

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE
1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP								
Responsible leadership	1.1	The board should provide effective leadership based on an ethical foundation	Ethical leaders should:					
			1.1.1.	direct the strategy and operations to build a sustainable business;	Yes	The board acknowledges its responsibility to consider the impact of the Company's operations on the economy, community and the environment in its decision making and is committed to the principles of sustainability in achieving Datatec's strategy to deliver long-term, sustainable, above-average returns to shareholders. Sustainability encompasses social and environmental responsibility as well as corporate governance and ethics. The Company retains overall control of each of the Group's three divisions, Westcon, Logicalis and Consulting Services, which ensures that its sustainable business model of long-term growth built on sustainable and social and environmental responsibility platform is filtered through.		Pages 23, 30, 53
			1.1.2.	consider the short- and long-term impacts of the strategy on the economy, society and the environment;	Yes	The board's strategy is to deliver short and long-term goals in a sustainable manner by caring for the environment and supporting the sustainable development of communities across the world.		Page 30
			1.1.3.	do business ethically;	Yes	The Company has adopted a Code of Ethics which is available on the website. The Code of Ethics stipulates, amongst other things, that the Company must ensure it practises good business ethics as well as ensuring that all of its subsidiaries and business partners adhere to the Code of Ethics.		See our website for the Code of Ethics
			1.1.4.	do not compromise the natural environment; and	Yes	The Company strives to minimise its own impact on the natural environment as well as assisting its clients to become more efficient in their use of their IT systems and networks. This is often referred to as "green IT". The Company's subsidiaries are continually helping clients to become more efficient in their use of IT.		Page 30, 81 and 82
			1.1.5.	take account of the company's impact on internal and external stakeholders.	Yes	The Board considers sustainability to encompass social and environmental responsibility, good corporate governance and ethics which are fundamental to the way the Company interacts with its stakeholders, investors, customers, suppliers, employees and the community. Communicating with all stakeholders is a fundamental part of Datatec's drive to provide timely, transparent and full disclosure.		Pages 18 - 21
The board's responsibilities			The board should:					
	1.1.6.	be responsible for the strategic direction	Yes	The board retains full and effective control over the strategic direction of the Group and monitors the implementation of its strategies on a continuous		Page 53		

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						basis. The board's responsibilities include the adoption of strategic plans, monitoring of operational performance and management, determining policy and processes, with a full set of responsibilities of the board detailed in the board charter		
			1.1.7.	set the values to which the company will adhere formulated in its code of conduct;	Yes	The Company has adopted a Code of Ethics which is available on the website and regularly updated and reviewed to ensure it is in line with the Company's values.		See our website for the Code of Ethics
			1.1.8.	ensure that its conduct and that of management aligns to the values and is adhered to in all aspects of its business; and	Yes	Existing and incoming directors, including management are provided with guidelines and training where applicable regarding their duties and responsibilities as directors and are required to familiarise themselves with Datatec's Code of Ethics, values, competitive position and strategic plans and objectives. This ensures that the values and conduct of the board and management are aligned.		Page 53
			1.1.9.	promote the stakeholder-inclusive approach of governance.	Yes	The board considers good corporate governance fundamental to the relationship between the Company and its stakeholders through regular meetings, presentations, press releases, announcements and through Datatec's website. Strategic stakeholder management is aimed at establishing open, mutually beneficial relationships which are at the heart of Datatec's business strategy and its communications. All directors endorse the King III Code as well as the UK Corporate Governance Code issued in June 2012 by the UK Financial Reporting Council ("the UK Code").		Pages 18 - 21 and 53
			The board should:					
			1.1.10.	ensure that all deliberations, decisions and actions are based on the four values underpinning good governance; and	Yes	Deliberations, decisions and actions are based on the four ethical values underpinning good governance, namely: responsibility, accountability, fairness and transparency which are all reflected in the Company's Code of Ethics.		See our website for the Code of Ethics
			1.1.11.	ensure that each director adheres to the duties of a director.	Yes	The directors are provided with guidelines regarding their duties and responsibilities as directors and incoming directors are taken through a formal orientation programme to familiarise them with the Group's business, competitive position and strategic plans and objectives.		Pages 23 and 53
Ethical foundation			The board should:					
	1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen.	1.2.1.	consider not only on financial performance but also the impact of the company's operations on society and the environment;	Yes	The board acknowledges its responsibility to consider the impact of the Company's operations on the economy, community and the environment in its decision making and is committed to the principles of sustainability in achieving Datatec's strategy to deliver long-term, sustainable, above-average returns to shareholders. For example Datatec is reducing carbon dioxide output through		Pages 30 and 81

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						more efficient power use in order to mitigate climate change. As well as applying the principles of "green IT" to its own business, the board has approved and implemented an environmental policy throughout the Group, where possible using best practice in environmental management.		
			1.2.2.	protect, enhance and invest in the wellbeing of the economy, society and the environment;	Yes	The board acknowledges its responsibility to consider the impact of the Company's operations on the economy, community and the environment. The Group and its employees enthusiastically pursue their commitment to support local communities through donations and voluntary work. For example through the Datatec Educational and Technology Trust's continued support to educational projects in South African, the board recognises the important role of IT in assisting sustainable development of the world's disadvantaged communities. Also see 1.2.1 above.		Pages 30, 78 - 91 and
			1.2.3.	ensure that the company's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights;	Yes	Guided by the Companies Act of South Africa, 2008 (the "Companies Act"), the Company operates and conducts itself in a manner that is consistent with the Companies Act, the JSE Listing Requirements, the AIM Rules and its Code of Ethics is guided by the Foreign Corrupt Practices Act of the USA and the Bribery Act of the UK. Datatec's Code of Ethics applies globally to all the Group companies. Only 1% of the Group's operations are conducted in South Africa the rest of the companies are covered by their respective bill of rights and relevant legislation.	With respect to Datatec and in South African operations a specific mention of the Bill of Rights can be included in the Code of Ethics.	Page 23
			1.2.4.	ensure that collaborative efforts with stakeholders are embarked upon to promote ethical conduct and good corporate citizenship;	Yes	Datatec's Code of Ethics is broad enough to encompass all stakeholders and through the various corporate social responsibility programmes there is a desire to continuously promote ethical conduct and good corporate citizenship.		See our website for the Code of Ethics
			1.2.5.	ensure that measurable corporate citizenship programmes are implemented; and	Yes	The Datatec Educational and Technology Trust not only supports local communities through donations and volunteer work, but also ensures that it monitors and reports to its stakeholders on its corporate social responsibility programmes. The various programmes are also required to account to Datatec on how they have used any donations to ensure that the Company's resources are utilised effectively and efficiently.		Pages 84 - 90
			1.2.6.	Ensure that management develops corporate citizenship policies.	Yes	Through its business model and the Social and Ethics Committee ("S&E") management is involved in developing corporate citizenship policies and identifying how best to use the Company's resources to make the best possible impact by providing sustained economic growth, corporate social investment and emerging market development.		Page 18, 56 and 81
	1.3	The board should ensure that the company's ethics are		The board should ensure that:				

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		managed effectively	1.3.1.	it builds and sustains an ethical corporate culture in the company;	Yes	In conjunction with the Code of Ethics and continuous feedback to employees through management the board is able to build and sustain an ethical corporate culture in the Company.		Pages 12, 52 and 62
			1.3.2.	it determines the ethical standards which should be clearly articulated and ensures that the company takes measures to achieve adherence to them in all aspects of the business;	Yes	The Code of Ethics is publicly available and all employees are provided with a copy.		See our website for the Code of Ethics
			1.3.3.	adherence to ethical standards is measured;	Yes	Datatec has a Whistle Blowing Hotline which is available 24 hours and completely independent from Datatec or any of its subsidiaries. Management's performance is evaluated and when certain levels are not met, assistance and/or training is provided. Reporting by the Audit & Risk Compliance Committee ("ARCC") and S&E to the board happen at least four times a year, with detailed reviews and feedback.		Pages 52, 55, 62 and 91
			1.3.4.	internal and external ethics performance is aligned around the same ethical standards;	Yes	Datatec's Code of Ethics is broad enough to encompass internal and external stakeholders to ensure the same ethical standards.		See our website for the Code of Ethics
			1.3.5.	ethical risks and opportunities are incorporated in the risk management process;	Yes	Datatec maintains a performance driven culture of full disclosure and transparency in which individual employees assume responsibility for the actions of the business. The integrity of new appointees is assessed.		Page 57 and 59
			1.3.6.	a code of conduct and ethics-related policies are implemented;	Yes	Policies are implemented by management with the Chief Risk Officer ("CRO") for Datatec following-up. The Code of Ethics is entrenched in the Company culture.		Page 59 and also see our website for the Code of Ethics
			1.3.7.	compliance with the code of conduct is integrated in the operations of the company; and	Yes	In additions to the Code of Ethics, there are documented and tested procedures in the major subsidiaries. The documented procedures are aligned to the ethics and values of the Group and are reviewed annually, and where weaknesses are identified, the relevant subsidiaries are required to rectify them.		Page 59 and 91
			1.3.8.	the company's ethics performance should be assessed, monitored, reported and disclosed.	Partial	Datatec's ethics framework is explained in the integrated report and its performance in this area is assessed by its internal auditor, EY as part of its work programme. The survey in particular monitors aspects of the anti-bribery and corruption readiness of the entire Group. Recommendations for improvements have been made and are being implemented. The board monitors this process but specifics of ethics performance are not reported or disclosed publicly.	The reporting and disclosure of specific performance on ethics matters will be considered in future as the Group's procedures become more advanced.	Pages 59 - 64
2. BOARDS AND DIRECTORS								
Role and function of the board	2.1.	The board should act as the focal point for and custodian of corporate governance	The board should:					
			2.1.1	have a charter setting out its responsibilities	Yes	The Company has a board charter which is in line with the King III Code as well as the Companies Act. The board's responsibilities are fully set out in the charter.		Page 56 and also see our website for the board charter

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			2.1.2.	meet at least four times per year;	Yes	Datatec board meetings are held at least four times a year.		Pages 54 and 56	
			2.1.3.	monitor the relationship between management and the stakeholders of the company; and	Yes	During the course of the year the board receives presentations and reports from the various management teams of its subsidiaries enabling the board to explore certain issues and report to the stakeholders.		Page 54 and 56	
			2.1.4.	ensure that the company survives and thrives.	Yes	The board's strategy is to deliver short and long-term goals in a sustainable manner by caring for the environment and supporting the sustainable development of communities across the world. The board ensures it has a six year strategy and outlook.		Pages 54 and 59	
	2.2.	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	The board should:						
			2.2.1.	inform and approve the strategy;	Yes	The board's responsibilities include the adoption of strategic plans, monitoring of operational performance and management, determination of policy and process.		Page 54 and 59	
			2.2.2.	ensure that the strategy is aligned with the purpose of the company, the value drivers of its business and the legitimate interests and expectations of its stakeholders;	Yes	The board's strategy is to deliver short and long-term goals to in a sustainable manner by caring for the environment and supporting the sustainable development of communities across the world. The concept of sustainability is included in the strategy and encompasses the legitimate interests of all stakeholders.		Pages 16, 17 and 54	
			2.2.3.	satisfy itself that the strategy and business plans are not encumbered by risks that have not been thoroughly examined by management; and	Yes	The board through the reporting of the ARCC ensures that strategy and business plans are not encumbered by risks that have not been thoroughly examined. This is carried out in a number of ways including reviewing divisional risk registers.		Page 55 and 61	
			2.2.4.	ensure that the strategy will result in sustainable outcomes taking account of people, planet and profit.	Yes	The board's strategy to deliver long-term, above average returns to shareholders goes hand-in-hand with a sustainable social environment, effective risk management strategy and efficient performance.		Pages 16, 17 and 30	
	2.3.	The board should provide effective leadership based on an ethical foundation		Refer to section 1.1	Yes	Considered under the heading referred to.			
	2.4.	The board should ensure that the company is and is seen to be a responsible corporate citizen.		Refer to section 1.2	Yes	Considered under the heading referred to.			
2.5.	The board should ensure that the company's ethics are managed effectively.		Refer to section 1.3	Yes	Considered under the heading referred to.				
2.6.	The board should ensure that the company has an effective and independent audit committee.		Refer to section 3	Yes	Considered under the heading referred to.				
2.7.	The board should be responsible for the governance of risks		Refer to section 4	Yes	Considered under the heading referred to.				

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	2.8.	The board should be responsible for information technology (IT) governance		Refer to section 5	Yes	Considered under the heading referred to.		
	2.9.	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards		Refer to section 6	Yes	Considered under the heading referred to.		
	2.10.	The board should ensure that there is an effective risk-based internal audit		Refer to section 7	Yes	Considered under the heading referred to.		
	2.11.	The board should appreciate that stakeholders' perceptions affect the company's reputation		Refer to section 8	Yes	Considered under the heading referred to.		
	2.12.	The board should ensure the integrity of the company's integrated report		Refer to section 9	Yes	Considered under the heading referred to.		
	2.13.	The board should report on the effectiveness of the company's system of internal controls		Refer to sections 7 and 9	Yes	Considered under the heading referred to.		
	2.14.	The board and its directors should act in the best interests of the company	2.14.1.	The board must act in the best interests of the company.	Yes	The board is dynamic and well balanced. The composition of the board ensures the best interest of the Company.		Page 56 and also see our website for the board charter
2.14.2.			Directors must adhere to the legal standards of conduct	Yes	In addition to the board charter, the directors are provided with guidelines regarding their duties and further requirements from the Companies Act and the JSE Listing Requirements.		Pages 56 and also see our website for the board charter	
2.14.3			Directors or the board should be permitted to take independent advice in connection with their duties following an agreed procedure.	Yes	The Directors are permitted to take independent advice and procedure would be agreed at the necessary time.		Pages 62	
2.14.4			Real or perceived conflicts should be disclosed to the board and managed	Yes	Disclosure of interests required at the Datatec board and subsidiary board meetings.			
2.14.5.			Listed companies should have a policy regarding dealing in securities by directors, officers and selected employees	Yes	Datatec has a Dealing Code, which, amongst other things, sets out the policy regarding dealing in securities by directors, officers and certain employees. There is also communication that is sent out by Datatec's CRO to the entire Group at certain intervals during the year.			
	2.15.	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	The board should ensure that:					
2.15.1.			the solvency and liquidity of the company is continuously monitored;	Yes	At least every annual general meeting, board meeting and ARCC meeting and prior to each relevant transaction the management and/or directors monitor the solvency and liquidity of the Company.			
2.15.2.			its consideration is fair to save a financially distressed company either by way of workouts, sale, merger, amalgamation, compromise with creditors or business rescue;	N/A	Not applicable but in the past any financially distressed companies within the Group have been turned around with Group support or wound down after paying creditors in full.			
2.15.3			a suitable practitioner is appointed if business rescue is adopted; and	N/A	Not applicable.			
2.15.4.			the practitioner furnishes security for the value of the assets of the company.	N/A	Not applicable.			

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	2.16.	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.	2.16.1	The members of the board should elect a chairman on an annual basis.	Yes	The chairman is elected by the board annually. In addition the Nomination Committee has determined that the chairman's term of office (subject to the annual election by the Board) will be a period of three years and a chairman shall not serve for more than three successive terms.		Page 54	
			2.16.2.	The chairman should be independent and free of conflict upon appointment.	Yes	The chairman is a non-executive.		Page 54	
			2.16.3.	A lead independent director should be appointed in the case where an executive chairman is appointed or where the chairman is not independent or conflicted.	Yes	A Lead / senior independent director is appointed (even though not required under King III as Datatec's chairman is non-executive and independent).		Page 54	
			2.16.4.	The appointment of a chairman, who is not independent, should be justified in the integrated report.	N/A	Not applicable as the chairman is independent.			
			2.16.5.	The role of the chairman should be formalised.		The board charter states the role.		See our website for the board charter	
			2.16.6.	The chairman's ability to add value, and his performance against what is expected of his role and function, should be assessed every year.	Yes	Annual assessment undertaken by non-executive directors and also the board evaluates the chairman annually.		Page 54	
			2.16.7.	The CEO should not become the chairman until 3 years have lapsed.	Yes	The CEO is not the chairman and the chairman was not previously the CEO.		Page 54 and also see our website for the board charter	
			2.16.8.	The chairman together with the board, should consider the number of outside chairmanships held	Yes	At least once a year the chairmanships held are considered by the Nomination Committee.		See our website for the Nomination Committee charter	
			2.16.9.	The board should ensure a succession plan for the role of the chairman	Yes	The Nomination Committee has an official succession plan for the role of chairman (see 2.17.5 below).		See our website for the Nomination Committee charter	
	2.17.	The board should appoint the chief executive officer and establish a framework for the delegation of authority	The board should:						
			2.17.1.	appoint the CEO;	Yes	There is a CEO appointed by the board.		Page 14	
			2.17.2.	provide input regarding senior management appointments;	Yes	The CEO has input regarding senior management appointments.		See our website for the Nomination Committee charter	
			2.17.3.	define its own level of materiality and approve a delegation of authority framework;	Yes	The board has defined a matrix of authorities in line with its assessment of the materiality of a transaction and this is reviewed annually by the ARCC and the board.		See our website for the ARCC charter	
			2.17.4.	ensure that the role and function of the CEO is formalised and the performance of the CEO is evaluated against the criteria specified; and	Yes	The CEO is evaluated annually by the Nomination Committee and in addition is evaluated against Key Performance Indicators ("KPI") by the Remuneration Committee.		See our website for the Nomination and Remuneration Committee charters	
			2.17.5	ensure succession planning for the CEO and other senior executives and officers is in place.	Yes	A succession plan for the CEO was approved by Nomination Committee on 11 May 2010.		See our website for the Nomination Committee charter	
	Composition of the board	2.18.	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-	2.18.1.	The majority of board members should be non-executive directors.	Yes	The majority of the board members are non-executive, with six out of eight.		Page 54
				2.18.2.	The majority of the non-executive directors should be independent.	Yes	The majority of the board members are independent, with six out of eight.		Page 54

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		executive directors should be independent.	2.18.3.	When determining the number of directors serving on the board, the knowledge, skills and resources required for conducting the business of the board should be considered.	Yes	The technical, entrepreneurial, financial and business skills of the directors are balanced.		Page 54
			2.18.4.	Every board should consider whether its size, diversity and demographics make it effective.	Yes	The board is composed of a diverse group.		Pages 14 and 15
			2.18.5.	Every board should have a minimum of two executive directors of which one should be the CEO and the other the director responsible for finance.	Yes	There are two executive directors, one being the CEO.		Page 54
			2.18.6.	At least one third of the non-executive directors should rotate every year.	Yes	The Memorandum of Incorporation ("MOI") of the Company stipulates that 1/3 of (all) directors should rotate every year. The board structure is such that this means a minimum of 1/3 of the non-executive directors rotate each year.		See our website for the MOI
			2.18.7.	The board, through its nomination committee, should recommend the eligibility of prospective directors	Yes	The Nomination Committee conducts this exercise.		See our website for the Nomination Committee charter
			2.18.8.	Any independent non-executive directors serving more than 9 years should be subjected to a rigorous review of his independence and performance by the board.	Yes	The existing non-executive directors of the board are subjected to a rigorous review by the Nomination Committee.		See our website for the Nomination Committee charter
			2.18.9.	The board should include a statement in the integrated report regarding the assessment of the independence of the independent non-executive directors.	Yes	Integrated report states the independence of the independent non-executive directors.		Pages 14 and 15
			2.18.10.	The board should be permitted to remove any director without shareholder approval	Yes	The MOI of the Company permits the removal of any director without shareholder approval.		See our website for the MOI
Board appointment process	2.19	Directors should be appointed through a formal process	2.19.1.	A nomination committee should assist with the process of identifying suitable members of the board.	Yes	The Nomination Committee conducts this exercise.		See our website for the Nomination Committee charter
			2.19.2.	Background and reference checks should be performed before the nomination and appointment of directors.	Yes	In conjunction with our AIM NOMAD (under its duty) the Nomination Committee performs reference checks and appoints the directors.		See our website for the Nomination Committee charter
			2.19.3.	The appointment of non-executive directors should be formalised through a letter of appointment.	Yes	A signed letter from the appointed non-executive director is required.		
			2.19.4.	The board should make full disclosure regarding individual directors to enable shareholders to make their own assessment of directors.	Yes	The full disclosures regarding individual directors are made before the start of all annual general meetings and in advance with the notice of the annual general meeting.		See our FY14 annual report
Director development	2.20.	The induction of and on-going training and development of directors should be conducted through formal processes	The board should ensure that:					
			2.20.1.	a formal induction programme is established for new directors;	Yes	Induction packs as well as training and orientation are provided.		Page 57
			2.20.2.	inexperienced directors are developed through mentorship programmes;	Yes	Not applicable as there are no inexperienced directors currently.		Pages 14 and 15
			2.20.3.	continuing professional development programmes are implemented; and	Yes	Board papers update on industry and board matters and professional continuing professional education.		
			2.20.4.	directors receive regular briefings on changes in risks, laws and the environment.	Yes	Board papers regularly include regular briefings on changes in risks, laws and the environment.		
Company	2.21	The board should be assisted	The company secretary should:					

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secretary		by a competent, suitably qualified and experienced company secretary	2.21.1.	The board should appoint and remove the company secretary.	Yes	The board is able to appoint and remove the company secretary		See our website for the board charter
			2.21.2.	The board should empower the individual to enable him to properly fulfil his duties.	Yes	The company secretary is seen as independent by the board and all directors have access to the advice and services of the company secretary.		Page 58
			2.21.3.	have an arms-length relationship with the board;	Yes	The company secretary maintains an arms-length relationship with the board as recommended by the King III Code.		Page 58
			2.21.4.	not be a director of the company;	Yes	The company secretary is not a director of the Company and has not been a director previously.		Page 58
			2.21.5.	assist the nominations committee with the appointment of directors;	Yes	Attends all Nomination Committee meetings as secretary, and provides input and advice.		
			2.21.6.	assist with the director induction and training programmes;	Yes	Is involved in preparing some of the training programmes and ensuring that directors are properly inducted and familiarise themselves with the Company.		Page 57 and 58
			2.21.7.	provide guidance to the board on the duties of the directors and good governance;	Yes	Attends all the board meetings and provides advice to the board on the duties of directors and good governance, with the board having access to the advice and services of the company secretary.		
			2.21.8.	ensure board and committee charters are kept up to date;	Yes	The various board charters are reviewed and where necessary updated annually by the company secretary.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
			2.21.9.	prepare and circulate board papers;	Yes	All board papers are prepared and circulated by the company secretary.		
			2.21.10.	elicit responses, input, feedback for board and board committee meetings;	Yes	Performed by the company secretary.		
			2.21.11.	assist in drafting yearly work plans;	Yes	Prepared by the company secretary.		
			2.21.12.	ensure preparation and circulation of minutes of board and committee meetings; and	Yes	Prepared by the company secretary.		
			2.21.13.	assist with the evaluation of the board, committees and individual directors	Yes	Performed by the company secretary.		
Performance assessment	2.22	The evaluation of the board, its committees and the individual directors should be performed every year	2.22.1.	The board should determine its own role, functions, duties and performance criteria as well as that for directors on the board and board committees to serve as a benchmark for the performance appraisal.	Yes	The board has developed questionnaires for itself and the committees to ensure the annual appraisals are conducted formally against a series of criteria based on the board and committee charters.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
			2.22.2.	Yearly evaluations should be performed by the chairman or an independent provider.	Yes	The chairman and independent directors perform annual evaluations.		
			2.22.3.	The results of performance evaluations should identify training needs for directors.	Yes	The results of the survey identify training needs for the directors.		
			2.22.4.	An overview of the appraisal process, results and action plans should be disclosed in the integrated report.	Partial	Process mentioned in the integrated report, but the results are not disclosed, which we could consider as an action plan for the future should the results and action plans be of a material nature to our stakeholders.	The board is of the view that the results and action plans arising from the process have not been of a material nature to date and hence they have not been disclosed in the	See our FY14 annual report

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							integrated report.	
				2.22.5. The nomination for the re-appointment of a director should only occur after the evaluation of the performance and attendance of the director.	Yes	Evaluations are considered as in integral part of the re-election process.		See our website for the Nomination Committee charter
Board committees	2.23.	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities		2.23.1. Formal terms of reference should be established and approved for each committee of the board.	Yes	All the committees have charters which have been approved by the board.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
				2.23.2. The committees' terms of reference should be reviewed yearly	Yes	Each of the charters are reviewed annually.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
				2.23.3. The committees should be appropriately constituted and the composition and the terms of reference should be disclosed in the integrated report.	Yes	Charters adequately referenced but not reproduced in integrated report.		See our FY14 annual report
				2.23.4. Public and state-owned companies must appoint an audit committee.	Yes	ARCC has been appointed.		Page 55
				2.23.5. All other companies should establish an audit committee and define its composition, purpose and duties in the memorandum of incorporation.	Yes	Refer to 2.23.4 above		Page 55
				2.23.6. Companies should establish risk, nomination and remuneration committees.	Yes	Risk committee is part of the ARCC.		Pages 55
				2.23.7. Committees, other than the risk committee, should comprise a majority of nonexecutive directors of which the majority should be independent.	Yes	All committees have a majority of non-executive directors of which all are independent.		Pages 55
				2.23.8. External advisers and executive directors should attend committee meetings by invitation.	Yes	External advisers and executive directors do attend meetings by invitation.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
				2.23.9. Committees should be free to take independent outside professional advice at the cost of the company subject to an approved process being followed.	Yes	Committees can seek independent advice at the cost of the company. Each of the committee charters specifically mentions this.		See our website for the updated board, ARCC, S&E, Nomination and Remuneration Committee charters
Group boards	2.24.	A governance framework should be agreed between the group and its subsidiary boards		2.24.1. Listed subsidiaries must comply with the rules of the relevant stock exchange in respect of insider trading.	Yes	The subsidiaries comply with the rules of the stock exchanges, namely the JSE and AIM.		Page 23, 53 and 58
				2.24.2. The holding company must respect the fiduciary duties of the director serving in a representative capacity on the board of the subsidiary.	Yes	All directors whether they are on the board of the Company or any of the subsidiaries are afforded the same respect and all input is considered.		
				2.24.3. The implementation and adoption of policies, processes or procedures of the holding company should be considered and approved by the subsidiary company.	Yes	Policies, procedures and process adopted by Datatec are communicated to the subsidiaries and the subsidiaries have an opportunity to consider and approve the policies, processes and procedures.		

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE	
			2.24.4.	Disclosure should be made on the adoption of the holding company's policies in the integrated report of the subsidiary company	N/A	Not applicable but disclosure of the holding company's relationship with the subsidiary is required in the annual financial statements of the subsidiary.			
Remuneration of directors and senior executives	2.25.	Companies should remunerate directors and executives fairly and responsibly	2.25.1.	Companies should adopt remuneration policies aligned with the strategy of the company and linked to individual performance.	Yes	There is a Remuneration Committee that ensures that the Company's remuneration policies are aligned with the strategy of the Company. The Remuneration Committee reviews the remuneration policies annually. This includes determining specific remuneration packages for executive directors of the Company, including basic salary, benefits in kind, annual performance-based bonuses, share incentives and pensions ensuring that the mix of these remuneration elements meets the Company's strategic objectives.		Pages 55 and 65	
			2.25.2.	The remuneration committee should assist the board in setting and administering remuneration policies.	Yes	The Remuneration Committee determines, agrees and develops, with the assistance of the board, the Company's general policy on executive and senior management remuneration so that it will promote the achievement of strategic objectives and encourage individual performance.		See our website for the Remuneration Committee charter	
			2.25.3.	The remuneration policy should address base pay and bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.	Yes	Please refer to 2.25.1 above.			
			2.25.4.	Non-executive fees should comprise a base fee as well as an attendance fee per meeting.	Partial	Not applicable - no attendance fee	The Remuneration Committee has considered this and together with the board have resolved that the directors should be paid an annual fee only. The board does not favour attendance fees and notes that attendance by board members is high in FY14.	Page 74	
	2.26.	Companies should disclose the remuneration of each individual director and certain senior executives	The remuneration report, included in the integrated report, should include:						
			2.26.1.	all benefits paid to directors;	Yes	All benefits paid to the directors are disclosed in the remuneration report.			
			2.26.2.	the salaries of the three most highly-paid employees who are not directors;	No		The Remuneration Committee has determined not to apply this as it considers this disclosure would have a detrimental effect on the management and commercially.		
			2.26.3.	the policy on base pay;	Yes	The base salary of the executive directors and senior management is subject to annual review by the Remuneration Committee.			

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			2.26.4.	participation in share incentive schemes	Yes	The executive directors and senior management participate in long-term incentives in the form of share-based incentive schemes.		
			2.26.5.	the use of benchmarks;	Partial		Benchmarking is used but disclosure of details is not considered beneficial (for the same reasons as a noted in 2.26.2 above).	
			2.26.6.	incentive schemes to encourage retention;	Yes	The incentive schemes are designed to reward superior performance and encourage the retention of high calibre management.		
			2.26.7.	justification of salaries above the median;	Yes	The Remuneration Committee has set the base salary for executives above the median of comparator groups because in its view this is essential to attract and retain the calibre of management necessary to achieve the Company's objectives.		Page 65
			2.26.8.	material payments that are ex-gratia in nature;	N/A	Not applicable – no such payments made by the Company.		
			2.26.9.	policies regarding executive employment; and	Yes	Refer to 2.25.1 and 2.25.2 above		
			2.26.10.	the maximum expected potential dilution as a result of incentive awards	Yes	This is the current practice.		
	2.27.	Shareholders should approve the company's remuneration policy	2.27.1.	Shareholders should pass a non-binding advisory vote on the company's yearly remuneration policy.	Yes	At each annual general meeting the shareholders pass a non-binding advisory vote on the Company's yearly remuneration policy.		
			2.27.2.	The board should determine the remuneration of executive directors in accordance with the remuneration policy put to shareholder's vote.	Yes	Remuneration is already in accordance with policy		
3. AUDIT COMMITTEES								
	3.1.	The board should ensure that the company has an effective and independent audit committee	3.1.1.	Listed and state-owned companies must establish an audit committee.	Yes	The Company has an audit committee.		
			3.1.2.	All other companies should establish an audit committee and define its composition, purpose and duties in the memorandum of incorporation.	Yes	The Company and each of its divisions have an audit committee their composition, purpose and duties are defined in the various charter documents.		See our website for the ARCC charter
			3.1.3.	The board should approve the terms of reference of the audit committee	Yes	The audit committee charter is reviewed annually or as and when required.		
			3.1.4.	The audit committee should meet as often as is necessary to fulfil its functions but at least twice a year.	Yes	The audit committee meets at least four times annually		Page 84 and also see our website for the ARCC charter
			3.1.5.	The audit committee should meet with internal and external auditors at least once a year without management being present	Yes	The audit committee meets with the external and internal auditors at least once a year without the presence of management.		See our website for the ARCC charter
Membership and resources of the audit committee	3.2.	Audit committee members should be suitably skilled and experienced independent non-executive directors	3.2.1	All members of the audit committee should be independent non-executive directors.	Yes	All the members of the audit committee are independent non-executive directors.		Page 55
			3.2.2.	The audit committee should consist of at least three members.	Yes	There are four members in the audit committee.		Page 55

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE	
			3.2.3.	The chairman of the board should not be the chairman or member of the audit committee	No	The chairman of the board is a member of the ARCC.	In the opinion of the board the presence of the chairman of the board on the ARCC enhances the efficient discharge of the board's responsibilities and contributes to good governance.	Pages 55	
			3.2.4.	The committee collectively should have sufficient qualifications and experience to fulfil its duties.	Yes	Collectively the audit committee have sufficient qualifications and experience.		Page 55	
			3.2.5.	The audit committee members should keep up-to-date with developments affecting the required skill-set.	Yes	The audit committee members ensure that they keep-up-to-date with developments and the Company also provides regular training and information to the audit committee members.			
			3.2.6.	The committee should be permitted to consult with specialists or consultants subject to a board-approved process.	Yes	The audit committee is permitted to consult with specialists and independent advisors as and when required.		See our website for the ARCC charter	
			3.2.7.	The board must fill any vacancies on the audit committee.	Yes	Any vacancy on the audit committee is filled within 40 business days.		See our website for the ARCC charter	
	3.3.	The audit committee should be chaired by an independent non-executive director	3.3.1.	The board should elect the chairman of the audit committee.	Yes	The chairman of the audit committee is elected by the board.		See our website for the board charter	
			3.3.2.	The chairman of the audit committee should participate in setting and agreeing the agenda of the committee	Yes	The chairman of the audit committee sets and agrees the agenda of the committee.		See our website for the ARCC charter	
			3.3.3.	The chairman of the audit committee should be present at the AGM.	Yes	The chairman of the audit committee is always present at the AGM to answer any queries.		Page 55	
	Responsibilities of the audits committee	3.4.	The audit committee should oversee integrated reporting	3.4.1	The audit committee should have regard to all factors and risks that may impact on the integrity of the integrated report.	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
				3.4.2.	The audit committee should review and comment on the financial statements included in the integrated report.	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
3.4.3.				The audit committee should review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter	
3.4.4.				The audit committee should recommend to the board to engage an external assurance provider on material sustainability issues.	Yes	The audit committee recommends at the direction of the board.		See our website for the ARCC charter	
3.4.5.				The audit committee should consider the need to issue interim results.	Yes	The Company at the direction of the audit committee issues interim results.		See our website for the ARCC charter	
3.4.6.				The audit committee should review the content of the summarised information.	Yes	The audit committee is provided the opportunity to review the summarised financial information of the integrated report.		See our website for the ARCC charter	
3.4.7.				The audit committee should engage the external auditors to provide assurance on the summarised financial information.	Yes	The audit committee engages the external auditors with regards to the summarised financial information in the integrated report.			
3.5.		The audit committee should ensure that a combined assurance model is applied to	3.5.1.	The audit committee should ensure that the combined assurance is received is appropriate to address all the significant risks facing the company.	Yes	The ARCC receives the combined assurance assessment from the Group's management.			

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		provide a coordinated approach to all assurance activities	3.5.2.	The relationship between the external assurance providers and the company should be monitored by the audit committee	Yes	See 3.5.1 above.		
	3.6.	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	3.6.1.	Every year a review of the finance function should be performed by the audit committee.	Yes	External audit and internal audit provide feedback to the ARCC and board meetings.		See our website for the ARCC charter
			3.6.2.	The results of the review should be disclosed in the integrated report.	Yes	The results of the review are disclosed in the integrated report.		See our FY14 annual report
Internal assurances providers	3.7.	The audit committee should be responsible for overseeing of internal audit	3.7.1	The audit committee should be responsible for the appointment, performance assessment and/or dismissal of the CAE.	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
			3.7.2.	The audit committee should approve the internal audit plan.	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
			3.7.3.	The audit committee should ensure that the internal audit function is subject to an independent quality review as and when the committee determines it appropriate.	Yes	This is the current practice and reflected in the ARCC charter. EY performs regular internal quality reviews of its internal audit accounts, including Datatec. These reviews are conducted by senior EY personnel who are independent from the engagement team's office(s).		See our website for the ARCC charter
	3.8.	The audit committee should be an integral component of the risk management process	3.8.1.	The charter of the audit committee should set out its responsibilities regarding risk management	Yes	The ARCC charter sets out the audit committee's responsibilities regarding risk management.		See our website for the ARCC charter
			3.8.2.	The audit committee should specifically have oversight of:				
			3.8.2.1.	financial reporting risks;	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
			3.8.2.2.	internal financial controls;	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
			3.8.2.3.	fraud risks as it relates to financial reporting; and	Yes	This is the current practice and reflected in the ARCC charter.		See our website for the ARCC charter
	3.8.2.4	IT risks as it relates to financial reporting	Yes	This is integrated in the risk management process, however the Company could consider a specific mention of IT governance.				
	External assurance providers	3.9.	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	The audit committee:				
3.9.1				must nominate the external auditor for appointment;	Yes	The audit committee is responsible for nominating the external auditor.		See our website for the ARCC charter
3.9.2				must approve the terms of engagement and remuneration for the external audit engagement;	Yes	The ARCC charter states that the audit committee should approve the terms of engagement and the remuneration for the external audit team. The remuneration for each financial year is discussed at the audit committee meetings and any discrepancies in the budget are brought to the attention of the audit committee. The chairman of the audit committee or the full committee specifically approve any fees that are likely to be in excess of 50% of the audit fee or fees relating to non-audit services.		Page 64 and also see our website for the ARCC charter
3.9.3				must monitor and report on the independence of the external auditor;	Yes	The audit committee regularly reviews the external auditors' independence and maintains control over the non-audit services provided by the external auditors. The external auditors are prohibited from providing non-audit services including valuation and accounting work where their independence might be compromised by later auditing their own		Page 63 and 64

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE
						work. The external auditor has the policy of rotating the lead audit partner and those of South African subsidiaries every five years and the other subsidiary audit partners every seven years. The audit committee has adopted the same policy.		
			3.9.4.	must define a policy for non-audit services provided by the external auditor and must approve the contracts for non-audit services;	Yes	Pre-approved permissible non-audit services performed by the external auditors include taxation and due diligence exercises. The ARCC charter sets out in detail the scope of the external auditors.		Page 63 and 64, also see our website for the ARCC charter
			3.9.5	should be informed of any Reportable Irregularities identified and reported by the external auditor; and	Yes	The external auditors' duties include reporting any irregularities they have identified to the audit committee.		
			3.9.6	should review the quality and effectiveness of the external audit process.	Yes	Through a number assessments and, the audit committee reviews the quality and effectiveness of the external audit process.		Page 63 and 64, also see our website for the ARCC charter
Reporting	3.10.	The audit committee should report to the board and shareholders on how it has discharged its duties	3.10.1	The audit committee should report internally to the board on its statutory duties and duties assigned to it by the board.	Yes	At least each board meeting and when required the audit committee reports to the board on its duties.		See our website for the ARCC charter
			3.10.2	The audit committee must report to the shareholders on its statutory duties:				
			3.10.2.1	how its duties were carried out;	Yes	The audit committee reports in the integrated report as well as in various shareholder communications channels such as the website, press releases, announcements and notifications on how it has carried out its duties.		
			3.10.2.2	if the committee is satisfied with the independence of the external auditor;	Yes	There are reviews on the independence of the external auditor and the findings are reported to the shareholders in the integrated report.		See our website for the ARCC charter
			3.10.2.3	the committee's view on the financial statements and the accounting practices; and	Yes	The financial statements contain the audit committee's view on the financial statements as well as the accounting practices.		See our FY14 annual report
			3.10.2.4	whether the internal financial controls are effective	Yes	The audit committee has conducted a review of the effectiveness of Company's risk management and is able to report that procedures are in place for monitoring and evaluating the effectiveness of the internal controls.		Page 60 - 64
			3.10.3	The audit committee should provide a summary of its role and details of its composition, number of meetings and activities, in the integrated report.	Yes	The integrated report provides a summary of the audit committee's role and details the composition, number of meetings and activities.		See our FY14 annual report
			3.10.4	The audit committee should recommend the integrated report for approval by the board.	Yes	This is the current practice at each ARCC meeting per division and at the Datatec level.		
4. THE GOVERNANCE OF RISK								
The board's responsibility for risk governance	4.1	The board should be responsible for the governance of risk	4.1.1	A policy and plan for a system and process of risk management should be developed.	Partial	The policy and procedure is set out in the integrated report.	A separate document with the risk policy will be implemented for the Group during FY14.	
			4.1.2	The board should comment in the integrated report on the effectiveness of the system and process of risk management.	Yes	The board has conducted a review of the effectiveness of Company's risk management and is able to report that procedures are in place for monitoring and evaluating the effectiveness of the internal controls.		
			4.1.3	The board's responsibility for risk governance should be expressed in the board charter.	Yes	A revised charter was prepared and adopted in October 2010 which states that the board is		See our website for the board charter

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE
						responsible for the risk governance.		
			4.1.4	The induction and on-going training programmes of the board should incorporate risk governance	Partial		Datatec strives to keep-up and adhere to relevant legislation and in doing so is in the process of including a component of risk management in the induction and on-going training programmes relating to the board.	
			4.1.5	The board's responsibility for risk governance should manifest in a documented risk management policy and plan.	Partial	There is no separate documented plan but the approach is covered in the governance section of the integrated report.	Refer to 4.1.1 above	
			4.1.6	The board should approve the risk management policy and plan.	Partial	The board has approved the risk management framework covered in the governance section of the integrated report.	Refer to 4.1.1 above	
			4.1.7	The risk management policy should be widely distributed throughout the company.	Partial		Refer to 4.1.1 above and include the distribution of the policy document.	
			4.1.8	The board should review the implementation of the risk management plan at least once a year.	Partial		Refer to 4.1.1 above	
			4.1.9	The board should ensure that the implementation of the risk management plan is monitored continually.	Yes	The ARCC and management implement the plan with regular reports and updates to the board.		
	4.2	The board should determine the levels of risk tolerance	4.2.1	The board should set the levels of risk tolerance once a year.	Yes	The board reviews risk management at least annually and level of risk tolerance and reviews risk appetite.		
			4.2.2	The board may set limits for the risk appetite.	Yes	See 4.2.1 above.		
			4.2.3	The board should monitor that risks taken are within the tolerance and appetite levels.	Yes	Audit committee and management monitor risks (and reports to the board).		
			4.3.1	The board should appoint a committee responsible for risk.	Yes	The expanded role of the ARCC includes being responsible for risk and this is set out in the ARCC charter document.		
			4.3.2	The risk committee should:	Yes			
			4.3.2.1	consider the risk management policy and plan and monitor the risk management process;	Yes	The ARCC charter provides that the risk management policy and plan and monitoring the risk management process should be conducted by the ARCC.		See our website for the ARCC charter
			4.3.2.2	have as its members executive and non-executive directors, members of senior management and independent risk management experts to be invited, if necessary;	Yes	Executives are invitees and not members of the ARCC. Independent risk management experts can also be invited if required.		
			4.3.2.3	have a minimum of three members; and	Yes	There are three members in the ARCC.		Page 55
			4.3.2.4	convene at least twice per year.	Yes	Risk management is on the agenda twice a year but ARCC meet every quarter.		See our website for the ARCC charter

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			4.3.3	The performance of the committee should be evaluated once a year by the board.	Yes	A self-assessment reported to the board is conducted each year.		
Management's responsibility for risk management	4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	4.4.1	The board's risk strategy should be executed by management by means of risk management systems and processes.	Yes	The risk strategy is executed by management at the various divisions of the Company by means of risk management systems and processes which include internal and external controls.		Pages 59 - 64
			4.4.2	Management is accountable for integrating risk in the day-to-day activities of the company.	Yes	Management implements the day-to-day activities for integrating risk.		Pages 59 - 64
			4.4.3	The CRO should be a suitably experienced person who should have access and interact regularly on strategic matters with the board and/or appropriate board committee and executive management	Yes	The CRO is also the company secretary and attends board meetings.		
Risk assessment	4.5	The board should ensure that risk assessments are performed on a continual basis	4.5.1	The board should ensure effective and on-going risk assessments are performed.	Yes	ARCC follows-up and reports to the board who review the risk registers.		
			4.5.2	A systematic, documented, formal risk assessment should be conducted at least once a year.	Yes	Risk registers are updated at least once a year.	This process will be improved going forward and further refined to improve formal risk assessment.	
			4.5.3	Risks should be prioritised and ranked to focus responses and interventions.	Yes	Currently the Company has risk registers for each of its divisions and at Datatec level which identify and rank certain risk to ensure appropriate responses and interventions.	The format of the risk registers is being enhanced and streamlined to ensure a greater focus to risks that are prioritised.	
			4.5.4	The risk assessment process should involve the risks affecting the various income streams of the company, the critical dependencies of the business, the sustainability and the legitimate interests and expectations of stakeholders.	Yes	The risk assessment process does involve the risks affecting the various income streams of the company, the critical dependencies of the business, the sustainability and the legitimate interests and expectations of stakeholders.		
			4.5.5	Risk assessments should adopt a top-down approach.	Yes	The Group's CRO drives to process of risk management with the assistance of a CRO in each of Datatec's divisions, who each ensure the procedure put in place in that division to operationalize Datatec's Group's risk policy and ensures it is operating effectively. The Group's CRO co-ordinates the operation of the risk management framework, drive improvements and reports on the division's management of risk and assessment thereof.		Pages 59 - 64
			4.5.6	The board should regularly receive and review a register of the company's key risks.	Yes	Risk assessment and the review of risk registers is on the agenda twice a year This is the current practice by management and at the various ARCC meetings and at the board level.		
			4.5.7	The board should ensure that key risks are quantified where practicable.	Yes	The risks in the risk registers provide quantities where appropriate.		
	4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	4.6.1	The board should ensure that a framework and processes are in place to anticipate unpredictable risks.	Yes	The risk registers and their preparation are intended to identify unpredictable risks.		
Risk response	4.7	The board should ensure that management considers and implements appropriate risk	4.7.1	Management should identify and note in the risk register the risk responses decided upon.	Yes	The risk registers are comprehensive and make provision for management to insert risk responses decided upon.		

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		responses.	4.7.2	Management should demonstrate to the board that the risk response provides for the identification and exploitation of opportunities to improve the performance of the company.	Partial		Risk registers from the divisions to include opportunities to improve performance and responses to risks.	
Risk monitoring	4.8	The board should ensure continual risk monitoring by management	4.8.1	The board should ensure that effective and continual monitoring of risk management takes place.	Yes	The board is responsible for the total process of risk management and has established on-going process of monitoring risk management through management, various divisional ARCCs and the Company's ARCC and board meetings. In addition, there are documented and tested procedures in the divisions which allow these divisions to continue their critical business processes in the event of a disastrous incident impacting their activities. Such documented procedures are reviewed annually and, where weaknesses are identified, the relevant division is required to rectify them.		Pages 59 - 64 and 102
			4.8.2	The responsibility for monitoring should be defined in the risk management plan.	Yes	Overall the responsibility is with the Company's ARCC and the divisional ARCCs.		
Risk assurance	4.9	The board should receive assurance regarding the effectiveness of the risk management process	4.9.1	Management should provide assurance to the board that the risk management plan is integrated in the daily activities of the company.	Yes	The assurance letters provided by management at each division ensure to the board that the risk management plan is integrated within the Company.		
			4.9.2	Internal audit should provide a written assessment of the effectiveness of the system of internal controls and risk management to the board.	Yes	An assessment is provided in the integrated report as well as in the form of reports to the board.		
Risk disclosure	4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	4.10.1	Undue, unexpected or unusual risks should be disclosed in the integrated report.	Yes	Key risks are explained in the integrated report and also in the notes to the annual financial statements.		Pages 59, 60 and 92 - 172
			4.10.2	The board should disclose its view on the effectiveness of the risk management process in the integrated report.	Yes	The board has conducted a review of the effectiveness of the Company's risk management process and has reported that the procedures are in place for monitoring and evaluating the effectiveness of the internal and external controls.		Page 64
5. THE GOVERNANCE OF INFORMATION TECHNOLOGY								
	5.1	The board should be responsible for information technology (IT) governance.	5.1.1	The board should assume the responsibility for the governance of IT and place it on the board agenda.	Yes	Included in the board charter and there are annual updates from Datatec's subsidiaries.		See our website for the board charter
			5.1.2	The board should ensure that an IT charter and policies are established and implemented.	No	There is no IT charter at the Datatec Group level.	IT policies and procedures are established at the subsidiary level and the board is of the opinion that a Group level charter/policy is not necessary.	See our website for the Code of Ethics
			5.1.3	The board should ensure promotion of an ethical IT governance culture and awareness and of a common IT language.	Partial	IT governance is covered in the Code of Ethics of the Company and not as a separate silo from the rest of the Group's operations (refer to 5.1.2 above).		
			5.1.4	The board should ensure that an IT internal control framework is adopted and implemented	Partial	This forms part of general internal controls which are performed by the internal audit.		Pages 54 - 64

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE
			5.1.5	The board should receive independent assurance on the effectiveness of the IT internal controls.	Partial	This forms part of general internal controls which are performed by the internal audit.		Pages 54 - 64
	5.2	IT should be aligned with the performance and sustainability objectives of the company.	5.2.1	The board should ensure that the IT strategy is integrated with the company's strategic and business processes.	Partial	Please refer to 5.1.1 above		
			5.2.2	The board should ensure that there is a process in place to identify and exploit opportunities to improve the performance and sustainability of the company through the use of IT.	Partial	Part of normal management function, in particular in the Company's subsidiaries, but there is no detailed be in place.		Pages 54 - 64
	5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	5.3.1	Management should be responsible for the implementation of the structures, processes and mechanisms for the IT governance framework.	Partial	IT governance is not separate, but included in general governance section (also see 5.1.2 above).		
			5.3.2	The board may appoint an IT steering committee of similar function to assist with its governance of IT.	No	This committee does not exist at Datatec level, but Westcon Group has an IT steering committee.	The board is of the opinion that a Group level IT steering committee is not necessary.	
			5.3.3	The CEO should appoint a Chief Information Officer responsible for the management of IT.	Partial	Chief Information Officer is present at Westcon Group level, but not at Datatec Group level.	The board is of the opinion that a Group level Chief Information Officer is not necessary.	
			5.3.4	The CIO should be a suitably qualified and experienced person who should have access and interact regularly on strategic IT matters with the board and/or appropriate board committee and executive management.	Partial	This is the case at Westcon Group level (see 5.3.3 above).		
	5.4	The board should monitor and evaluate significant IT investments and expenditure	5.4.1	The board should oversee the value delivery of IT and monitor the return on investment from significant IT projects.	Partial	Subsidiary boards do this and will report annually to main board		
			5.4.2	The board should ensure that intellectual property contained in information systems is protected.	Partial	This is a general exercise performed by managed at the various subsidiaries and supplemented by the internal and external controls. Improvement is required.		
			5.4.3	The board should obtain independent assurance on the IT governance and controls supporting outsourced IT services.	Yes	Assurance sought in high priority IT services. Westcon Group obtains independent assurance for example on the SAP ERP implementation.		
	5.5	IT should form an integral part of the company's risk management	5.5.1	Management should regularly demonstrate to the board that the company has adequate business resilience arrangements in place for disaster recovery.	Yes	This forms part of the existing risk management processes.		Pages 54 - 64
			5.5.2	The board should ensure that the company complies with IT laws and that IT related rules, codes and standards are considered.	Partial	Subsidiary board responsibility to be reported annually to main Board in the form a letter of assurance and through their sub-committees.		
	5.6	The board should ensure that information assets are managed effectively	5.6.1	The board should ensure that there are systems in place for the management of information which should include information security, information management and information privacy	Yes	The management of information assets is delegated to subsidiary (operating division) boards. Reporting to the Datatec board is covered (a) via the executive directors who sit on the subsidiary boards and (b) by direct reporting to the Datatec board by subsidiary management including subsidiary CIO presentation on IT governance.	Consideration will be given to adding these specific IT related matters in the King III Code to the annual letter of assurance provided by subsidiary boards to the Datatec board.	
		5.6.2	The board should ensure that all personal information is treated by the company as an important business asset and is identified.	Yes				
		5.6.3	The board should ensure that an Information Security Management System is developed and implemented.	Partial				

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			5.6.4	The board should approve the information security strategy and delegate and empower management to implement the strategy.	Partial			
	5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	5.7.1	The risk committee should ensure that IT risks are adequately addressed.	Yes	Covered by risk management and forms part of the current practice by the ARCC.		Pages 54 - 64
	5.7.2		The risk committee should obtain appropriate assurance that controls are in place and effective in addressing IT risks.	Yes	Covered by risk management and forms part of the current practice by the ARCC.		Pages 54 - 64	
	5.7.3		The audit committee should consider IT as it relates to financial reporting and the going concern of the company.	Yes	Covered by risk management and forms part of the current practice by the ARCC.		Pages 54 - 64	
	5.7.4		The audit committee should consider the use of technology to improve audit coverage and efficiency	Yes	Covered by risk management and forms part of the current practice by the ARCC.		Pages 54 - 64	
6. COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS								
	6.1	The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	6.1.1	Companies must comply with all applicable laws.	Yes	The Company strives to comply with all applicable laws.		Page 63 and throughout the FY14 annual report
	6.1.2		Exceptions permitted in law, shortcomings and proposed changes expected should be handled ethically.	Yes	Please refer to 6.1.3 below.			
	6.1.3		Compliance should be an ethical imperative	Yes	The Company endorses the King III Code on Corporate Governance and has also adopted the principles of corporate governance in the UK Corporate Governance Code issued in June 2010 and these help guide the Company.		Pages 53, 58 and 63	
	6.1.4		Compliance with applicable laws should be understood not only in terms of the obligations that they create, but also for the rights and protection that they afford.	Yes	Please refer to 6.1.3 above.		Pages 53 and 63	
	6.1.5		The board should understand the context of the law, and how other applicable laws interact with it.	Yes	This is the current practice by the Company.		Page 63	
	6.1.6		The board should monitor the company's compliance with applicable laws, rules, codes and standards.	Yes	Through the board and various assurance providers the Company monitors the company's compliance with applicable laws.		Pages 54 - 64	
	6.1.7		Compliance should be a regular item on the agenda of the board.	Yes	Compliance issues are on the agenda of the board as well as the divisional ARCCs.			
	6.1.8		The board should disclose details in the integrated report on how it discharged its responsibility to establish an effective compliance framework and processes.	Yes	In the integrated report the board discloses how it has discharged its responsibilities to establish an effective compliance framework and processes.			
	6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	6.2.1	The induction and on-going training programmes of directors should incorporate an overview of and any changes to applicable laws, rules, codes and standards.	Yes	Induction covers JSE Rules pack and Dealing Code and any other material which the Company secretary and board considers relevant.		
	6.2.2		Directors should sufficiently familiarise themselves with the general content of applicable laws, rules, codes and standards to discharge their legal duties.	Yes	Please refer to 6.2.1 above.			
	6.3	Compliance risk should form an integral part of the company's risk management	6.3.1	The risk of non-compliance should be identified, assessed and responded to through the risk management processes.	Yes	Please refer to 4.8.1 above.		

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		process.	6.3.2	Companies should consider establishing a compliance function.	Yes	Considered but the current situation was agreed by the board to be acceptable.		
6.4	The board should delegate to management the implementation of an effective compliance framework and processes		6.4.1	The board should ensure that a legal compliance policy, approved by the board, has been implemented by management.	Partial	Specific policy not at Datatec level but at Westcon Group there is a compliance policy.		
			6.4.2	The board should receive assurance on the effectiveness of the controls around compliance with laws, rules, codes and standards.	Yes	The letters of assurance provided annually by the divisions to the board provide assurance.		
			6.4.3	Compliance with laws, rules, codes and standards should be incorporated in the code of conduct of the company.	Yes	The Company's code of conduct incorporates compliance with laws, rules, codes and standards.		
			6.4.4	Management should establish the appropriate structures, educate and train, and communicate and measure key performance indicators relevant to compliance.	Yes	This is the current practice by the Company.		
			6.4.5	The integrated report should include details of material or often repeated instances of non-compliance by either the company or its directors in their capacity as such.	Yes	The Company has not had any material or often repeated instances of non-compliance by the Company or its directors in their capacity.	The Company undertakes to disclose if this occurs.	
			6.4.6	An independent, suitably skilled compliance officer may be appointed.	Yes	No specific compliance officer for the Group but is part of role of the CRO. In the subsidiaries the compliance officer's role is handled by the internal legal counsel. In the opinion of the board the compliance function is adequately resourced.		
			6.4.7	The compliance officer should be a suitably skilled and experienced person who should have access and interact regularly on strategic compliance matters with the board and/or appropriate board committee and executive management.	Yes			
			6.4.8	The structuring of the compliance function, its role and its position in terms of reporting lines should be a reflection of the company's decision on how compliance is to be integrated with its ethics and risk management.	No			
			6.4.9	The compliance function should have adequate resources to fulfil its function.	Yes			
7. INTERNAL AUDIT								
The need for and role of internal audit	7.1	The board should ensure that there is an effective risk based internal audit	7.1.1	Companies should establish an internal audit function.	Yes	This is the current practice by the Company, with EY performing this function.		Page 62 and 64
			7.1.2	Internal audit should perform the following functions:				
			7.1.2.1	evaluate the company's governance processes;	Partial	The ARCC charter includes this function but the first evaluation has yet to take place.	Internal audit performed a King III assessment in FY14 and nothing significant to report	
			7.1.2.2	perform an objective assessment of the effectiveness of risk management and the internal control framework;	Yes	See 7.1.1 above.		
			7.1.2.3	systematically analyse and evaluating business processes and associated controls; and	Yes	This is the current practice by the Company.		
			7.1.2.4	provide a source of information as appropriate, regarding instances of fraud, corruption, unethical	Yes	This is the current practice by the Company.		

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				behaviour and irregularities.				
			7.1.3	An internal audit charter should be defined and approved by the board.	Yes	This is the current practice by the Company as the internal audit roles and responsibilities are defined in the Company's ARCC charter.		See our website for the ARCC charter
			7.1.4	The internal audit function should adhere to the IIA Standards and code of ethics	Yes	The wording of the ARCC charter provides for the IIA Standards and codes of ethics.		
Internal audit's approach and plan	7.2	Internal audit should follow a risk based approach to its plan	7.2.1	The internal audit plan and approach should be informed by the strategy and risks of the company	Yes	This is currently the case. Risk registers prepared by management are factored into the determination of the internal audit plan. Refer also to 7.1.3 above.		See our website for the ARCC charter
			7.2.2.	Internal audit should be independent from management.	Yes	The internal auditors are independent from management. The function is currently outsourced to EY.		Pages 62 - 64
			7.2.3	Internal audit should be an objective provider of assurance that considers:				
			7.2.3.1	the risks that may prevent or slow down the realisation of strategic goals;	Yes	Refer to 7.2.1 above.		
			7.2.3.2	whether controls are in place and functioning effectively to mitigate these; and	Yes	This is currently the case.		
			7.2.3.3	The opportunities that will promote the realisation of strategic goals that are identified, assessed and effectively managed by the company's management team.	Yes	Management meets to identify risks, identify controls, assess risks and develop strategies to mitigate risk.		Pages 62 - 64
	7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management.	7.3.1	Internal audit should form an integral part of the combined assurance model as internal assurance provider.	Yes	The assurance provided from all assurance providers (including internal audit) is formally documented in the risk registers prepared by management. The internal auditors report on the coverage achieved in terms of assurance to the audit committee at each of its meetings.		Pages 62 - 64
			7.3.2	Internal controls should be established not only over financial matters, but also operational, compliance and sustainability issues.	Yes	The internal controls are established over financial matters, operational, compliance and sustainability issues. Refer also to 7.2.3.3 above.		
			7.3.3	Companies should maintain an effective governance, risk management and internal control framework.	Partial	The Company has put in place a combined assurance model which involves management and internal audit.	The Company is looking to make additional improvements in this area.	
			7.3.4	Management should specify the elements of the control framework.	Partial	Refer to 7.3.3 above.	Will be included in the new procedures and scope.	
			7.3.5	Internal audit should provide a written assessment of the system of internal controls and risk management to the board.	Yes	An assessment is provided in the integrated report as well as in the form of reports to the board.		
			7.3.6	Internal audit should provide a written assessment of internal financial controls to the audit committee.	Yes	An assessment is provided in the integrated report as well as in the form of reports to the board.		
7.4	The audit committee should be responsible for overseeing internal audit.	7.4.1	The internal audit plan should be agreed and approved by the audit committee.	Yes	The audit committee agrees and approves the internal audit plan.		Pages 62 - 64 and also see on our website the ARCC charter	
		7.4.2	The audit committee should evaluate the performance of the internal audit function	Yes	The audit committee conducts annual evaluations of the performance of the internal auditors.			

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			7.4.3	The audit committee should ensure that the internal audit function is subjected to an independent quality review.	Yes	EY performs regular internal quality reviews of its internal audit accounts, including Datatec. These reviews are conducted by senior EY personnel who are independent from the engagement team's office(s).		
			7.4.4	The CAE should report functionally to the audit committee chairman	Yes	This is the current practice by the Company. The CAE role is outsourced to EY.		
			7.4.5	The audit committee should be responsible for the appointment, performance assessment and dismissal of the CAE	Yes	The ARCC charter provides for the audit committee to be responsible for the appointment, performance assessment and dismissal of the CAE and this is the current practice by the Company.		See our website for the ARCC charter
			7.4.6	The audit committee should ensure that the internal audit function is appropriately resourced and has appropriate budget allocated to the function.	Yes	The budget for internal audit function is reviewed annually and agreed upon based on the effort required to deliver the corresponding risk based internal audit plan.		
			7.4.7	Internal audit should report at all audit committee meetings.	Yes	Internal audit submits written reports for each audit committee meeting and is invited to attend each audit committee meeting to comment on the contents of these reports and answer the questions of the directors.		
Internal audit's status in the company	7.5	Internal audit should be strategically positioned to achieve its objectives.	7.5.1	The internal audit function should be independent and objective.	Yes	The internal audit team is independent to the Company and is allowed to be objective.		Pages 62 - 64 and also see on our website the ARCC charter
			7.5.2	The internal audit function should report functionally to the audit committee.	Yes	Internal audit has a direct reporting line to the audit committee and submits written reports addressed to the members of the audit committee at each of the audit committee meeting.		
			7.5.3	The CAE should have a standing invitation to attend executive committee meetings.	No		The CAE role is outsourced to EY who does not have a standing invitation to attend executive committee meetings. Management is responsible for briefing EY about all issues relevant to their work. EY does have a standing invitation to attend the ARCC meetings.	
			7.5.4	The internal audit function should be skilled and resourced as is appropriate for the complexity and volume of risk and assurance needs.	Yes	EY calls upon the skills needed to deliver on the internal audit plan across its many service lines and competencies. Audit satisfaction is formally assessed annually to establish the extent to which the auditors were appropriately skilled.		
			7.5.5	The CAE should develop and maintain a quality assurance and improvement programme.	Yes	EY operates a quality assurance and improvement programme which involves obtaining feedback from audited entities. A culture of continuous improvement is endemic in the internal audit function overseen by the ARCC.		

8. GOVERNING STAKEHOLDER RELATIONSHIPS

GOVERNANCE ELEMENT		PRINCIPLE(S)		RECOMMENDED PRACTICE	PRACTICE APPLIED	HOW APPLIED	REASON NOT APPLIED	REFERENCE TO FY14 ANNUAL REPORT OR THE WEBSITE
	8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	8.1.1	The gap between stakeholder perceptions and the performance of the company should be managed and measured to enhance or protect the company's reputation.	Yes	The Company stakeholder engagement processes to ensure that there are no gaps in perceptions.		Pages 14 and 15
			8.1.2	The company's reputation and its linkage with stakeholder relationships should be a regular board agenda item.	Yes	This is the current practice by the Company.		
			8.1.3	The board should identify important stakeholder groupings.	Yes	Important stakeholder groups are identified and discussed at each board meeting.		
	8.2	The board should delegate to management to proactively deal with stakeholder relationships.	8.2.1	Management should develop a strategy and formulate policies for the management of relationships with each stakeholder grouping.	Partial	Within the various subsidiaries, management has developed strategies and policies which assist in managing relationships with various stakeholder groups.		
			8.2.2	The board should consider whether it is appropriate to publish its stakeholder policies.	Partial	The Company has highlighted some of its stakeholder policies in the FY14 annual report and will review its formal policies going forward.		Pages 14 and 15 and throughout the report
			8.2.3	The board should oversee the establishment of mechanisms and processes that support stakeholders in constructive engagement with the company.	Partial	Refer to 8.2.2 above.	Stakeholder engagement is currently undertaken without formal mechanisms and processes but consideration will be given to this area in future.	
			8.2.4	The board should encourage shareholders to attend AGM's.	Yes	Notices of all annual general meetings are sent to all shareholders and attendance of annual general meeting's is encouraged.		
			8.2.5	The board should consider not only formal, but also informal, processes for interaction with the company's stakeholders.	Yes	At various divisions, management has informal discussions with customers, employees and when necessary the shareholders.		
			8.2.6	The board should disclose in its integrated report the nature of the company's dealings with stakeholders and the outcomes of these dealings.	Yes	Refer to 8.2.2 above.		
	8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	8.3.1	The board should take account of the legitimate interests and expectations of its stakeholders in its decision-making in the best interests of the company.	Yes	In making its decisions, the board strives to achieve the appropriate balance between the various stakeholder groupings whilst adhering rigorously to its fiduciary duty to act in the best interests of the Company.		
	8.4	Companies should ensure the equitable treatment of shareholders	8.4.1	There must be equitable treatment of all holders of the same class of shares issued.	Yes	This is the current practice by the Company. There is only one class of equity in issue.		
			8.4.2	The board should ensure that minority shareholders are protected.	Yes	Minority shareholders receive protection from the Company in that all their views are considered in the manner mentioned in 8.3.1 above.		
	8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	8.5.1	Complete, timely, relevant, accurate, honest and accessible information should be provided by the company to its stakeholders whilst having regard to legal and strategic considerations.	Yes	The Company provides information to its stakeholders through its website, presentations, webcasts, annual reports, emails, consultative discussions and the annual general meeting, in a timely, relevant, accurate and honest manner while taking into account the applicable legal considerations such as the JSE Listings Requirements.		Pages 14 and 15
			8.5.2	Communication with stakeholders should be in clear and understandable language.	Yes	Communications with stakeholders are intended to be in a format that can be understood and is easily		Pages 14 and 15

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						accessible for that stakeholder group.			
			8.5.3	The board should adopt communication guidelines that support a responsible communication programme	Yes	Please refer to 8.5.1 above.			
			8.5.4	The board should consider disclosing in the integrated report the number and reasons for refusals of requests of information that were lodged with the company in terms of the Promotion of Access to Information Act, 2000.	N/A	Not applicable as no such requests have been received. This would be considered if any such requests arose in future.			
Dispute resolution	8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	8.6.1	The board should adopt formal dispute resolution processes for internal and external disputes.	Yes	All material contracts of the Company contain dispute resolution provisions.			
			8.6.2	The board should select the appropriate individuals to represent the company in ADR.	Yes	This is the current practice of the Company.			
9. INTEGRATED REPORTING AND DISCLOSURE									
Transparency and accountability	9.1	The board should ensure the integrity of the company's integrated report	9.1.1	A company should have controls to enable it to verify and safeguard the integrity of its integrated report.	Yes	The integrated report goes through a number of versions with each version checked thoroughly. Further, there is a limited number of personnel who give the final decision for amendments. The board and each of the chairmen of the sub-committees play a vital role in the review and final sign-off of the report.			
			9.1.2	The board should delegate to the audit committee to evaluate sustainability disclosures.	Yes	The board delegate to the audit committee which evaluates sustainability disclosures.			
			The integrated report should:						
			9.1.3	Be prepared every year;	Yes	This is the current practice.			
			9.1.4	Convey adequate information regarding the company's financial and sustainability performance; and	Yes	This is the current practice.			
			9.1.5	Focus on substance over form.	Yes	This is the current practice.			
	9.2.	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	9.2.1	The board should include commentary on the company's financial results.	Yes	This is the current practice.			
			9.2.2	The board must disclose if the company is a going concern.	Yes	This is the current practice.			
			9.2.3	The integrated report should describe how the company has made its money.	Yes	This is the current practice.			
			9.2.4	The board should ensure that the positive and negative impacts of the company's operations and plans to improve the positives and eradicate or ameliorate the negatives in the financial year ahead are conveyed in the integrated report.	Partial		This is an on-going process and improvements to sustainability reporting are under consideration for future integrated reports.		
	9.3	Sustainability reporting and disclosure should be independently assured	9.3.1	General oversight and reporting of sustainability should be delegated by the board to the audit committee.	Yes	This is the current practice.			

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			9.3.2	The audit committee should assist the board by reviewing the integrated report to ensure that the information contained in it is reliable and that it does not contradict the financial aspects of the report.	Yes	This is the current practice.		
			9.3.3	The audit committee should oversee the provision of assurance over sustainability issues.	Partial	Refer to 7.3 and 7.4.	This will be improved and will be form part of the revised assurance providers procedure and implementation as detailed above.	