can emit a hissing sound to deter threats.

