



SPEAR
REIT LIMITED

THE WESTERN CAPE REIT

CREDIBLE
PREDICTABLE
CONSISTENT

GOVERNANCE
REPORT 2024



GOVERNANCE REPORT

For the year ended 29 February 2024

INTRODUCTION

Spear REIT Limited ("Spear") ascribes to the King IV™ Report on Corporate Governance for South Africa™ ("King IV™"). The board of directors is committed to ensuring that the governance structure in Spear cultivates good governance outcomes in relation to Spear REIT's ethical culture, performance, effective control and legitimacy.

King IV™ Principles Disclosure

This report has been prepared in accordance with the reporting requirements of King IV™ whereby King IV™ requires that a company reports on how it has applied the code. This report outlines how Spear has applied the code.

PRINCIPLE 1

The governing body should lead ethically and effectively.

The board is committed to ensuring that the governance structure of Spear cultivates an ethical culture in which it is able to provide effective leadership in accordance with the short-, medium- and long-term strategy of Spear.

The board has a collective responsibility to ensure that Spear is managed effectively and ethically in a manner whereby the board exercises leadership with good faith, integrity and in the best interests of Spear and its stakeholders at all times. The values that we live by are ensuring collective regard to Spear's performance whilst considering the natural environment and society for the preservation of future generations.

The board has ensured that a board charter, code of conduct and ethics-related policies, through which Spear's ethical standards are clearly articulated, have been established and implemented.

The board charter and code of business ethics and conduct are reviewed and updated by the board annually and ethics-related policies biennially. Furthermore, board evaluations are undertaken to determine the effectiveness of the board.

PRINCIPLE 2

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

The board is explicitly responsible for the stewardship of Spear and promoting ethical behaviour and compliance with relevant laws and regulations and Spear's ethics-related policies. The board delegates the implementation and execution of Spear's ethics-related policies to management.

Spear's ethics-related policies, which applies to all directors and employees, the board charter, the code of business ethics and conduct as well as the directors' fiduciary duty ensure that Spear is effectively managed in the best interests of all stakeholders.

With the assistance of the social and ethics committee and the executive team, the board monitors and revisits its ethics-related policies on an ongoing basis. During the year under review, strong emphasis was placed on ethics, while also taking into consideration appropriate risk parameters. In doing so, Spear strives towards best practices in this regard to further the objectives of Spear and in the best interests of stakeholders.

PRINCIPLE 3

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

The board, through the board committees and executive team's oversight, ensures that Spear's responsible corporate citizenship efforts include compliance with the Constitution of South Africa, laws, leading standards, and adherence to its own codes of conduct and policies.

The board further ensures that collective regard is given to Spear's performance, core purpose and values whilst considering the natural environment and society for the preservation of future generations.

With the assistance of the social and ethics committee, audit and risk committee and the executive team, the board continuously monitors corporate citizenship. Regular updates on laws and leading standards are provided to these committees and the board on an ongoing basis to ensure compliance thereof at all times.

During the year under review, key emphasis was placed on the effectiveness of Spear's systems for monitoring compliance with all applicable laws and regulations as well as the monitoring of the independent whistleblowing line, gifts received and/or entertainment exchanged and permissible donations. Furthermore, Spear ensured that relevant policies and processes to combat bribery and corruption were implemented and monitored. There were no incidences of bribery and corruption reported during the year under review.

PRINCIPLE 4

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

The board, with the assistance of the executive team, informs and approves Spear's strategy and provides the overall strategic direction which includes a framework of rewards and controls. Risks, opportunities and other significant matters connected to the environment, social impact and the economy in which Spear operates are considered. This sets the direction for the realisation of Spear's core purpose and vision which is aligned to its value drivers and the legitimate interests and expectations of its stakeholders.

The board recognises the interests of both internal and external stakeholders and the performance of Spear whilst embracing sustainable development. The board continuously monitors the implementation of its strategies, decisions and key policies against operational performance and ensures that adequate time is allocated towards Spear's strategies at each board meeting.

The board further delegates the responsibility to the executive team to implement the strategic objectives of Spear and continuously monitors and assesses performance against the short-, medium- and long-term objectives of Spear.

During the year under review, Spear continued to monitor its performance against its short- and medium-term objectives whilst keeping investors abreast of key focus areas that had been identified by Spear in achieving these objectives.

PRINCIPLE 5

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

The board assumes responsibility for Spear's reporting by setting the direction for how it should be approached and conducted.

The board, with the assistance of its committees, oversees that reports such as this report, the annual integrated report and annual financial statements comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders. Spear's Integrated Report aims to provide a balanced, accurate and accessible assessment of Spear's strategy and operations.

The board has satisfied itself that the Integrated Report complies with JSE Listings Requirements and the reasonable information needs of stakeholders, by demonstrating Spear's ability to create value as well as Spear's short-, medium- and long-term prospects.

PRINCIPLE 6

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

The board is the focal point of Spear's corporate governance framework and is ultimately accountable and responsible for the performance and affairs of Spear. Spear maintains strong governance principles guided by King IV™ which is implemented through the board.

The board is explicitly responsible for the stewardship of Spear and to promote ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles and practices and Spear's own governing documents and code of conduct of business ethics and conduct. The board further monitors and oversees the implementation of its policies and organisational performance and is satisfied that it has fulfilled its responsibilities in accordance with its charter.

The board monitors and oversees the implementation of its policies and organisational performance thereon. During the year under review, the board was satisfied that it had fulfilled its responsibilities in accordance with its charter.

The board met four times during the year under review. The table below sets out the board meetings held and attendance during the reporting period.

GOVERNANCE REPORT CONTINUED

	Abu Varachhia	Mike Flax	Quintin Rossi**	Christiaan Barnard**	Jalal Allie*	Brian Goldberg*	Bongani Raziya*	Sean McCarthy	Dr. Roze Phillips*
18 May 2023	●	●	●	●	●	●	●	●	●
22 June 2023	●	●	●	●	●	●	●	●	●
20 October 2023	—	●	●	●	●	●	●	●	●
26 January 2024	●	●	●	●	●	●	●	●	●

* Independent

** Executive director

● Attended

PRINCIPLE 7

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

During the year under review and with the assistance of the nominations committee, the board assumed responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.

In accordance with JSE Listings Requirements, Spear has adopted a policy with regard to broader diversification. With the assistance of the nominations committee, the board sets its broader diversification targets and monitors its composition in this regard.

The board is committed to ensuring that key regard is given to broader diversification for all future appointments to the board to facilitate an appropriately diverse board, including a relevant range of expertise, experience, industry knowledge, age, gender, race, and culture.

The board comprises of nine directors, of which seven are non-executive and two are executive directors. Of the non-executive directors, four (57%) are independent. The board members have a diverse range of qualifications and experience which enable them to contribute meaningfully to the group. The board is satisfied with the depth of the collective experience of the non-executive

directors and that there is sufficient independence of minds on the board.

During the year under review, Mr. Flax, Mr. Goldberg, Mr. Allie and Mr. McCarthy retired by rotation at the annual general meeting held on 30 June 2023 and were duly re-appointed. Furthermore, the appointment of Mr. Raziya as an independent non-executive director on 8 February 2023 was confirmed by the shareholders at the annual general meeting held on 30 June 2023.

The relevant experience of the current board members who further serve as committee members is detailed below.

At the AGM to be held on 31 July 2024 the following directors retire by rotation and will be up for re-appointment:

Abubaker Varachhia

Abu has been involved in major property transactions and has initiated multi-million Rand property development projects throughout South Africa. Abu served as a director on the board of the JSE-listed property fund Spearhead Property Holdings Limited and Ingenuity Property Investments Limited. Abu has extensive experience in property development and his skill in this regard along with his ability to find value in potential portfolio re-developments will be invaluable to the future of the business.

Jalaloodien Ebrahim Allie

Jalal has been involved in the real estate sector for over 25 years. Jalal joined Seeff Trust (Pty) Ltd, the forerunner to Spearhead Property Holdings, in 1993 as the Financial Manager after leaving PKF Chartered Accountants and Auditors. Early 1999 he was appointed Chief Financial Officer and Company Secretary of the newly listed Spearhead Property Holdings Limited, which he founded together with Deputy Chairman Mike Flax.

Dr. Rozett Lucille Phillips

Roze is an African Futurist, adjunct faculty and associate at the Centre for Business Ethics and non-executive director at GIBS Business School. In addition to her role as non-executive director at Spear REIT, Roze also serves as non-executive director and social and ethics committee chairperson for Netcare Limited.

Roze has worked as a medical doctor as well as a Public Health scientist at the SA Medical Research Council and as the Group Executive of People and Culture for the Absa Group. Over 18 years of Roze's professional career was spent at Accenture Africa where she held various leadership positions from Consumer Industry lead, Management (including Human Capital) Consulting lead, Innovation lead and board member.

Roze is a passionate African Futurist and in addition to her non-executive director responsibilities and her work at GIBS, she practices as an African Futurist and Advisor on the Future of Work through her company Abundance at Work (Pty) Ltd. She is a frequent public speaker, expert panel member, guest lecturer and writer on the topics of Leadership for the Future, The Future of Work, The Workforce of the Future, Human Capital Management Trends and New Skills Now.

In 2021, Roze joined other South African business leaders to publish a book about lessons in Leadership titled "The Book Every Leader Needs to Read".

GOVERNANCE REPORT CONTINUED

Other positions held by the board members are as outlined in the table below.

Director	Name of company	Capacity
Abu Varachhia	Spear REIT Limited	Non-executive chairman
	Abma Properties Proprietary Limited	Director
	Abma Properties 786 Proprietary Limited	Director
	Aznab Properties Proprietary Limited	Director
	Cloudberry Investments 18 Proprietary Limited	Director
	Clusten 54 Proprietary Limited	Director
	Exiled Investments Proprietary Limited	Director
	Micromatica 970 Proprietary Limited	Director
	Mtshobela Capital Holdings Proprietary Limited	Director
	Nabaz Investments Proprietary Limited	Director
	Quarry Hill Developments Proprietary Limited	Director
	Trivot Properties 30 Properties CC	Director
	Alpha Plus Capital Pty Ltd	Director
	Upper East Side Hotel Proprietary Limited	Director
	Varachhia Family Trust	Trustee
	Flax Family Trust	Trustee
	Azhars Family Trust	Trustee
	Nabilahs Family Trust	Trustee
	VAXR Trust	Trustee
	Store-age Property REIT Limited	Non-executive
Dorpstraat Capital Growth Fund	Non-executive	
Mike Flax	Spear REIT Limited	Non-executive deputy chairman
	Easy Shoes Proprietary Limited	Director
	Fronsac Investments Limited	Director
	Scarlet Sun 58 Proprietary Limited	Director
	Upper East Side Hotel Proprietary Limited	Director
	ILET	Chairman
	Flax Family Trust	Trustee
	Ikamva Labantu Empowerment Trust	Trustee
	Quintin Rossi Family Trust	Trustee
	YPO Cape Town Gold	Executive
	King David Trust	Trustee
	Visio BCI Property Fund (CIS)	Executive
	VAXR Trust	Trustee
	Visio BCI Shari'ah Worldwide Flexible Property Fund	Executive
	Visio BCI SA Property Fund	Executive

Director	Name of company	Capacity
Quintin Rossi	Spear REIT Limited	CEO
	Spear Holdco Proprietary Limited	Director
	Upper East Side Hotel Proprietary Limited	Director
	Fundamental Holdings Proprietary Limited	Director
	Arrow Creek Investments 227 Proprietary Limited	Director
	Arrow 3 Investments Proprietary Limited	Director
	Arrow 4 Investments Proprietary Limited	Director
	23 Main Road Properties Proprietary Limited	Director
	Bantry Hills Proprietary Limited	Director
	Spear One Pty Ltd	Director
	Evlah Investments Pty Ltd	Director
	Rosvest Pty Ltd	Director
	Webram Four Pty Ltd	Director
	George Aerotropolis Pty Ltd	Director
	Quintin Rossi Family Trust	Trustee
	Toronto Family Trust	Trustee
	VAXR Trust	Trustee
	Salt River Improvement District	Director
	Stretsons Capital	Director
	LTR Capital	Director
Airprop Cape Town Pty Ltd	Director	
Crazy Cafe Trust	Trustee	
Christiaan Barnard	Spear REIT Limited	CFO
	Spear Holdco Proprietary Limited	Director
	Fundamental Holdings Proprietary Limited	Director
	Spear One Pty Ltd	Director
	Webram Four Pty Ltd	Director
	George Aerotropolis Pty Ltd	Director
	CBBJ Investments Pty Ltd	Director
Whiteroad Investments Trust	Trustee	
Brian Goldberg	Spear REIT Limited	Non-executive director
	Turnigen (Pty) Ltd	Director
	The Jenben Trust	Trustee
	The Saxon Park Trust	Trustee
	The Pinnacle Property Trust	Trustee
	The Flax Family Trust	Trustee
	The Leonard and Dorothy Sank Charitable Trust	Trustee
	The Zed Five Family Trust	Trustee
	Brian Goldberg Property Organisation CC	Member

GOVERNANCE REPORT CONTINUED

Director	Name of company	Capacity
Jalal Allie	Spear REIT Limited	Non-executive director
	Emarie Campbell Real Estate Proprietary Limited t/a Pam Golding Properties	Financial director
	Big Bay Beach Estates Proprietary Limited t/a Pam Golding Properties	Financial director
	Syfrets Property Brokers Proprietary Limited	Non-executive director
	Asim Financial Services Proprietary Limited	Director
	Sean McCarthy	Sujean Property Investments Pty Ltd
Sean McCarthy	Spear REIT Limited	Non-executive director
	Redfern Trust Enterprises Pty Ltd	Director
	Mega Park Investments Pty Ltd	Director
	Creative Gems Pty Ltd	Director
	Somerset Square Property Development Pty Ltd	Director
	One Vision Investments 38 Pty Ltd	Director
	Anjuzest Pty Ltd	Director
	Cape Lifestyle Investments	Director
	Golden Falls Trading 337 Pty Ltd	Director
	Normandie Development Pty Ltd	Member
	Greenpoint City Improvement District	Director
	Internetexpo Pty Ltd	Director
	The Jessmac Trust	Trustee
	The Megron Trust	Trustee
	Iris McCarthy Family Trust	Trustee
	The Maxmore Trust	Trustee
The Michele McCarthy Family Trust	Trustee	
Dr. Roze Phillips	Abundance At Work (Pty) Ltd	Director
	Spear REIT Limited	Non-executive director
	The Closet Collection	Director
	Novachill Pty Ltd	Director
	Gibbs Business Scholl	Non-Executive Director
	Netcare Limited	Non-executive director
	Rosvin (Pty) Ltd	Director

Director	Name of company	Capacity
Bongani Raziya	Burgan Cape Terminals (RF) (Pty) Ltd	Director
	Bulraz Properties Pty Ltd	Director
	Camel Fuels (Pty) Ltd	Director
	Camel Oil & Gas (Pty) Ltd	Director
	Carocept (Pty) Ltd	Director
	Cedar Falls Properties 116	Director
	Chimile Mining	Director
	Deauville Capital (Pty) Ltd	Director
	Dotwana Raziya Investments (Pty) Ltd	Director
	Gilstra Exploration (Pty) Ltd	Director
	Hakkason Property Investments (Pty) Ltd	Director
	Jicaro (Pty) Ltd	Director
	Kovacs Investments 220 (Pty) Ltd	Director
	Kushinga Coal	Director
	Lithemba Wonderfontein Coal (Pty) Ltd	Director
	Luwak Properties (Pty) Ltd	Director
	Manuas Capital (Pty) Ltd	Director
	Pagoda Resources (Pty) Ltd	Director
	Panaromic Office Solutions	Director
	Pedigree Property Investments (Pty) Ltd	Director
	Petregaz SA (Pty) Ltd	Director
	Rare Earth Elements Africa (Pty) Ltd	Director
	Razven Solution (Pty) Ltd	Director
	Revenue Consulting (Pty) Ltd	Director
	Royal Buffalo (Pty) Ltd	Director
	RX Medicals	Director
	Spear REIT Limited	Non-Executive Director
	Wavecrest Capital	Director
	Westand Investments 1065	Director

PRINCIPLE 8

The governing body should ensure that its arrangements for delegation within its own structure promote independent judgement and assist with balance of power and the effective discharge of its duties.

The board acknowledges that overall responsibility for managing Spear rests with the board as a whole. To assist it in fulfilling its responsibilities, the board delegates some of its functional responsibilities to its committees by means of clearly defined mandates. These committees report to the board on their deliverables in accordance with their board-approved terms of references on a continual basis. Each committee was satisfied that it had discharged its duties accordingly during the year under review.

There are five board committees to facilitate efficient decision-making and assist the board in the execution of its duties, powers and authorities as follows:

- Audit and risk committee
- Remuneration committee
- Social and ethics committee
- Nominations committee
- Investment committee

Audit and risk committee	Investment committee	Remuneration committee	Social and ethics committee	Nominations committee
Members				
Jalal Allie (Chair) Brian Goldberg Bongani Raziya	Brian Goldberg (Chair) Abu Varachhia Mike Flax Quintin Rossi Christiaan Barnard Bongani Raziya Sean McCarthy	Jalal Allie (Chair) Bongani Raziya Abu Varachhia	Dr. Roze Phillips (Chair) Quintin Rossi Brian Goldberg Bongani Raziya	Jalal Allie (Chair) Brian Goldberg Sean McCarthy
Composition				
<ul style="list-style-type: none"> • Minimum three directors • All independent • Independent chair • At least one member has relevant financial qualifications and experience 	<ul style="list-style-type: none"> • Board and Exco members • Independent chair 	<ul style="list-style-type: none"> • Majority independent • Independent chair and not board chair 	<ul style="list-style-type: none"> • Three independents • One prescribed officer • Independent chair 	<ul style="list-style-type: none"> • Two independents • One non-executive • Independent chair and not board chair

GOVERNANCE REPORT CONTINUED

Audit and risk committee	Investment committee	Remuneration committee	Social and ethics committee	Nominations committee
Responsibilities				
<ul style="list-style-type: none"> Review and monitor key policies and processes Make recommendations to the board regarding the auditor and lead audit partner Oversee and review the quality of the effectiveness of the external audit Monitor the existence, nature, extent, implementation and effectiveness of the internal control processes Review the effectiveness of the financial director and finance function Review the effectiveness of the risk management framework Review material risk exposures Review financial statements and reports from external auditors and make recommendations to the board Review significant financial reporting issues and assess the appropriateness of accounting policies 	<ul style="list-style-type: none"> Review, approve and recommend acquisitions to the board 	<ul style="list-style-type: none"> Ensure that the remuneration strategy is competitive to attract, develop and retain employees Review and approve the remuneration policy Approve the design of the Short-Term Incentive scheme, including determining the targets and participation thresholds Approve the design of the Long-Term Incentive scheme, including determining the allocation criteria and performance conditions Review and monitor the progress of the employment value proposition Determine the succession of senior management 	<ul style="list-style-type: none"> Oversight and monitoring of organisational ethics Oversight and monitoring of social and economic development Oversight and monitoring of good corporate citizenship Oversight and monitoring of customer relations Oversight and monitoring of environment, health and public safety Oversight and monitoring of broad-based black economic empowerment Oversight and monitoring of labour and employee engagement Compliance with applicable laws and regulations 	<ul style="list-style-type: none"> Review annually the board charter Determine restrictions on the number of listed company boards on which a director may serve Determine the service periods of directors Determine the retirement and succession of directors Determine a policy governing the seeking of independent professional advice by individual board members Review annually, the size structure and composition of the board Make recommendations on the appointment of new directors Identify and nominate candidates to fill board vacancies Approve the role and responsibilities of the Chairman and ensure there is a succession plan in place Evaluate annually the board and board committees' performance Evaluate annually the performance of the Chairman of the board Evaluate annually the performance of the Chief Executive Officer Evaluate annually the performance of the Company Secretary

Audit and risk committee	Investment committee	Remuneration committee	Social and ethics committee	Nominations committee
Key areas of focus for 2025				
<ul style="list-style-type: none"> Continuous effective risk management Ensuring the control environment remains effective 	<ul style="list-style-type: none"> Assisting the board in concluding accretive property deals 	<ul style="list-style-type: none"> Ongoing review and implementation of the remuneration policy to attract and retain vital talent Independent benchmarking exercise on executive remuneration to be conducted 	<ul style="list-style-type: none"> Implementation of environmental strategy Monitoring of the implementation of the compliance monitoring framework Improving the Company's performance in terms of its B-BBEE Level Contributor Status Review of environmental, social and governance reporting trends 	<ul style="list-style-type: none"> Ensuring the achievement of the broader diversification targets Evaluation of the effectiveness of the board to be conducted

Attendance at committee meetings for the year under review are as outlined on page 27 of the Integrated Report.

PRINCIPLE 9

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

The board evaluates its own performance every three years along with that of its committees. This is facilitated by each individual director completing a questionnaire anonymously. The responses of the questionnaire are then collected and collated whereafter the results therefrom are tabled to the board. Discussions are then held between the chairman and each individual director with regard to their performance and corrective action is taken, if required. The evaluation of the effectiveness of the board will be conducted in the 2025 financial year.

PRINCIPLE 10

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

The chief executive officer has delegated authority from the board regarding responsibility for and custodianship of day-to-day operations and risk management.

This mandate authorises the chief executive officer to command required resources, internal and external, to ensure that Spear is managed in accordance with its strategic objectives. The chief executive officer is further assisted in carrying out his duties by an executive team and senior management. Regular meetings are held between the executive team and senior management to attend to day-to-day operations and risk management. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority.

With the assistance of the remuneration committee, a succession plan for the chief executive officer and executive team is currently in place. Both the board and the executive team have access to corporate governance services which is deemed effective.

The other professional commitments of the chief executive officer is outlined on page 46 of this report. The notice period for the

chief executive officer as stipulated in his employment contract is three calendar months.

PRINCIPLE 11

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

The board is responsible for the governance of risk and delegates oversight thereof to the audit and risk committee to monitor the risk management framework and risk management processes. Risk management is an integral part of Spear's strategic management and is essential in ensuring sustainable growth.

The board is assisted by the audit and risk committee in managing the risk management framework that articulates and gives effect to its set direction on risk. The executive team further continues to monitor and identify key risks in the business.

During the year under review, emphasis was placed on mitigating key risks that had been identified in the industry such as loadshedding which results in increased consumption of fuels for generators. Spear implemented various solar panel initiatives and installed generators and invertors to mitigate the impact of the energy crisis on its properties as outlined in the Integrated Report. Spear will continue to assess and monitor these risks in the current year going forward. The diagram below sets out the risk management oversight framework.

Risk leadership	Board of directors		
	<ul style="list-style-type: none"> Provides oversight of risk exposures and risk-taking Sets and communicates expectations for risk management Approves appetite for risk 		
	Executive team		
	<ul style="list-style-type: none"> Sets business direction and resolves sufficient business risk issues Provides recommendations to the board on a risk policy framework, risk appetite and risk practices Implements operational risk management in the business units 		
Lines of defence	The business (1st line of defence)	Oversight functions (2nd line of defence)	Independent assurance (3rd line of defence)
	<i>Owns and manages risks</i> <ul style="list-style-type: none"> Property management and operations Acquisition and disposal of properties 	<i>Oversees and sets the framework and standards</i> <ul style="list-style-type: none"> Group risk Human resources Health and safety Group quality Technical services Legal and compliance Finance 	<i>Provides independent assurance of frameworks and controls effectiveness</i> <ul style="list-style-type: none"> External audit

PRINCIPLE 12

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

The board approves policy that articulates and gives effect to its set direction on the employment of technology and information and with the assistance of the executive team who tracks new developments in technology.

The executive team is responsible for the implementation of the ICT strategy against operational plans and had procured the services of an external service provider to manage Spear's technology and information framework. Spear's finance and property management functions are heavily reliant on technology and information. The board is of the view that the current technology and information frameworks are adequate.

PRINCIPLE 13

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

The board is responsible for the stewardship of Spear in discharging its obligations and assumes responsibility for monitoring management's implementation of board plans and strategies to promote ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles and practices, and Spear's own governing documents.

The board is assisted in achieving compliance with all applicable laws and regulations by the audit and risk committee and the social and ethics committee, the executive team and the company secretary. Regular legislative updates are provided to the

committees to assist the committees, and the board, in ensuring compliance with all applicable laws and regulations.

During the year under review and with the assistance of the social and ethics committee and the audit and risk committee, continued emphasis was placed on ensuring the effectiveness of the monitoring of compliance with all laws and regulations, which will continue in the ensuing financial year.

Furthermore, there were no significant environmental, social and/or governance-related incidents during the reporting period, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies during the financial year under review.

PRINCIPLE 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The board, with the assistance of the remuneration committee, assumes responsibility for policies relating to non-executive, executive and employee remuneration and the establishment of a remuneration strategy to promote the achievement of Spear's strategic objectives and encourages individual performance.

During the year under review and with the assistance of the remuneration committee, the board reviewed the remuneration trends in the market. All remuneration packages in Spear were benchmarked and adjusted to similar positions in the meetings industry to ensure that they were fair and competitive. In the ensuing financial year, Spear will conduct an external benchmarking exercise against a selected peer group consisting of companies of a similar size in a similar sector from the median comparator group on its total remuneration of the executives.

PRINCIPLE 15

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The board assumes responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions to enable an effective internal control environment. The board and its committees have a duty to assess with objectivity and to form their own opinion on the integrity of information and reports, both internal and external.

The audit and risk committee is primarily responsible for assisting the board in carrying out its duties with regard to accounting policies, internal controls, audit, financial reporting, identification and monitoring of risk and the relationship with the internal auditors and external auditors.

The board satisfied itself that a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance as described in the Integrated Report and financial statements.

PRINCIPLE 16

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

The board assumes responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation.

Regular communication, engagement and feedback is a cornerstone of building relationships with our stakeholders. The maintaining of stakeholder relationships is upheld via the board and management through various communication touchpoints to ensure that stakeholders feel part of, and integral to Spear.

A range of information is made available to the stakeholders via SENS announcements and our website as well as investor road shows and webcasts. Other shareholder engagement activities include the Annual General Meeting, the release of the Integrated Report and financial results.