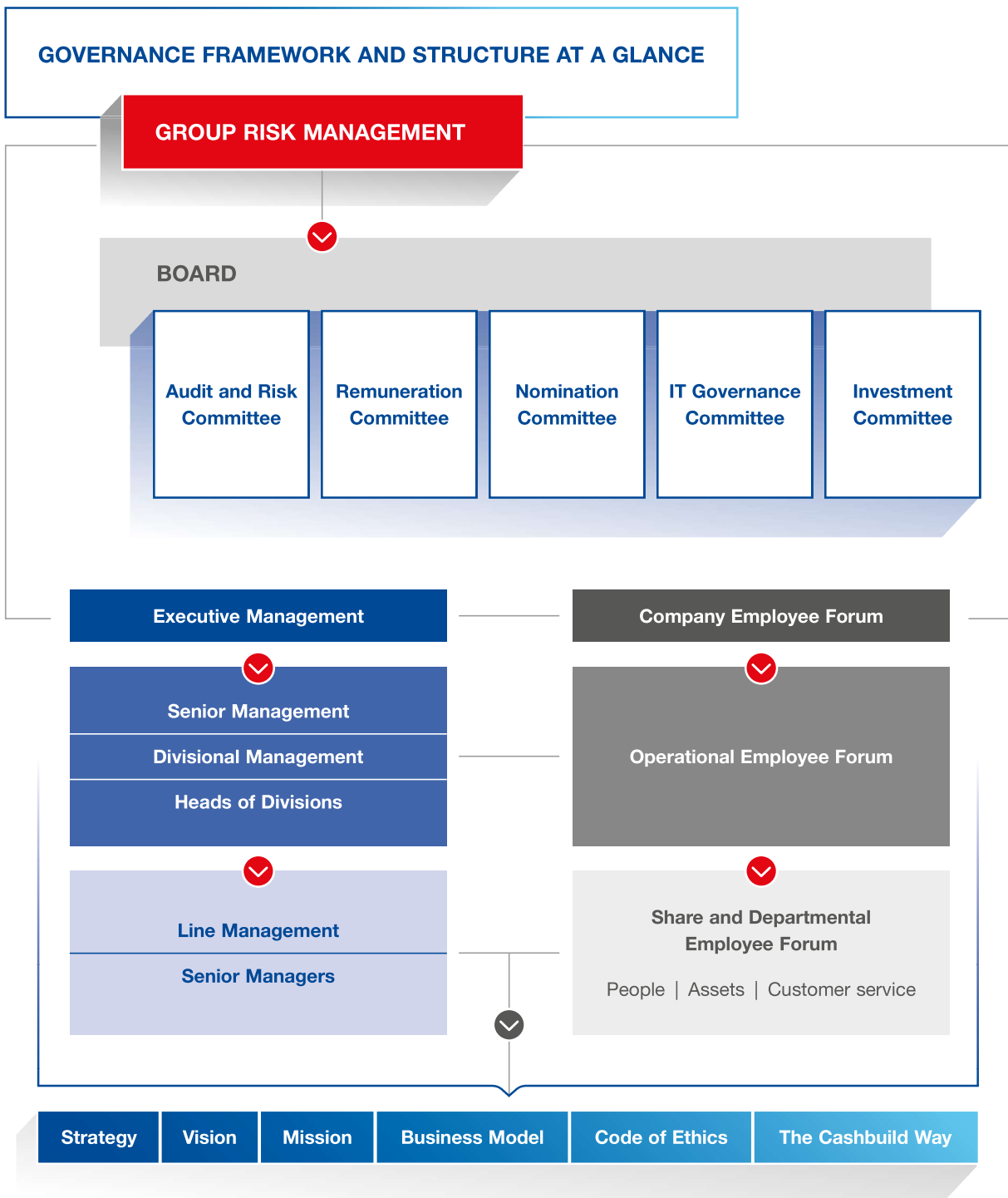


# Governance

We believe that our governance practices are sound and comply with the JSE Listings Requirements, King IV™ as well as guidelines provided by the IIRC's International <IR> Framework in terms of reporting according to the Six Capitals.

There are no material changes to the contents of the governance section of the Integrated Report compared to the 2022 Integrated Report other than enhancements made.

Cashbuild endorses and continuously assesses the principles of King IV™ and, where applicable, tailors these as appropriate to the organisation.



# Governance (continued)

## KING IV™ APPLICATION ASSESSMENT

The assessment of compliance against King IV™ Principles is available on the Cashbuild website.

The principles are:

Description	
1.	Ethical leadership – The governing body should lead ethically and effectively.
2.	Organisational 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.
3.	Responsible corporate citizenship – The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
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.
5.	Reports and disclosure – 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.
6.	Primary role and responsibility of the governing body – The governing body should serve as the focal point and custodian of corporate governance in the organisation.
7.	Composition of the governing body – 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.
8.	Committees of the governing body – The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties.
9.	Performance evaluations – The governing body should ensure that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
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.
11.	Risk governance – The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.
12.	Technology and IT governance – The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
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.
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.
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.
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.

## BOARD OF DIRECTORS

### Board responsibilities

The Board is accountable and responsible for the performance and affairs of the Group. The terms of reference outlining its responsibilities are contained in the Board Charter. The Board takes responsibility for guiding and monitoring compliance with all applicable laws, regulations and codes of business practices, maintains oversight over compliance and risk management, but delegates operational control to management.

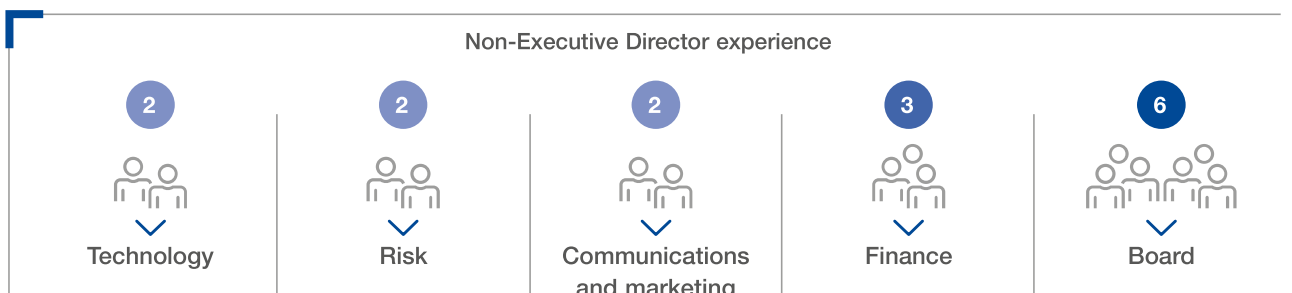
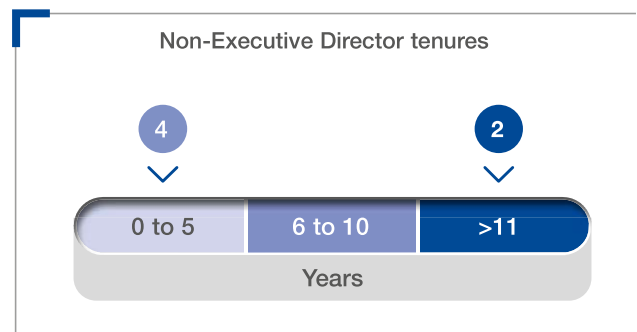
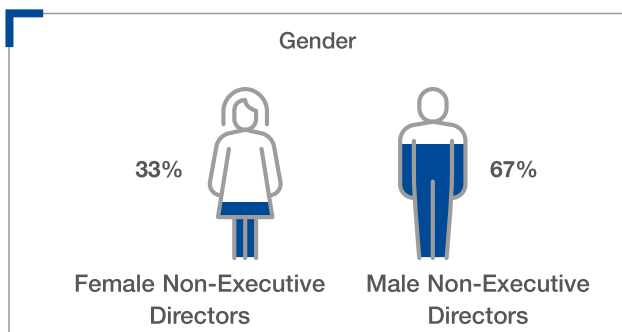
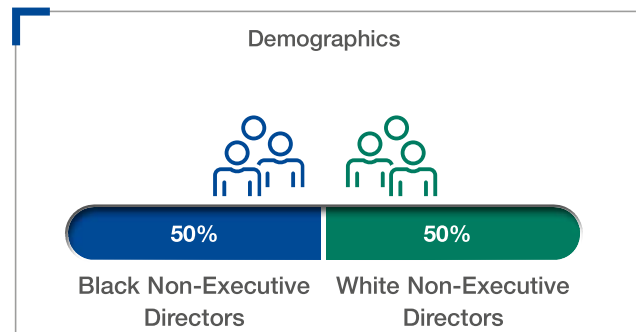
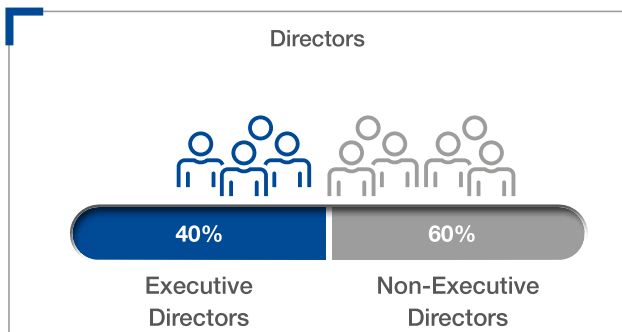
The Board has delegated relevant matters to the Executive Directors and senior management based on detailed authority levels and believes it has full and effective control over the Group and oversight of management activities. The Board meets on a quarterly basis. All directors have to attend each meeting, other than where a valid reason is provided for not being able to attend.

The directors are bound by, and comply with, the JSE Listings Requirements.

### Board composition

The Board operates a unitary board structure comprising four Executive and six Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director and the role of Chairman and Chief Executive Officer is separated. The Nomination Committee reviews the composition of the Board annually, in accordance with the King IV™ recommendations and it considers the number of directors, and the collective knowledge, skills and experience required for conducting the business of the Board. The Nomination Committee is satisfied with the composition of the Board and its committees. The Non-Executive Directors, who are trained and experienced, bring insight and expertise to Board deliberations. There is a policy in place which ensures a clear balance of power and authority at Board level and that no one director has unfettered powers of decision-making.

The Board acknowledges its responsibility towards equality and diversity at Board level. Cashbuild strives for a diversified Board that is not dominated by a specific grouping, be it race, gender or age, with due consideration of the Equity and Diversity Policy.



# Governance (continued)

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS



**WF de Jager (52)**  
*Chief Executive Officer*

Appointed: 1 March 2012  
CA(SA)

Werner obtained his CA(SA) qualification in 1994 and completed his articles with PwC.

He joined Cashbuild on 1 December 2004 as Financial Director. Prior to joining Cashbuild, he worked in the retail industry where he gained invaluable knowledge. On 1 March 2011, he was appointed Marketing and Procurement Director and on 1 March 2012, Chief Executive Officer of the Group. Werner is a board member of the Global Home Improvement Network.



**AE Prowse (59)**  
*Chief Financial Officer*

Appointed: 1 March 2011  
CA(SA)

Etienne obtained his CA(SA) qualification in 1990 and completed his articles at Deloitte. He gained experience in various industries and joined Cashbuild in June 2005 as Financial Controller. He was appointed as the Chief Financial Officer of Cashbuild on 1 March 2011.



**SA Thoresson (60)**  
*Operations Director*

Appointed: 27 March 2007

Shane joined Cashbuild on 22 August 2005 and has over 30 years of operations experience in the retail sector, over 20 years of which was in sub-Saharan African countries. He has worked for well-respected retail companies such as Woolworths, Foschini and the Mr Price Group. He was appointed as the Operations Director on 1 March 2007.



**WP van Aswegen (56)**  
*Commercial and Marketing Director*

Appointed: 2 April 2018  
CA(SA)

Wimpie obtained his CA(SA) qualification and completed his articles at PwC. He joined Cashbuild in April 2008 as General Manager Creditors. In 2010 he became Procurement Executive and was appointed as the Commercial and Marketing Director of Cashbuild on 2 April 2018.

## NON-EXECUTIVE DIRECTORS



**AGW Knock (72)**  
*Chairperson of the Board and of the Nomination Committee*

Appointed: 1 July 2011  
*Pr Eng (ret), BSc (Eng) (Wits), MSc (Eng) (Wits), MDP (Cape Town)*

Alistair is a former board member of the Mining SETA, Chairman of the SAP African User Group NPO and the Minerals and Mining Standards Generating Body as well as Council Member of the Association of Mine Managers. He was appointed as Chairman of the Board effective 3 September 2019.



**M Bosman (Mr) (66)**  
*Chairperson of the Audit and Risk Committee and of the Investment Committee*

Appointed: 1 March 2019  
*B.Acc (Hons) (SU), CA(SA)*

Marius was with the Shoprite group for more than 25 years, serving on the boards of the material subsidiaries and served as Shoprite Holdings' Chief Financial Officer from 2014 until his retirement in July 2018.



**M Bosman (Ms) (52)**  
Appointed: 1 August 2021  
*B.Acc (Hons) (UJ), CA(SA)*

Melanie runs a consulting practice focused on the financial services sector. She is the Acting Chief Executive Officer of Escap SOC Limited (a subsidiary of Eskom) and a Non-Executive Director of Land Bank Insurance Company and Land Bank Life Insurance Company SOC Limited, as well as an independent member of the Audit Committee of the Discovery Health Medical Scheme. She is a former board member of Credit Guarantee Insurance Corporation of Africa.



**DSS Lushaba (Dr) (57)**  
*Chairperson of the Social and Ethics Committee and of the Remuneration Committee*

Appointed: 1 July 2011  
*BSc (Hons) (Zululand), MBA (Wales), DBA (UKZN), CD(SA)*

Simo is a Governance Specialist at the Institute of Directors of South Africa where he performs board assessments and director development programmes. He has 22 years of boardroom experience in different industries including mining, technology, waste management, sporting bodies and water utilities. He has worked for, amongst others, Transnet, Rand Water and Lonmin.



**AJ Mokgwatsane (45)**  
Appointed: 1 August 2021  
MBA, Oxford University

Abey is the Group Chief Marketing Officer of Investec. His previous roles include that of Managing Executive: Brand and Communications of the Vodacom Group, CEO of Ogilvy South Africa, CEO of VWV Group, Group Marketing Manager of South African Breweries, and board member of the Vodacom Foundation.



**GM Tapon Njamo (45)**  
*Chairperson of the IT Governance Committee*

Appointed: 2 April 2018  
*BCom (UCT), CA(SA)*

Gloria is the CEO of Santam Partnership Solutions. She has over 15 years' experience as a Financial Executive and business leader. She is a Non-Executive Director of Centriq, Santam Structural Insurance, Clinix Health Group and Lonsa Everite Group. She was previously Head of Santam Investor Relations and has also worked for JP Morgan, Woolworths Financial Services, Sturrock Grindrod Maritime and GE Transportation.

# Governance (continued)

## Board appointments

The appointment of new directors is approved by the Board as a whole on the recommendation of the Nomination Committee. Directors are appointed through a formal and transparent process, outlined in the Board Charter, which includes the identification of suitable candidates and conducting background verifications prior to nominations. Executive Director appointments are formalised through an agreed contract of service between the Company and the director.

Directors have been and will be nominated based on their calibre, knowledge, experience and the impact they are expected to have, as well as the time and attention they can devote to their roles. New directors are taken through an induction programme and are provided with all the necessary background and information to familiarise them with issues affecting the Board.

## Board meetings

The Board met four times during the year. The Chairman of the Board and the Chief Executive Officer meet monthly. The Board did not have a strategy meeting this year. The Chairman of the Board and the Chief Executive Officer, in consultation with the Company Secretary, take responsibility for setting the agenda for each Board meeting. Board meetings are scheduled well in advance and management ensures that Board members are timeously provided with all the relevant information and facts necessary to enable them to meet their objectives and make well-informed decisions.

## Board and Board Committee meetings attendance:

Name	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
<b>Non-Executive</b>							
AGW Knock	C – 4/4	I – 4/4	M – 4/4	I – 4/4	M – 4/4	–	C – 1/1
M Bosman (Mr)	M – 4/4	C – 4/4	–	–	–	C – 2/2	M – 1/1
M Bosman (Ms)	M – 4/4	M – 4/4	–	M – 4/4	–	–	–
DSS Lushaba	M – 4/4	M – 4/4	C – 4/4	C – 4/4	–	–	–
AJ Mokgwatsane	M – 4/4	I – 2/2	–	M – 4/4	M – 4/4	–	–
GM Tapon Njamo	M – 4/4	M – 4/4	M – 4/4	–	C – 4/4	M – 2/2	–
<b>Executive</b>							
WF de Jager	M – 4/4	I – 4/4	I – 3/3	M – 4/4	M – 4/4	M – 2/2	I – 1/1
AE Prowse	M – 4/4	I – 4/4	I – 3/3	–	M – 4/4	M – 2/2	–
SA Thoresson	M – 4/4	I – 4/4	–	–	I – 4/4	–	–
WP van Aswegen	M – 4/4	I – 4/4	–	M – 4/4	I – 4/4	–	–

C Chairperson of the Board/Committee.

M Member of the Board/Committee.

I Attendance by invitation.

## Independence of directors

King IV™ requires the Board to holistically review the independence of Non-Executive Directors. The Board conducted the review for the financial year and was satisfied that all of the Non-Executive Directors are independent of the Company. The matter of independence of directors is addressed during the recruitment process and revisited annually when directors are required to declare any conflict of interests. No conflict of interest or any factor hampering independence of any director has been identified during the 2023 financial year.

## Board and committee performance evaluation

Cashbuild undertakes an annual Board evaluation, as recommended by King IV™. During the year under review, the internal evaluation process was conducted as follows:

- ▶ By the Chairpersons of the various Committees, using questionnaires completed by each member and attendee. The results of which were deliberated upon at each relevant committee and presented to the Board for its consideration.
- ▶ By the Chairperson of the Board using questionnaires completed by each member on the Board. The results of which were presented to the Board for its consideration.

- ▶ Through one-on-one discussions between the Chairperson of the Board and each member of the Board. The results of which were reported on formally to the Board for its consideration.
- ▶ By Board members (excluding the Chairperson), evaluating the performance of the Chairman. The results of which were formally reported to the Board by the Chairperson of the Remuneration Committee.

Each of the performance assessments indicated that the Board, its Committees, its members and its Chairperson were performing their duties and responsibilities effectively and efficiently.

### Directors' appointments and rotation

In terms of the MOI, one third of the Non-Executive Directors retire by rotation every year and, if eligible and available, offer themselves for re-election by the shareholders at the Annual General Meeting. Amongst other matters, the Board considers the performance of each director due for re-election at the Annual General Meeting. Directors appointed during the financial year are required to be ratified by the shareholders at the first Annual General Meeting after their appointment. The details of the directors due for re-election, and directors appointed during the year are as reflected in the Notice of Annual General Meeting to be held on 27 November 2023.

The Board applies its Gender and Diversity Policy in filling directorship positions with a view of ensuring a balance of gender, race and ethnic diversity on the Board. Cashbuild reviewed its Board Gender and Diversity Policy during the 2023 financial year and reaffirmed its voluntary target as being that the Board should not be dominated by a specific grouping, be it race, gender or age.

### Conflicts of interest and other directorships

The directors declare actual, potential and perceived conflicts of interest to their fellow directors and ensure that the declarations are included in the minutes of Board meetings. They also recuse themselves from the relevant Board meeting while their fellow directors deliberate on the specific matter.

Executive Directors do not hold directorships outside the Group and participate in various industry bodies and associations in different capacities. The Board believes that other directorships held by Non-Executive Directors do not affect their ability to fully discharge their responsibilities as Cashbuild directors. Details of other directorships held by Cashbuild directors are provided on page 73 of this Report.

### Dealing in securities

The Company has a dealing in securities policy requiring all directors, management, prescribed officers and the Company Secretary to obtain prior written clearance from

the Chairperson (or the respective delegated individual) to deal in the Company's securities. Should the Chairperson wish to deal in Cashbuild securities, he in turn obtains prior written clearance from the Chairperson of the Audit and Risk Committee. Closed periods (as defined in the Listings Requirements) are observed as prescribed. During these periods, the directors, management, prescribed officers, the Company Secretary and employees privy to price sensitive information are not permitted to deal in the Company's securities. Additional closed periods are enforced when the Group commences with a corporate activity and where a cautionary announcement (as defined in the Listings Requirements) is published.

### Legal compliance and compliance with applicable laws

The Board takes full responsibility for legislative and regulatory compliance in the Group. There were no cases of material legislative or regulatory non-compliance during the year and no penalty sanctions were imposed on the Group or any of its directors or officers during the year.

Cashbuild is:

- ▶ in compliance with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation; and
- ▶ operating in conformity with its MOI and relevant constitutional documents.

### Access to information

Directors have full and unrestricted access to all relevant Company information. Non-Executive Directors enjoy unrestricted access to the Executive Management Team and frequently meet with the Executive Management to discuss Group affairs. All directors have unrestricted access to independent professional advice at the Company's expense, by arrangement with the Chief Financial Officer and the approval of the Chief Executive Officer.

### Company Secretary

The Company Secretary provides guidance to the Board as a whole and to individual directors, in the ordinary course of the discharge of their responsibilities.

The Company Secretary is empowered to fulfil his duties and the Board is satisfied that the responsibilities of the Company Secretary are exercised in a meaningful and competent manner. The Company Secretary is not a director of the Company and maintains an arms-length relationship with the Board.

The Company Secretary is Mr T Nengovhela. The Board considered his competence, qualifications and experience at its meeting held on 29 August 2023, and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary.

# Governance (continued)

## BOARD COMMITTEES

The directors have delegated specific functions to committees to assist the Board in meeting its oversight responsibilities. The committees all have documented mandates which are reviewed annually. The Chairperson of each committee reports back to the Board on matters discussed in the committees at every Board meeting.

The Board has six committees, namely the:

- ▶ Audit and Risk Committee;
- ▶ Remuneration Committee;
- ▶ Nomination Committee;
- ▶ Social and Ethics Committee;
- ▶ IT Governance Committee; and
- ▶ Investment Committee.

All of the committees are chaired by an Independent Non-Executive Director and operate in accordance with their respective terms of reference which are approved by the Board. The committees operate independently and report to the Board. Each committee is evaluated annually by its Chairperson using questionnaires completed by each member of the committee and reports the outcomes thereof to the Board.

### Audit and Risk Committee

**Members:** Mr M Bosman (Chairperson); Ms M Bosman; Dr DSS Lushaba and Ms GM Tapon Njamo

In terms of the Companies Act, the members of the Audit and Risk Committee were individually elected at the Annual General Meeting on 28 November 2022. All members of the Committee are standing for election at the Annual General Meeting to be held on 27 November 2023.

Deloitte is the current external auditor. The Committee will make a recommendation at the Annual General Meeting, to be held on 27 November 2023, for the re-appointment of Deloitte.

The Audit and Risk Committee performs its statutory duties in accordance with section 94(7) of the Companies Act. Further details of the role, responsibilities and functions of the Audit and Risk Committee are set out in the Audit and Risk Committee Report on pages 93 to 97 of this Integrated Report.

### Remuneration Committee

**Members:** Dr DSS Lushaba (Chairperson); Mr AGW Knock and Ms GM Tapon Njamo

The Remuneration Committee is responsible for providing an overview and oversight of the Remuneration Policy and related processes in meeting the strategy of the business. The scope of this responsibility includes incentive schemes, the pension fund, and medical aids associated with Cashbuild.

Further details pertaining to the responsibilities and functions of the Remuneration Committee are set out in the Remuneration Report on page 79 of the Integrated Report.

### Nomination Committee

**Members:** Mr AGW Knock (Chairperson) and Mr M Bosman

The Nomination Committee is responsible for developing selection criteria and identifying appropriate candidates for appointment to the Board.

Further details of the role, responsibility and functions of the Nomination Committee are set out in the Nomination Committee Report on page 89 of the Integrated Report.

### Social and Ethics Committee

**Members:** Dr DSS Lushaba (Chairperson); Ms M Bosman; Mr AJ Mokgwatsane; Mr WF de Jager and Mr WP van Aswegen

The Social and Ethics Committee operates in terms of section 72(8) of the Companies Act. The details pertaining to the Committee's duties, responsibilities and functions are set out in the Social and Ethics Committee Report on page 48 of this Integrated Report.

### IT Governance Committee

**Members:** Ms GM Tapon Njamo (Chairperson); Mr AGW Knock; Mr AJ Mokgwatsane; Mr AE Prowse and Mr WF de Jager

The details pertaining to the responsibilities and functions of the IT Governance Committee are set out in the IT Governance Committee Report on page 87 of this Integrated Report.

### Investment Committee

**Members:** Mr M Bosman (Chairperson); Ms GM Tapon Njamo; Mr WF de Jager and Mr AE Prowse

The Investment Committee is responsible for assessing investment opportunities to ensure that the Group makes sound capital investments taking into account all risks pertaining to such transactions.



## EXECUTIVE MANAGEMENT

### Executive Management responsibility

Authority has been granted by the Board to the Chief Executive Officer, supported by the Executive Management Team, to determine and implement Group strategy. The Board is apprised of progress through Board meetings and communication with management.

Formal Executive Management Team meetings chaired by the Chief Executive Officer are held once a week (every Monday) with members of the Executive Management Team invited on an “as required” basis to monitor and review progress and achievement of business objectives, which includes the appropriate discharge of corporate governance responsibilities in all areas of the business.

The Cashbuild Executive Management Team takes full responsibility for corporate governance within the Group and consists of Executive Directors and the following members:

### EXECUTIVE MANAGEMENT OF CASHBUILD



**Samantha Bowen**  
Procurement Executive



**Peter Champion**  
Human Resource Executive



**Willie Dreyer**  
Operations Executive



**Anton Hattingh**  
Operations Executive



**André Havenga**  
Risk and Audit Executive



**Disemelo Masala**  
Divisional Director



**Zandile Matolo**  
Financial Director Cashbuild  
Subsidiary Entities



**Ian Mc Kay**  
Operations Executive



**Gillian Mead**  
Finance Shared Services  
Executive



**Tyron Myburgh**  
Operations Executive



**Attie Nel**  
Procurement Executive



**Hennie Roos**  
Operations Executive



**Mark Scholes**  
Business Development  
Executive



**Hennie Steenberg**  
IT Executive



**Roger Wentzel**  
Store Development Executive



**Takie Nengovhela**  
Company Secretary

# Governance (continued)

## Succession/emergency planning and continuity of management

The Board regularly participates in the review of succession and/or emergency planning for key senior executive positions. The directors periodically discuss succession planning and are re-evaluating that, in the event of any executive and senior management transition, plans are in place to ensure a smooth transition.

No member of the Executive Management Team has given an indication of his/her intention to resign or retire between 25 June 2023 and the date of this Report.

## Prescribed officers

Prescribed officers are defined as Cashbuild employees who:

- ▶ report to the Operations Director and/or are in charge of an operational business unit; and
- ▶ exercise general management control over members of Cashbuild senior management; or
- ▶ have general management control over a significant portion of Cashbuild's business defined; and
- ▶ are eligible for appointment as a director or prescribed officer in terms of section 69 of the Companies Act.

The prescribed officer during the period was Ms DS Masala.

## Employee Forum

### Employee Forum structure

Cashbuild's Employee Forum structure allows Store Representatives more direct access to the Senior and Executive Management Team.

### Role of the Employee Forum

Employee Forum meetings are established to facilitate interaction and consultation between management and employees in the workplace. The role of the Store Employee

Forum is to discuss and reach agreement on store and departmental specific issues with regards to the results of operations, shrinkage, audits, customer service issues, training needs, staff scheduling, back-up/succession planning and general issues of concern raised by employees within the store or department.

The role of the Employee Forum is to ensure store forums are functioning effectively, discuss Group specific issues and any general issues of concern raised by employees within divisions but not resolved at divisional level are dealt with. This committee monitors, implements and ensures the achievement of agreed strategies.

It also forms the Training Committee for the Group to identify consolidated training needs in line with its strategy. The Forum monitors implementation and achievement of agreed strategies, and forms the Group Employment Equity Committee to be consulted with by the Group as required by the Employment Equity Act. Employee Forums form an integral part of Cashbuild Governance Framework and aim to optimise the governance relationship between Cashbuild management and staff.

The Cashbuild Employee Forum constitutes the principal means of communication between employees and the Executive Management Team.

In addition, various mechanisms exist for employees and other stakeholders to engage directly with members of the Board (particularly Non-Executive Directors). The most direct of these is the Group's Annual General Meeting. In extraordinary circumstances however, the possibility exists for stakeholders to engage directly with Non-Executive Directors.

