



EFORA ENERGY LIMITED
KING IV APPLICATION REGISTER

Principle **Application / Explanation**

Leadership, ethics and corporate citizenship

Leadership

1. The governing body should lead ethically and effectively.	The board of directors (“Board”) of Efora Energy Limited (“Efora, together with its subsidiaries and joint venture, the “Group”) hold one another accountable for decision-making and ethical behaviour. The Chairman of the Board oversees this on an ongoing basis. This responsibility is contained in the Board Charter that includes the Board code of conduct. No fraud or unethical behaviour was detected during the external audit for the 2024 financial year (“FY2024”).
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Organisational Ethics

2. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	<p>The role and responsibilities of the Social and Ethics Committee have been combined with those of the Remuneration Committee to form a combined Social, Ethics and Remuneration Committee (“SERC”).</p> <p>The Board assisted by the SERC is responsible for overseeing governance of ethics practices within the Group. This is contained in Board-approved terms of reference of the SERC.</p> <p>The Group’s code of ethics guides the interaction between employees, customers, stakeholders, suppliers and the communities within which it operates. An independently managed whistleblowing hotline is also in place to assist with the reporting of unethical behaviour. Reports from the whistleblowing hotline are presented quarterly to the SERC and Board. There were no incidents of unethical behaviour reported or detected during FY2024.</p>
3. The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<p>The SERC monitors the Company’s activities in relation to corporate citizenship. The Group ordinarily participates in community and well-being activities, however these initiatives were minimal during the year under review due to the infancy of the wholesaling operations which commenced in December 2022.</p>

Strategy, performance and reporting

Strategy and performance

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 applies integrated thinking in the formulation of and monitoring of the implementation of the Group’s strategy as a basis for sustainable value creation. The Group’s risks and opportunities which are regularly assessed and monitored quarterly as part of the Enterprise Risk Management (“ERM”) Framework inform its strategy and business model. The Board also considers the needs and expectations of various stakeholders in identifying material matters which inform the strategy and underpin value creation.
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Reporting

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.	On recommendation of the Audit and Risk Committee (“ARC”), the Board approved the Annual Financial Statements of the Company for the year ended 29 February 2024 (“2024 AFS”), and the Integrated Annual Report for the year ended 29 February 2024 (“2024 IAR”), which inform stakeholders of the organisation’s performance, as well as the medium and longer-term prospects. The 2024 AFS were audited by the Group’s External Auditor and the 2024 IAR was reviewed by the Company’s sponsor, company secretary and External Auditor.
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The timeliness of the issuance of the 2024 AFS and 2024 IAR was impacted by the delay in obtaining the financial results of a former material subsidiary of the Company for the year ended 28 February 2021 which were required for the preparation of the consolidated annual financial statements of the Company for that year. This had an impact on the publication of subsequent results, including the 2024 AFS. All outstanding results have been issued and the Company is in the process of applying for the lifting of the suspension of trade in the Company's shares on the JSE.

The 2024 AFS and 2024 IAR are available on the Efora website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.

Governing structures and delegation

Primary role and responsibilities of the [Board/governing body]

6. The governing body should serve as the focal point and custodian of the corporate governance in the organisation.
- The Board acts in accordance with a Board Charter and is the focal point and custodian of corporate governance within the Company. The Board is assisted in discharging some of its functions by the following Committees:
- ARC;
 - SERC;
 - Investment Committee; and
 - Nominations Committee.

The Board ultimately remains responsible for corporate governance.

Composition of the Board

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.
- The Board comprises a majority of Independent Non-executive Directors – four out of a total of five directors. All five directors possess the required knowledge, skills and experience, and two out of the four Independent Non-executive Directors are female. The composition, skills, experience, diversity, knowledge and independence of the Board and its members are highlighted in the 2024 IAR which is available on the Company's website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.

The Board is satisfied that it comprises the appropriate balance of skills, experience, diversity, independence and knowledge to discharge its role. The Board conducted a board effectiveness assessment, and affirmed that the roles and responsibilities of the directors were carried out in adherence to the Board Charter, the Companies Act and King IV principles.

Committees of the Board

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.
- The Board committees are structured to ensure that their composition is aligned with the requirements of King IV and the Companies Act. The composition of the Board and its committees fully complies with the requirements of King IV and the Companies Act. The composition of the various committees is set out in the 2024 IAR, as well as key focus areas, details of external advisors and number of meetings held and attendance thereat. Committee terms of reference are available on the website of the Company at www.eforaenergy.com. The Board is satisfied that the current structure and composition of the Committees enable effective collaboration and that there is a clear balance of power that ensures that no individual has undue/unfettered decision-making powers.

Evaluations of the performance of the Board governing body

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.
- The Board and all Board-committees' terms of reference mandate annual assessments. Annual assessments of the performance of the Board and the Company Secretary were satisfactorily undertaken during the year under review. The Board will continue to conduct assessments annually by way of internal evaluation processes.

Appointment and delegation to management

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.
- The Delegation of Authority ("DOA") between the Board and Management is largely governed by the principles of King IV and the requirements of the JSE Limited and the Companies Act. This delegation is also included in the Board Charter.

A DOA policy and framework indicating the matters reserved for the Board and senior management has been developed. The DOA is reviewed by the Board annually. The Board is satisfied that the DOA adequately addresses role clarity and ensures the effective exercise of authority and responsibility.

The Board has appointed an outsourced Company Secretary who has served the Company for several years. The Board is satisfied that the Company Secretary has the requisite experience, knowledge, and skills to effectively exercise the required authority and responsibility. Board members have direct access to the Company Secretary and to external advice when required on corporate governance and other matters. The Board is satisfied that the Company Secretary acts on an arms-length basis and that arrangements in place in this regard are effective.

The CEO's employment contract is governed by a fixed-term employment agreement for 12 months and subject to the standard employment conditions applicable to the Group. The contractual conditions of the CEO include a three-month notice period. The agreement is reviewed and renewed annually by the SERC and approved by the Board on recommendation of the Committee. Currently the Nominations Committee monitors and reviews the succession plan for executive and managerial roles. Succession planning for the CEO and CFO roles is being considered and will be completed and aligned with the Group's strategic objectives.

Governance functional areas

Risk governance

11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
- The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Group. The ARC assists the Board with the governance of risk. The committee is responsible for developing the Group's risk management strategy and assists the Board to set the levels of risk tolerance and appetite.

A comprehensive ERM Framework and a Combined Assurance Model are in place to facilitate the continuous identification, assessment, mitigation, management and reporting of risks within the operating environment. ERM reports, including risk registers, are provided to the ARC, and ultimately the Board, quarterly.

The 2024 IAR outlines risk management processes in place, key risks faced by the Group and actions taken to mitigate risks. The report also highlights key focus areas during the reporting period with respect to risk management. The 2024 IAR is available on the Company's website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.

Technology and information governance

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

The Board is aware of the importance of information technology in relation to the Company's strategy. The Board, together with the ARC oversees the governance of information technology. The ARC is assisted by the IT Steering Committee in exercising its oversight role over IT Governance.

An IT governance framework is in place which is aligned with the business strategy and is regularly monitored for compliance and performance. Its objective is to set the IT strategy, manage risks, measure performance and ensure business continuity, ultimately delivering value for all stakeholders. The IT governance framework is also integrated with the Group's ERM framework and IT risks are regularly identified, assessed and mitigated. The ARC received various reports on IT governance on a quarterly basis.

Compliance governance

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.

The Board through the SERC and ARC, monitors compliance with the various laws, regulations, codes and standards that the Group is subject to.

The Group maintains a compliance register presented to the ARC, SERC, and ultimately the Board, quarterly.

There were no contraventions or areas of non-compliance for the year under review, relating to breaches of the requirements of the JSE Limited, the Companies Act and other codes, regulations and standards, except with respect to the late publication of the financial results of the Company as fully set out in the ARC Report contained in the 2024 AFS. Other than the suspension in trading of the Company's shares on the JSE pursuant to the late publication of financial results, there were no material penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations.

Remuneration governance

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, assisted by the SERC ensures that employees are remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value in a sustainable manner. This responsibility is contained in the terms of reference of the SERC.

The Group's Remuneration Policy is disclosed in the 2024 IAR and remains unchanged. The remuneration outcomes for the year under review are disclosed in the 2024 AFS. The 2024 IAR and 2024 AFS are available on the Company's website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.

Assurance

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 is assisted by the ARC to obtain assurance on the effectiveness of the control environment and the integrity of information and reports of the Group.

During the year under review the Board obtained assurance on the control environment and external reports from the following:

- External auditors
- Internal control self-assessments performed by management

There were no material weaknesses in internal financial controls applicable to any of the Group companies.

The report of the ARC also confirms that the Committee was satisfied with the quality of the external audits, that the external auditors are independent and that no non-audit services were performed. The Committee remained satisfied with the tenure of the External Auditor. The 2024 AFS which contain the report of the ARC are available on the Company's website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.

Stakeholders

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.
- The Company has identified material stakeholders and considers their needs and expectations in determining material matters that inform the strategy of the Group.
- The 2024 IAR identifies the Company's material stakeholders and outlines the Group's stakeholder engagement process. The needs and expectations of these stakeholders, and methods of engagement are also highlighted in the report and remain unchanged. The 2024 IAR is available on the Company's website <https://www.eforaenergy.com/category/investor-centre/financial-results/>.
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.
- The Company is not an institutional investor.