

KING IV APPLICATION REGISTER - ALARIS HOLDINGS LIMITED



Principle		Application / Explanation	Commentary
1	The governing body should lead ethically and effectively.	Applied	<p>The board of directors of Alaris Holdings Limited holds one another accountable for decision-making and ethical behavior. The Chairman of the Board oversees this on an ongoing basis. This responsibility is contained in the Board Charter which includes the Board code of conduct.</p> <p>No fraud or unethical behavior was detected during the external audit for the 2017/2018 period.</p>
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	<p>The Board established a Social and Ethics Committee responsible for monitoring and governance of the ethics of the Company. The role and responsibility of the Social and Ethics Committee is contained in a board-approved terms of reference.</p> <p>The HR Company Policy guides the interaction between employees, clients, stakeholders and suppliers. All executive directors of the Group and its subsidiaries are required to sign an anti-bribery declaration on an annual basis.</p>
3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Applied	<p>The Social and Ethics Committee monitors the Company's activities in relation to Corporate Citizenship.</p> <p>The Company is committed to making a difference in the lives of those less fortunate and participated in several social initiatives such as the Season of Sharing at the medical care division at Lambano, the Winter Warmer Project, as well as a Mandela Day Project in terms whereof staff donated non-perishable food, sporting equipment and school uniforms to Olievenhoutbosch Secondary School.</p>
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.	Applied	<p>The CEO is mandated to implement the Company's strategy to ensure that the Company's ability to create value in a sustainable manner is illustrated throughout its business model.</p> <p>The Board as a whole remains responsible for the governance of risk and has delegated this responsibility to the Audit and Risk Committee. This Committee assists the Board with the governance of risk and helps ensure the monitoring of risks while evaluating that effective mitigating factors are in place. This responsibility is contained in the Board Charter and the Audit and Risk Committee terms of reference.</p>
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.	Applied	<p>The Board approved the Integrated Annual Report which informs stakeholders of the organisation's performance, as well as the medium and longer-term strategy, on recommendation of the Audit and Risk Committee.</p>
6	The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	Applied	<p>The Board acts in accordance with a Board Charter and is the focal point and custodian of corporate governance within the Company. The Board delegated some of its functions to board committees such as the:</p> <ul style="list-style-type: none"> - Audit and Risk Committee;

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			<ul style="list-style-type: none"> - Social and Ethics Committee; - Remuneration Committee; and - Nomination Committee. <p>Shortly prior to year end, the functions of the Nomination and Remuneration Committee was separated to form a Nomination Committee and a Remuneration Committee.</p>
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.	Applied	<p>The Board and its board committees consider on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities.</p> <p>The Board was satisfied that it comprises the appropriate balance of skills, experience, diversity, independence and knowledge to discharge its role. One additional independent non-executive director was appointed, and the Board sub-committees were reconstituted following the appointment.</p> <p>The Board conducted a self-assessment of the Board and its committees and was satisfied with the outcome thereof and that no remedial action was required.</p>
8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Applied	<p>The board committees were restructured to ensure that its composition is aligned with the requirements in terms of King IV. The Board and its committees strive to fully comply with the requirements of King IV and will continue doing so going forward.</p> <p>Furthermore, there is a clear balance of power that ensures that no individual/s has undue/unfettered decision-making powers.</p>
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Applied	<p>The Board and all board-committees' terms of reference include the onus of annual assessments. Going forward, an annual assessment of the performance of the Board, its committees and the company secretary will continue to be conducted annually by way of internal evaluation processes.</p> <p>A new company secretary was appointed with effect from 1 December 2017. A performance assessment of the company secretary will be conducted once the company secretary has been in office for a year.</p>
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	Applied	<p>The Delegation of Authority between the Board and the CEO is largely governed by the principles of King IV and the requirements of the JSE Limited. This delegation is also included in the Board Charter.</p>

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			The Board is satisfied that the Company is appropriately resourced in its Finance Department. An assessment of the effectiveness of the Financial Director's performance is conducted annually by the Audit and Risk Committee and confirmed in the Integrated Report.
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	<p>The Audit and Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Company.</p> <p>The Audit and Risk Committee delegates to management the responsibility to continuously identify, assess, mitigate and manage risks within the operating environment.</p>
12	The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives.	Applied	The Board, together with the Audit and Risk Committee, oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Company's strategy. Key risks concerning technology are a regular board and sub-committee agenda.
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.	Applied	<p>The Board through the Social and Ethics Committee, monitors compliance with the various regulations the Company is subject to.</p> <p>There were no contraventions of areas of non-compliance for the period under review, relating to breaches of the requirements of the JSE Limited and the Companies Act.</p>
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 short, medium and long term.	Applied	<p>The Board, assisted by the Remuneration Committee ensures that staff members are remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in a sustainable manner. In this regard, the Remuneration Policy has been drafted and regularly considered by the Remuneration Committee.</p> <p>These responsibilities are also contained in the terms of reference of the Remuneration Committee.</p>
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.	Applied	<p>The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. The Board relied on the Audit and Risk Committee for the results that are presented in the Integrated Annual Report and approved same on recommendation of the said Committee.</p> <p>This responsibility is contained in the terms of reference of the Audit and Risk Committee and the Board Charter.</p>
16	In the execution of its governance roles 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.	Applied	The governing body acknowledges that key stakeholders are vital to the ongoing sustainability of the business. This is reflected in the stakeholder engagement model details on page 10 -11 of the integrated report.

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17	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	Not an institutional investor.	Alaris is not an institutional investor.