

Principle no.	Description	Application
2.1	The board should act as the focal point for and custodian of corporate governance	The board assumes ultimate responsibility for compliance with the corporate governance principles as stipulated in the King Report. The charter of the board is based on these principles. The board meets at least once a quarter. The board provides a comprehensive corporate governance report to stakeholders in the integrated report.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	The board, in accordance with its terms of reference and all other committee's terms of reference, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. The group's risk management process considers all risks including strategic and operational risks.
2.3	The board should provide effective leadership based on an ethical foundation	The board provides effective leadership and is committed to the highest levels of corporate governance as a key driver of sustainability. The board requires that all employees of the group act ethically at all times.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	enX's Social & Ethics Committee reflects and effects the company's commitment to responsible corporate citizenship.
2.5	The board should ensure that the company's ethics are managed effectively	The Social & Ethics Committee monitors the group's activities and the impact thereof on the society and the environment. It strives to protect and invest in the well-being of the society and the environment and has adopted specific policies to ensure adherence of its principles. The group and its employees are required to operate in accordance with these policies.
2.6	The board should ensure that the company has an effective and independent audit committee	An effective and independent Audit & Risk Committee is in place. The committee's terms of reference outlines the roles, power, responsibilities and membership. See Audit & Risk Committee report on page 42. The board is satisfied that the Audit & Risk Committee is effective. The committee is chaired by independent non-executive director Nopasika Lila and further comprises independent non-executive directors Tony Phillips and Mpho Makwana.
2.7	The board should be responsible for the governance of risk	The board retains ultimate responsibility for the control and management of risk. The Audit & Risk Committee assists the board in ensuring that enX has in place a risk management framework that will enhance its ability to achieve its strategic objectives and that the disclosure regarding risk is comprehensive, timely and relevant. The committee further assists the board in monitoring risk management.
2.8	The board should be responsible for information technology ("IT") governance	The board acknowledges that IT governance is an integral part of corporate governance and has established an IT steering committee to assist it with implementing an IT governance framework.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The board, with the assistance of its committees, ensures that the group complies with applicable laws and considers adherence to non-binding rules, codes and standards.
2.10	The board should ensure that there is an effective risk-based internal audit function in place	The board has appointed BDO South Africa to implement an effective risk-based internal audit function across all subsidiaries and head office.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	The board of enX recognises and believes in the importance of developing and nurturing positive and stable relationships with key stakeholders as a key driver of business success. See stakeholder engagement on page 32 for further details.
2.12	The board should ensure the integrity of the company's integrated report	The board continues to ensure that the integrated report provides, as far as possible, an accurate view of the group's accountability for financial, social and environmental sustainability and that this thinking permeates the entire business.

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2.13	The board should report on the effectiveness of the company's system of internal controls	The Audit & Risk Committee is responsible for overseeing the independent internal audit, which assists management in assessing and reporting on the soundness of the company's system of internal controls. The board reviews the group's system of internal controls. The Audit & Risk Committee reports to the board at every board meeting on the internal audit progress and findings. This allows the board to review the effectiveness and adequacy of the group's internal controls.
2.14	The board and its directors should act in the best interests of the company	The board acknowledges its role as a trustee and steward of the interests and resources of the group. The board acts in accordance with the Board Terms of Reference. Stewardship of shareholders' investment, employees' livelihood and well-being, and the environment in which the group operates, are central to board decision-making at enX. The board acts in the best interests of the group by ensuring that each director: <ul style="list-style-type: none"> • Adheres to legal standards of conduct as set out in the Companies Act; • Exercises their fiduciary duties with the best interests of the group at heart; • Is permitted to take independent advice in connection with his or her duties; • Discloses real or perceived conflicts to the board and deals with them accordingly; • Deals in securities only in accordance with the policy adopted by the board; and • Is encouraged to attend all board and board committee meetings in an effort to better understand the business and to add benefit to the group.
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 monitors the group's solvency and liquidity. Business rescue has not been required.
2.16	The board should elect a Chairperson of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of Chairperson of the board	The Chairman of enX, Steven Joffe, is a non-executive chairman. Mpho Makwana serves as the Lead Independent Director. The roles of CEO and Chairman are separate and clearly defined.
2.17	The board should appoint the CEO and establish a framework for the delegation of authority	The board has appointed Paul Mansour as CEO and a delegation of authority framework is in place. The CEO is responsible for day-to-day operations and the controlled implementation of strategic and operational decisions. In this regard he is assisted by the Financial Director, Jarrod Friedman.

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2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	<p>The board comprises a majority of non-executive directors, with six non-executive directors, three of whom are independent, and two executive directors. The board is currently in the process of finding another suitable independent non-executive director to rebalance the board and ensure compliance with the Companies Act and King III.</p> <p>The responsibilities of the Chairman and CEO, and those of other non-executive and executive directors, are clearly separated to ensure a balance of power and prevent any one director from exercising unfettered powers of decision-making. The Chairman provides leadership to the board in all deliberations ensuring independent input, and oversees its efficient operation. The CEO is responsible for proposing, updating, implementing and maintaining the strategic direction of enX as well as ensuring appropriately supervised and controlled daily operations. In this regard, the CEO is assisted by the Financial Director, Jarrod Friedman.</p> <p>The non-executive directors are high calibre individuals who objectively contribute a wide range of industry skills, knowledge and experience to the board's decision-making process. The independent non-executive directors are not involved in the daily operations of the company.</p>
2.19	Directors should be appointed through a formal process	A formal and transparent appointment process is in place. The board, assisted by the newly separated Nominations Committee, is responsible for the appointment of new board members, including the CEO.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	A formal induction programme is in place and directors receive ongoing training.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	The functions of the company secretary are outsourced to an independent third party. The board of enX is satisfied with the skills and qualifications of CIS Company Secretaries Proprietary Limited, an independent company secretarial practice providing company secretarial services to a number of JSE listed companies. CIS Company Secretaries Proprietary Limited does not serve as a director of the board and has an arm's length relationship with the board.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	Evaluations and self-assessments have recently been conducted by the board and all its committees for the first time. The outcome of these evaluations will be presented to the board at its next scheduled meeting. Going forward, it is the board's intention to repeat the evaluations and self-assessments annually.
2.23	The board should delegate certain functions to well-structured committees, but without abdicating its own responsibilities	<p>The board of enX delegates certain functions, without abdicating its own responsibilities, to the following committees:</p> <ul style="list-style-type: none"> • Audit & Risk Committee • Remuneration Committee • Social & Ethics Committee • Nominations Committee • Investment Committee • IT Steering Committee <p>Specific responsibilities have been delegated to the board committees and they operate under written terms of reference approved by the board. The board committees report back to the board at every board meeting.</p>
2.24	A governance framework should be agreed between the group and its subsidiary boards	There is no formal governance framework regulating the relationship between the group board and the subsidiary boards. However, the subsidiary boards comprise only executives, who are governed by a formal group delegation of authority.
2.25	Companies should remunerate directors and executives fairly and responsibly	The remuneration committee oversees the group's remuneration policy for executive and senior management remuneration.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	The remuneration of directors is disclosed in the integrated report annually.
2.27	Shareholders should approve the company's remuneration policy	Shareholders consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy at the annual general meeting.