

Corporate Governance and King IV Implementation

Governance Philosophy and Framework

The board of directors of Ozow (“Board”) implements OZOW high standards of corporate governance: we are accountable, fair, ethical and we do everything we can to manage risk in the best way possible. Since the King IV Code of Corporate Principles (“King IV”) applies to JSE-listed companies, we do not technically need to comply its principles (due to our size and nature). BUT, in the interests of good and holistic governance, we comply with relevant principles of King IV, as explained below.

Ethical Culture

1 Ethical leadership and composition of the Board – *The ones who make our vision a reality*

Principal 1, Principal 7 and Principal 8

- 1.1 The Board is committed to leading responsibly, ethically and with integrity and provides strategic guidance to Ozow and its employees. The directors hold each other accountable for decision-making, and act in an ethical way exhibiting integrity, competence, responsibility, accountability and fairness. Ozow operates in the best interest of the business and all its stakeholders.
- 1.2 The directors have diverse industry knowledge, technical and academic qualifications, skills and experience enabling them to be effective in their roles. If necessary, the Board will invite an experienced and competent person to consult on an ad hoc basis and be invited to attend Board meetings as and when necessary to obtain objective input until it grows and a fully independent non-executive director is appointed.

2 Organisation values, ethics and culture – *We are ‘salt-of-the-earth’ kinda family*

Principal 2

- 2.1 Ozow strives to be ethical in all that it does. Ozow is:
 - 2.1.1 Trustworthy: Ozow is **honest**, wants **feedback** (please talk to us!), and takes **responsibility** for its actions.
 - 2.1.2 Innovative: Ozow is **curious** and **unconventional** in nature (not weird, just special). Ozow is **solution-driven** and thinks creatively and out the box.
 - 2.1.3 Customer centric/focussed: Ozow is excellent (if we do say so ourselves), is **responsive** and will always **keep you in the ‘know’**.
 - 2.1.4 A real team: Ozow **values** and **respects** its people, and you! Ozow really works together, helps each other, and always strives to be its best, together (you included).
 - 2.1.5 Secure: Ozow endeavours to ensure that all personal data is kept **secure**. Ozow implements system security, data integrity and business continuity processes to ensure proper **protection** against cyber and data risks. Ozow is always on the lookout to keep you **safe**, and put your **mind at ease**.
- 2.2 Ethics-related policies are in place in order to develop and maintain the high ethical standard of Ozow. These policies are made available to all employees and training on this is provided. Employees are also encouraged to report any unethical behaviour directly, or to anonymously report such behaviour. Management keeps abreast of new and future potential ethics risks, and ensures oversight of investigations into ethics-related complaints to ensure fairness and consistency across the company.
- 2.3 Ozow makes every effort to ensure that adequate frameworks and processes are in place to manage and mitigate ethical risks. The ethics strategy, informed by the outcomes of the ethics risk assessment, prioritises high ethics risks and opportunities.

Good Performance

3 Strategy, implementation and performance – *How it’s done*

Principal 4

The Board retains ultimate responsibility for providing strategic direction, setting risk appetite and ensuring that risks are adequately identified, measured, monitored, managed and reported on. The Board sets the direction for the realisation of Ozow’s core purpose, business model, performance and values and delegates appropriately to management, and this is reviewed at least annually. The Board approves these strategies with reference to timelines,

Johannesburg

30 Melrose Boulevard, Mezzanine Level
Off MO213, Melrose Arch, Melrose North
Gauteng, South Africa, 2196

Cape Town

39 Main Road, 1st Floor
Greenpoint, Cape Town
Western Cape, South Africa, 8051

Email: info@ozow.com
Website: ozow.com

risks and opportunities, resources and relationships, managements policies and operational plans, including key performance measures and targets, and delegates the implementation of policy and plans to management.

4 Reports and disclosures – *The nitty gritty*

Principal 5

Ozow reports are compliant with legal reporting requirements and meet the needs of our shareholders. Directors are required to disclose if they have a direct or indirect interest in any matter for consideration by the Board and to declare any conflicts of interest and recuse themselves from any such discussions. The CFO ensures that Ozow's annual financial statements ("AFS") comply with the International Financial Reporting standards, ensuring that the information is of the quality that enables shareholders to make informed decisions.

Effective Control

5 Governing body – *The powers that be*

Principal 6

Directors are held accountable for being and maintain their integrity, competence, responsibility, fairness and transparency. The Board sets the direction, approach and conduct for Ozow's business, and approves the frameworks to be used. The Board annually approves Ozow's overarching corporate governance objective, which includes ensuring compliance by Ozow with relevant legislation and other best practices deemed appropriate for Ozow. The Board balances interests of its stakeholders and assesses and takes into consideration each stakeholder when approving company policies.

6 Governance structure and delegation - *The movers and shakers*

Principal 8 and Principal 10

In discharging its duties, the Board is empowered to delegate to management. Management and all employees undergo an annual performance and appraisal process. Employees are assessed to determine their suitability to their role and that their personalities, skills and experience will contribute to Ozow achieving its goals. Ozow is appropriately resourced and the current delegation contributes to effective business management.

7 Board Evaluation, appointment and rotation of directors – *Check yourself before you wreck yourself*

Principal 9

Board appointments are commensurate with equity stake and strategic benefit. Our company secretarial service provider, RWFC, is responsible for ensuring that sound governance procedures are followed and maintained. RWFC is suitably qualified to perform this function for Ozow, and does so effectively and efficiently. There is an independent relationship between the Board and RWFC.

Governance Functional Areas

8 Managing risk to achieve our strategic objectives – *Failing to prepare is preparing to fail*

Principal 11

- 8.1 Ozow takes its risk, performance and financial resource management seriously. Each department sets out its main risks and rates them according to severity, following which an action plan to mitigate the risks is put into place. The risks identified form the basis of the strategic plan that is drawn up for Ozow. The Board has the responsibility to decide on the risk appetite and strategy of Ozow.
- 8.2 The risks and opportunities within the existing and ever-changing risk profile of Ozow's operating environment are continuously identified, assessed, monitored, and managed. Mitigating controls are formulated to address the risks. The Board is kept up-to-date on the progress of this. Ozow recognises that effective risk management requires multiple points of control or safeguards that are consistently be applied and reviewed. Ozow intends to focus on enhancing our risk management capabilities aligned to our core purpose and strategy.

9 Governance of technology and information – *In tech we trust*

Principal 12

- 9.1 Ozow regularly reviews the information and technological requirements of Ozow and upgrades and updates the systems as required in order to achieve strategic objectives. Ozow ensures that it adheres to the financial crime

universe by implementing technology solutions that facilitate the monitoring and identification of financial crime risks. We promise, you are safe in our hands.

- 9.2 Ozow implements appropriate system security, data integrity and business continuity processes, and ensures there is appropriate management of cyber and data risks, as well as an effective implementation of the IT risk management plan. Technology risks are reviewed at regular intervals.
- 9.3 The threat of cyber risk within Ozow is managed through training and management of people, processes and procedures, and associated technologies to protect against malicious and non-malicious threats. The increased sophistication of cybercrime, and the increased impact and likelihood of this risk has necessitated a heightened focus in this regard.

10 **Remuneration** – *Show me the money*

Principal 14

Ozow reviews its remuneration policy annually to ensure that its employees and management are remunerated fairly, responsibly, transparently, and in line with industry standards. The remuneration policy is aligned with Ozow's strategy and linked to individual performance through the setting of appropriate objectives. Ozow tries to help its people, and in doing so, it creates and maintains a mutual understanding of what performance and value creation for Ozow constitutes for the purpose of evaluating the remuneration policy.

11 **Assurance** – *We've got you covered*

Principal 15

- 11.1 Ozow undergoes a yearly audit by RWFC who identify any breakdown controls and risks within Ozow to ensure the integrity of information for effective decision making. The outcome of independent oversight, validation and audit tasks performed by the auditors ensure a high standard across methodological, operational and process components of Ozow's risk and capital management processes.
- 11.2 Ozow endeavours to address all the significant strategic, sustainability, financial, operational and compliance-related risks, and put in place mitigating factors to control these risks. Our control environment is effective, and our reports have integrity.

Maintaining Legitimacy

12 **Our stakeholders** – *Who's who in our zoo*

Principal 16

Our stakeholders are crucial to us. They are involved and considered in material aspects of the business. Ozow is a family, and all of its people work together for the greater benefit of everyone in an open and transparent way. Timely, relevant, and (of course) material information is available to stakeholders, subject to legal and strategic considerations. Shareholder risks are assessed in the course of performing Ozow's risk assessments and, where specific risks are identified, mitigation measures are prepared or implemented (as appropriate).

13 **Compliance** – *The rules we play by*

Principal 13

Remaining compliant with all applicable laws (and even those not *that* applicable, just for fun) is Ozow important to us. Ozow wants to be a good corporate citizen, actually, it wants to be the best corporate citizen! Ozow has developed a risk-based compliance plan to monitor and assess the effectiveness of the controls implemented to manage and mitigate the regulatory risks to the business. All policies ensuring compliance are made available to employees and to management. Ozow reviews these regularly to stay up-to-date.

14 **Responsible corporate citizenship** – *Not all heroes wear capes*

Principal 3

- 14.1 Ozow is compliant with the Constitution, all applicable legislation, its own policies and procedures. Ozow trusts its people and always want to improve - each employee and member of management are encouraged, and have the responsibility, to monitor and report any non-compliance with social, ethical, transformational and sustainability practices that are consistent with good corporate citizenship. Ozow manages and protects your data in an ethical way, and cooperates with regulators (the powers that be) to ensure that it has strong internal processes in place.
- 14.2 Ozow focuses on operating an ethical and compliance business with an inclusive culture – join us!.

15 King IV application

Ozow has applied the relevant recommendations of King IV to achieve good performance and effective control while being legit and ethical. The application of the King IV is referenced below.

King IV principle	Ref.
<i>Governance outcome: ethical culture</i>	
Principle 1: Ethical Leadership	
The governing body should lead ethically and effectively.	1
Principle 2: Organisation values, ethics and culture	
The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	2
Principle 3: Responsible corporate citizenship	
The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	14
<i>Governance outcome: good performance</i>	
Principle 4: Strategy, implementation 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.	3
Principle 5: Reports and disclosure	
The governing body should ensure that reports issued by the organisation enable shareholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.	4
<i>Governance outcome: effective control</i>	
Principle 6: Role of the governing body	
The governing body should serve as the focal point and custodian of corporate governance in the organisation.	5
Principle 7: Composition of the Board	
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.	1
Principle 8: Governance structures	
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.	1, 6
Principle 9: Evaluations of performance of the Board	
The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	7
Principle 10: 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.	6
<i>Governance functional areas</i>	
Principle 11: Risk and opportunity governance	
The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	8
Principle 12: Technology and information governance	
The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.	9
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.	13
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.	10
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 external reporting purposes.	11
<i>Governance outcome: legitimacy</i>	

Principle 16: Shareholders

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 shareholders in the best interests of the organisation over time.

12