

BOXER



KING IV REPORT
THE COMMUNITY CHAMPION

October 2024

Application of the King IV Code Principles

The board of directors of Boxer (“the Board”) is committed to complying with the requirements of the Companies Act, No. 71 of 2008, as amended from time to time (“the Companies Act”), the JSE Listings Requirements (“the JSELR”) and the King Report on Corporate Governance for South Africa 2016 (“King IV”).

The principles of King IV are adopted and applied by Boxer as disclosed in this document.

Capitalised words used and not defined herein shall bear the meaning ascribed to them in the Boxer Board Charter.

Principle 1: Leadership

The Board should lead ethically and effectively

Disclosure required: The Board should disclose the arrangements by which the members are being held to account for ethical and effective leadership

The Company’s governance framework, including but not limited to, the Board Charter, the Board committees’ (“Committees”) terms of reference (“TOR”) and the Company’s Code of Ethics and related policies highlights the Board’s commitment to ethical and effective leadership. In terms of the Board Charter, the Board subscribes to ethical and effective leadership of the Company and its subsidiaries (together “the Group”) and accepts responsibility for acting in accordance with King IV and ensuring ethical behaviour.

In order to ensure effective leadership, the Nominations and Corporate Governance Committee (“NomGov”) is responsible for assisting the Board in identifying candidates that will secure the appropriate mix of skills, experience and independence on the Board.

Furthermore, the Board, its Committees and individual Directors are evaluated annually to ensure continued improvement in the Board’s performance and effectiveness.

The Board Charter and Committee TOR will be reviewed on an annual basis to ensure alignment with best practice.

Further information in this regard will be published in Boxer’s integrated annual report (“Integrated Annual Report”) and corporate governance report (“Corporate Governance Report”), which will be updated annually.

Principle 2: Organisational ethics

The Board should govern the ethics of the Group in a way that supports the establishment of an ethical culture

Disclosure required: The Board should disclose:

- an overview of the arrangements for governing and managing ethics;
- key areas of focus during the reporting period;
- measure taken to monitor organisational ethics and how the outcomes were addressed; and
- planned areas of future focus.

The Board has adopted a suite of policies that articulate the Group's ethical principles, including the Group's Code of Ethics, Anti-Bribery and Corruption Policy, Conflicts of Interest Policy, Whistleblowing Policy and Dealing in Securities Policy. These policies are applicable to all employees and Directors.

The Social, Ethics and Transformation Committee ("SETC") supports the Board in monitoring and reporting on the ethical conduct of the Company, its Board, executives and senior officers in terms of the Group's corporate governance policies. The Company also provides for an independently administered anonymous tip line to enable employees and third parties to report any alleged or perceived breach of the Group's values and ethical principles.

In terms of the Board Charter, the chief executive officer of the Company ("CEO") and the chief financial officer of the Company ("CFO") have been delegated the responsibility of fostering a corporate culture that promotes ethical practices and encourages individual integrity.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 3: Responsible corporate citizenship

The Board should ensure that the Group is and is seen to be a responsible corporate citizen

Disclosure required: The Board should disclose:

- an overview of the arrangements for governing and managing responsible corporate citizenship;
- key areas of focus during the reporting period; measures taken to monitor corporate citizenship and how the outcomes were addressed; and planned areas of future focus.

The Board is responsible for overseeing the Group's environmental, social and governance ("ESG") activities and reviewing progress against long-term ESG targets, including in respect of carbon emissions, energy intensity, water usage, food waste and recycling.

The SETC has been mandated with monitoring the Group's overall responsible corporate citizenship performance, which includes monitoring and reporting on the manner and extent to which the Group protects, enhances and invests in and impacts on the economy, society, the workplace and the environment in which it operates.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 4: Strategy and performance

The Board should appreciate that the Group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

Disclosure required: In respect of disclosure on strategy and performance, refer to Principle 5 below.

Taking cognisance of the inter-connectedness of the various elements of the value creation process, including risks and opportunities, strategy, the business model, performance and sustainable development, the Board ensures that each element receives the necessary attention. In this regard, the Board is responsible for staying up to date on risks and changes in the environment and reviewing and approving management's strategic and business plans and monitoring corporate performance against such plans.

Pursuant to the Audit, Risk and Compliance Committee's ("ARCC") TOR, the ARCC has been mandated with the overall governance and monitoring of risks, which includes considering the opportunities and associated risks when developing strategy and the potential positive and negative effects of the same risks on achieving organisational objectives.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 5: Reporting

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

Disclosure required: The Board should ensure that the following information is published on the Company's website or through other media as is appropriate for access by stakeholders:

- corporate governance disclosures required in terms of Part 3 of King IV;
- integrated reports; and
- annual financial statements and other external reports.

The Group's annual financial statements ("Annual Financial Statements"), Integrated Annual Report and Corporate Governance Report are prepared in accordance with global reporting standards, including the International Integrated Reporting Framework, the International Financial Reporting Standards and the Global Reporting Initiative's Standards, and will be published on the Boxer investor relations website.

The ARCC is responsible for oversight of the preparation of the Annual Financial Statements, Integrated Annual Reports and Corporate Governance Reports to ensure the integrity of the process for compiling the reports and the information contained therein.

The Board is responsible for reviewing and approving the Annual Financial Statements and the Integrated Annual Report to ensure that they present an accurate and balanced view of the Group's state of affairs and that assurance on the disclosures in the Annual Financial Statements is provided by the internal and external auditors.

The annual suite of reports aims to present stakeholders with an increased understanding of the Group's operations and a holistic view of the Group's performance and its short-, medium- and long-term prospects.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 6: Primary role and responsibilities of the Board

The Board should serve as the focal point and custodian of corporate governance in the Company

Disclosure required: The Board should disclose:

- the number of meetings held during the reporting period, and attendance at those meetings; and
- whether the Board is satisfied that it has fulfilled its responsibilities in accordance with its Board Charter for the reporting period.

The Board is the governing authority of the Company and is responsible for the overall governance of the Group. The Board Charter sets out the Board's role and responsibilities, including the responsibility to govern the Group in a transparent, equitable and responsible manner that balances the needs, interests and expectations of all stakeholders and the best interest of the Group. In addition, pursuant to the Board Charter, the Board endorses and has committed itself to the principles of good corporate governance and corporate citizenship as set out in King IV.

In terms of the Board Charter, the Committee TOR and various delegations of authority, the Board guides and directs the roles, responsibilities and conduct of the Directors and certain employees within the Group.

The Board is satisfied that it has fulfilled its responsibilities in accordance with the Company's memorandum of incorporation, the Board Charter, King IV, the JSELR and the Companies Act.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 7: Composition of the Board

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

Disclosure required: The Board should disclose:

- whether the Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence;
- the targets set for gender and race representation on the Board, and progress made against these targets;
- the categorisation of each Director as executive or non-executive;
- the categorisation of each Non-Executive Director as independent or not and, when a Non-Executive Director has been serving for longer than nine years, a summary of the views of the Board on the independence of the Director;
- the qualifications and experience of Directors;
- each Director's period of service on the Board;
- the age of each Director;
- other board and professional positions held by each Director; and
- the reasons why any Directors have been removed, resigned or retired.

In addition, the Board should disclose whether the Company chair is considered to be independent and whether or not a Lead Independent Director has been appointed, and the role and responsibilities assigned to the position.

The Board comprises seven (7) Non-Executive Directors and two (2) Executive Directors. Five (5) of the Non-Executive Directors (71%) are independent. The Company Chair is an Independent Director. Director profiles will be available in the Integrated Annual Report and on the Boxer investor relations website.

Directors are appointed through a formal and transparent process in terms of which the NomGov is mandated with identifying suitable candidates for recommendation to the Board for final approval. The NomGov seeks to ensure the appropriate mix of skills, experience and independence on the Board and gives due consideration to the knowledge, skills and resources required as well as the Board size, diversity (in accordance with the Board-approved diversity targets) and demographics to ensure its effectiveness. The independence of each Independent Director is assessed annually to ensure the categorisation as independent continues to be appropriate.

The roles of Company Chair and CEO are separate with a clear division of responsibilities.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 8: Committees of the Board

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

Disclosure required: In relation to each Committee, the Board should disclose:

- its overall role and associated responsibilities and functions;
- its composition, including each member's qualifications and experience;
- any external advisers or invitees who regularly attend committee meetings;
- key areas of focus during the reporting period;
- the number of meetings held during the reporting period and attendance at those meetings; and
- whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

In addition to the general disclosure required in respect of each Committee, in respect of the ARCC, the Board should disclose:

- whether the ARCC is satisfied that the auditor is independent of the Group;
- significant matters that the ARCC has considered in relation to the annual financial statements and how these were addressed by the ARCC;
- the ARCC's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators;
- the ARCC's views on the effectiveness of the chief audit executive and the arrangements for internal audit;
- the ARCC's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or errors;
- the ARCC's views on the effectiveness of the CFO and the finance function; and
- the arrangements in place for combined assurance and the ARCC's views on the effectiveness thereof.

To assist with the effective discharge of its duties, the Board has established the following standing Committees:

- Audit Risk and Compliance Committee ("ARCC");
- Social, Ethics and Transformation Committee ("SETC");
- Remuneration Committee ("RemCom"); and
- Nominations and Corporate Governance ("NomGov").

Delegation to these Committees is recorded in written TOR, which have been approved by the Board and are reviewed annually.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 9: Evaluation of the performance of the Board

The Board should ensure that the evaluation of its own performance and that of its Committees, its chair and its individual members, supports continued improvement in its performance and effectiveness

Disclosure required: The Board should disclose:

- a description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not;
- an overview of the evaluation results and remedial actions taken; and
- whether the Board is satisfied that the evaluation process is improving its performance and effectiveness.

The Board is responsible for conducting an annual evaluation of its contribution to the Group as a whole, in addition to evaluating its Committees and each individual Director to ensure continued improvement in the Board's performance and effectiveness.

The Lead Independent Director is responsible for carrying out the evaluation of the Company Chair's performance.

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

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 10: Appointment and delegation to management

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

Disclosure required: The Board should disclose:

- in relation to the CEO:
 - the notice period stipulated in the CEO's employment contract and the contractual conditions related to termination;
 - other professional commitments of the CEO, including directorships of companies outside the Group; and
 - whether succession planning is in place for the CEO position;
- in relation to delegation, a statement on whether the Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities; and
- in relation to corporate governance services, the arrangement in place for accessing professional corporate governance services and a statement on whether the Board believes those arrangements are effective.

The Company's delegation of authority framework, which includes a Delegation of Authority Policy, ensures a clear delineation of roles and areas of accountability. In terms of the Board Charter, the Board has delegated the authority to oversee and control the management of the day-to-day affairs of the Group to the CEO and the CFO, subject to clearly defined limits of authority.

The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

The NomGov is responsible for overseeing the succession planning for the Board.

Following an assessment to confirm the necessary qualifications, competence and expertise, the Board has appointed a company secretary for Boxer ("Company Secretary") who is responsible for providing guidance on corporate governance and the Board's legal responsibilities. The Board confirms it has created an environment in which the Company Secretary can have an arm's length relationship with the Directors.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 11: Risk governance

The Board should govern risk in a way that supports the Company in setting and achieving its strategic objectives

Disclosure required: The Board should disclose, without compromising sensitive information, the nature and extent of the risks and opportunities the Group is willing to take and in relation to risk;

- an overview of the arrangements for governing and management risk;
- key areas of focus during the reporting period, including objectives, the key risks that the Group faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels;
- actions taken to monitor the effectiveness of risk management and how the outcomes were addressed; and
- planned areas of future focus.

The Board is responsible for the governance and management of risk and has established, and delegated oversight of risk governance to, the ARCC. The ARCC is responsible for ensuring that the direction for the way in which risk is managed, as set by the Board, is implemented. The responsibility of designing, implementing and monitoring the risk management plan is delegated to management.

The Board, with the assistance of the ARCC, annually identifies risk and opportunities that have the potential to significantly impact the Group's performance and ability to create sustainable value for our stakeholders.

The Board is satisfied that the Group's risk management process is effective in continuously assessing risk and opportunities and ensuring these risks are managed in line with the Group's business strategy.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 12: Technology and information governance

The Board should govern technology and information in a way that supports the Company setting and achieving its strategic objectives

Disclosure required: The Board should disclose:

- an overview of the arrangements for governing and managing technology and information;
- key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents;
- actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed; and
- planned areas of future focus.

The Board oversees information technology ("IT") governance, ensuring that appropriate structures, systems, and controls are in place to manage IT risks effectively. The ARCC has been mandated with assisting the Board in setting the direction of how IT should be approached and managed and the responsibility to implement and execute effective IT management is delegated to management.

The ARCC is responsible for reviewing and approving IT strategies, initiatives, policies and frameworks to ensure alignment with the overall Group strategy.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 13: Compliance governance

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

Disclosure required: The Board should disclose:

- in relation to compliance:
 - an overview of the arrangements for governing and managing compliance;
 - key areas of focus during the reporting period;
 - actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed; and
 - planned areas of future focus;
- material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, whether imposed on the Group or on Directors; and
- details of monitoring and compliance inspection by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance.

The Board is responsible for annually approving an integrated compliance framework that addresses compliance with statutory, legislative and regulatory requirements and ensures that processes and compliance controls are in place to manage compliance risks.

The Company Secretary is responsible for providing guidance on the Company's compliance with all statutory and regulatory requirements and Directors receive regular briefings in respect of updates on regulatory compliance.

The ARCC is mandated with overseeing regulatory compliance and the responsibility for the implementation and execution of effective compliance management is delegated to management. Management is required to report bi-annually to the ARCC on all compliance matters.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, other than traffic violation fines in the normal course of business. No compliance inspections by environmental regulators had taken place during the period under review and no incidences of non-compliance with environmental laws were identified.

Principle 14: Remuneration governance

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

Disclosure required: The Board should disclose remuneration by means of a remuneration report.

The Group's remuneration policy has been developed to, among other things, attract, motivate, reward and retain human capital in line with the Company's transformation objectives and promote the achievement of the Group's strategic objectives.

The RemCom is mandated with ensuring that the Group remunerates fairly, responsibly and transparently and ensuring such remuneration is disclosed annually by means of a remuneration report.

The RemCom ensures that the Group remains up to date with evolving legislation and remuneration practices across the retail industry. Independent and objective expert advice is obtained as required, including in respect of industry benchmarking and the fair and transparent structure of variable short-term and long-term benefits in order to drive performance and achieve retention.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 15: Assurance

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

Disclosure required: The Board should ensure that external reports disclose information about the type of assurance process applied to each report.

Disclosures in respect of the application of combined assurance and the internal control environment shall form part of the ARCC's disclosures required pursuant to Principle 8 above.

The Board is responsible for ensuring arrangements are made for a combined assurance model that incorporates and optimises all assurance services and functions. The Group's combined assurance model is interrogated by the ARCC to ensure that it is designed and implemented to effectively cover the Group's significant risks and material matters and is tabled bi-annually to ensure that the Board is comfortable with the level and type of assurance obtained by the Group.

The Group's internal audit function forms an integral part of the combined assurance model as it is independent of business operations and provides assurance on the adequacy and effectiveness of internal controls.

The Board is satisfied that the Group's combined assurance model has been effective in achieving transparent and accurate financial reporting, sound risk management and mitigation, and an effective level of residual risk.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 16: Stakeholder relationships

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

Disclosure required: The Board should disclose:

- an overview of the arrangements for governing and managing stakeholder relationship;
- key areas of focus during the reporting period;
- actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed; and
- planned areas of future focus.

The Board is responsible for ensuring that the Group is managed in a way that balances the needs, interests and expectations of all stakeholders and the best interest of the Group. It is committed to stakeholder engagement that is constructive, fair, transparent and conducted in a manner that is aligned with the Group's values.

The SETC is mandated with approving and monitoring the Group's stakeholder engagement strategy and plan and the overall management of stakeholder risk.

The Group pursues an integrated programme of stakeholder engagement to ensure that the business:

- remains accessible and accountable to key stakeholders;
- engages regularly on material matters; and
- reports to the Board on all material stakeholder engagements, including any emerging risks or opportunities.

Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.



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