



KING IV™ APPLICATION REGISTER

FOR THE YEAR ENDED 30 JUNE

2021



KING IV™ APPLICATION REGISTER

Principle	Application
<p>1. The governing body should lead ethically and effectively.</p>	<ul style="list-style-type: none"> • The board takes overall responsibility for Adapt IT's success and is responsible for approving the strategic direction of Adapt IT's business, as set out in the board charter. The directors have signed an acknowledgement of their fiduciary duties. • The board conducts its business in the best interest of the company and ensures that Adapt IT performs in the interests of its broader stakeholder groups, including present and future investors in Adapt IT, its customers and clients, business partners, employees and the societies in which it operates. • The board and the individual directors must, at all times, act in the best interest of Adapt IT and adhere to all relevant legal standards of conduct. • The board continues to adhere to the company's declarations of interest policy, which is based on the Companies Act requirements. • The board provides effective leadership to the group, premised on the belief that governance remains the foundation for ensuring Adapt IT's long term success. • The board pays close attention to cementing appropriate governance processes and frameworks, which ensure that the group is compliant with the regulatory environment that governs the business landscape, including the application of the King IV™ Code on Corporate Governance (King IV™), the JSE Listings Requirements, the Companies Act, and other applicable legislation. • It is further responsible for monitoring compliance with all relevant laws, regulations and codes of business practice and ensuring that Adapt IT communicates effectively with its stakeholders.
<p>2. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<ul style="list-style-type: none"> • The board, assisted by the Social and Ethics Committee, oversees the governance of ethics in Adapt IT, which is detailed in the code of ethics that was approved by the board. • The code of ethics guides the interaction between employees, clients, stakeholders, suppliers and the communities within which Adapt IT operates. Compliance by all employees to the high moral, ethical and legal standards of the code is mandatory, and appropriate action is taken in respect of any and all instances of non-compliance. • The Board is the custodian of ethics in Adapt IT and assumes responsibility for ensuring that Adapt IT, its employees, structures and supply chains are all subject to the utmost standards of ethical conduct. The Board is regularly apprised of, and interrogates the effectiveness, the dissemination of ethics-related information and programmes. • Adapt IT established an Ethics Compliance Committee ("ECC") which has an independent role however, is accountable to the Social and Ethics Committee. The ECC assists in ensuring that the Company conducts its business with the highest standards of ethical behaviour. The ECC will ensure that the Code of Ethics and Conduct Policy, which is intended to guide ethical behavior across the Company, is adhered to at all times and any deviations in behaviour are investigated and dealt with appropriately. • Adapt IT has an independent Ethics Tip-off Hotline that allows the reporting of information that can identify risks for investigation, prevent financial losses and facilitate the development of controls that will aid in the detection and prevention of fraud, corruption and unethical behaviour. This is done through a confidential conduit to assist employees in reporting sensitive information without fear of retribution. Any significant cases are tabled at every Social and Ethics Committee meeting where these cases are reviewed, and best course of action agreed. • Adapt IT also has an ongoing programme to follow international best practice and complies with various laws, including the Prevention and Combating of Corrupt Activities Act, the United Kingdom Bribery Act, and the Foreign Corrupt Practices Act. • Conflict of interest is a standing agenda item on all Board and committee meetings and a Declarations Register is submitted accordingly. The directors of the company complete a Director's Disclosure Form annually and the Declarations Register is updated over, and above disclosures declared at each meeting. • Adapt IT has put in place Covid-19 protocols relating to working in the office and a working from home policy and effectively monitors compliance with same in line with legislation and regulations.

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3. The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<ul style="list-style-type: none"> The board, assisted by the Social and Ethics Committee, oversees the governance and activities relating to demonstrating that the group is a good corporate citizen, including compliance with the South African Constitution, laws, standards and own policies and procedures, as well as consistency with the group's purpose, strategy, and code of ethics. The Company's Corporate Social Investment ("CSI") programmes are focused primarily on education. The Company continues to invest in Skills development, learnerships and Adapt IT's bursary scheme. The Social and Ethics Committee is further accountable for ensuring the existence of an ethical and responsible relationship between Adapt IT and the society in which it operates, through a code of ethics.
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.	<ul style="list-style-type: none"> The board is ultimately responsible for the governance of risk, provides the direction on risk management philosophy, and approves the risk appetite and tolerance levels, ensuring that the risks are managed within these levels. The board has mandated the Audit and Risk Committee to monitor and oversee risk management and to consider opportunities as appropriate, within the ambit of its terms of reference and the Enterprise Risk Management framework. The Board is duly cognisant that the delegation of this task to the Executive Committee does not absolve it of its responsibility and accountability. The Adapt IT Enterprise Risk Management framework provides a methodology to achieve this by providing guidance to implement a consistent, efficient, and economical approach to identify, evaluate and respond to key risks that may impact business objectives. The framework is based on the principles embodied in the Enterprise Risk Management Framework published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, the International Standard on Risk Management (ISO 31000) and King IV™.
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.	<ul style="list-style-type: none"> The board, assisted by its sub-committees, oversees that the various reports are compliant with legal reporting requirements and meet the reasonable and legitimate needs of the stakeholders. The board, assisted by the Audit and Risk Committee, ensures that an Integrated Annual Report issued is in line with the Companies Act and the JSE Listings Requirements. The Audit and Risk Committee approves the basis for determining materiality for the purposes of inclusion in reports. The board, assisted by the Audit and Risk Committee, will ensure the integrity of external reports and furthermore ensures that the necessary controls are in place to verify and safeguard the integrity of the Integrated Annual Report and any other disclosures. The board delegates to management the uploading of the King IV™ disclosure requirements, Integrated Annual Report, financial statements and other external reports, on its website. The board requires objective and honest communication with investors in a timely, relevant and balanced manner. It is practice to engage with shareholders on a frequent basis. Adapt IT's investor Information is posted timeously on the website, www.adaptit.com. Transparent communication and engagement with stakeholders is vital to ensure that the principles on stakeholder management expressed in the King IV™ Code are adopted. The group's annual general meeting provides an important platform for engagement with shareholders and offers them the opportunity to participate in discussions relating to the company.
6. The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	<ul style="list-style-type: none"> The board serves as the focal point and custodian of corporate governance. Its role and responsibilities and the way it executes its duties and decision-making are set out in the board charter and the terms of reference of the Audit and Risk Committee, the Remuneration Committee, the Nominations Committee and the Social and Ethics Committee. The board takes responsibility to provide direction and strategy to the company, oversees and monitors, ensures accountability and approves policies and planning to achieve the governance role. The corporate governance section of our online Integrated Annual Report illustrates our commitment to good corporate governance. A protocol regarding the procedure the Board is to follow in order to obtain independent, external professional advice is in the process of being implemented.

Principle	Application
<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.</p>	<p>Composition of the governing body</p> <ul style="list-style-type: none"> • The board is satisfied that the current composition of the board has been made taking into account the size of the group, the optimal mix of knowledge, skills, experience, independence, the requirement in numbers for its committees, quorum requirements and regulatory requirements. • None of the non-executive board members have previously worked, audited or been an audit partner for Adapt IT. • In accordance with Principle 7 of King IV™, the board is deemed to be suitably constituted and comprises a balance of four independent non-executive directors and three executive directors, with all of the non-executive directors being independent. • The Chairman of the board is an independent non-executive director. • The board appointed Oliver Fortuin as the lead independent director of the board. • In line with best practice, the roles of the Chairman and the Chief Executive Officer are separate, and a clear division of authority exists between these roles. • The non-executive directors represent a wide range of skills and experience including information technology, financial, legal and commercial. • The board is diverse and monitors its diversity to seek to maintain or improve diversity as vacancies occur on the board. • A succession plan for the board of Adapt IT as well as executive management is in place. <p>Nomination, election and appointment of members to the governing body</p> <ul style="list-style-type: none"> • The board, through the Nominations Committee, is accountable for the thorough and objective nomination and appointment of members to the board and committees of the board. In so doing, the committee regularly reviews the structure, size and composition of the board and evaluates the balance of race, gender, skills, knowledge and experience of members in line with the Diversity Policy. The board charter includes a formal and transparent process for the nomination, election and appointment of directors to the board. • A board induction policy was approved and has been implemented. <p>Independence and conflicts</p> <ul style="list-style-type: none"> • The company has a unitary board with a majority of non-executive directors. • All non-executive directors are independent. • The board views the objective judgement of directors as an essential attribute. • The company observes the conflict of interest procedures and requirements of section 75 of the Companies Act, and the independence of non-executive directors is further advocated for in the company's board Charter, duly aligned to King IV™ requirements. <p>Chair of the governing body</p> <ul style="list-style-type: none"> • The Chairman of the company is an independent non-executive director. • The Chairman of the company is not a member of the Audit and Risk Committee.

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<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.</p>	<ul style="list-style-type: none"> • In line with the formally adopted terms of reference aligned to Principle 8 of King IV™, the board meets formally four times per year and reviews strategy, operational performance, capital expenditure, risk management, internal controls, communications and other material aspects pertaining to Adapt IT's business. Additional ad-hoc meetings are held to deliberate on various matters of substance, when necessary. • Further, the board has delegated authority for specific matters to a number of well-structured board committees which have formal terms of reference and report to the board on a regular basis. <p>Audit and Risk Committee</p> <ul style="list-style-type: none"> • The Audit and Risk Committee (committee) is constituted as a statutory committee in terms of the Companies Act of South Africa and operates as a committee of the board in line with the board-approved mandate and terms of reference as set out in its charter. • The committee's formal terms of reference contained in the charter are reviewed annually in line with best practice and to conform with King IV™ and the Companies Act of South Africa. • The Audit and Risk Committee provides an independent oversight of the assurance functions and on the integrity of the annual financial statements and other external reports. • The Audit and Risk Committee oversees risks that may affect the integrity of external reports. • The Audit and Risk Committee is satisfied that it has the necessary financial literacy, skills and experience, and that all members are independent non-executive members. • The Audit and Risk Committee monitors and oversees risk management and considers opportunities as appropriate, within the ambit of its terms of reference and the Enterprise Risk Management framework. <p>Remuneration Committee</p> <ul style="list-style-type: none"> • The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing a policy for executive directors' remuneration and performance appraisals and for establishing remuneration packages for key senior management. • The committee is also responsible for making recommendations to the board on all fees payable to non-executive directors, subject to shareholder approval and considers the performance and independence of all non-executive directors. <p>Nominations Committee</p> <ul style="list-style-type: none"> • The Nominations Committee is accountable for the thorough and objective nomination and appointment of members to the board and committees of the board. In so doing, the committee regularly reviews the structure, size and composition of the board and evaluates the balance of race, gender, skills, knowledge and experience of members in line with the Diversity Policy. • The committee assists in the preparation of descriptions of roles and capabilities required for appointments, satisfies itself with regard to succession planning and that processes are in place with regard to both board and senior group appointments, monitors the leadership needs of the board and recommends procedures for annual director performance evaluations. It ensures that board candidates have sufficient time to devote to board duties, and that appointees receive formal letters of appointment and additional communications detailing duties and time commitments, together with induction plans. • The committee makes recommendations to the board regarding the re-appointment of non-executive directors, the continuation in service of directors and the appointment of directors to executive or other offices and appointments to the committees of the board. • The induction and ongoing training and development of directors is conducted through the formal processes adopted through the Nominations Process that has been established as recommended by the Nominations Committee and approved by the board as per the recommendations of King IV™.

Principle	Application
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 continued	<p><i>Social and Ethics Committee</i></p> <ul style="list-style-type: none"> The Social and Ethics Committee is accountable for ensuring the existence of an ethical and responsible relationship, between Adapt IT and the society in which it operates, through a code of ethics. The committee establishes formal and transparent arrangements to achieve equity in the workplace through the promotion of equal opportunity and fair treatment via the elimination of unfair discrimination. It further implements affirmative action measures to redress the disadvantages in employment experienced by designated groups, so ensuring equitable representation at all levels in the workplace. The committee addresses training and development, a safe and healthy workplace and employee wellbeing. The committee oversees B-BBEE, corporate social investment and enterprise development activities as well as its environmental progress and broader stakeholder relations of Adapt IT. In addition to that which has been reported above, the chairperson ensures that the board applies its collective mind to all reports and matters for decision. All board and committee charters/terms of reference stipulate the critical aspects of composition, role, function, authority, and reporting requirements for the committee. External advisors, executive directors and members of management attend the committee meetings by invitation.
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..	<ul style="list-style-type: none"> The board and individual directors' performance is assessed annually in terms of the board Charter, through a formal process of detailed evaluation questionnaires. The assessment includes the Chairperson, the board as a whole as well as the board committees, including committee members, in order to evaluate their effectiveness and performance
10. The governing body should ensure that the appointment of and delegation to management contributes to role clarity and effective exercise of authority and responsibilities.	<ul style="list-style-type: none"> A complete governance structure with a functional board and Committees necessary for delegation and accountability form the basis of governing Adapt IT. As mandated by this structure, the Executive Committee meets regularly to deliberate on matters of strategy, budget, business planning and the effective operation of the business and monitors the performance of the divisions. The committee provides leadership on key issues to divisions. The committee comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and divisional executives.
11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	<ul style="list-style-type: none"> The board, through the Audit and Risk Committee, is accountable for the process of risk govern risk in a way that supports management and internal control systems and for reviewing the effectiveness thereof. It is also the organisation in setting and responsible for establishing risk and control policies and ensuring these are communicated achieving its strategic objectives. throughout the Adapt IT business. The board has mandated the Audit and Risk Committee to monitor and oversee risk management and to consider opportunities as appropriate, within the ambit of its terms of reference and the Enterprise Risk Management framework.
12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	<ul style="list-style-type: none"> The board recognises that IT is an integral part of conducting business at Adapt IT, as IT is fundamental to the support, sustainability and growth of the organisation. IT serves all aspects, components and processes in the organisation and is therefore not only an operational enabler for Adapt IT, but a strategic business asset which can be leveraged to create opportunities and to gain competitive advantage. The board is cognisant of the fact that as much as IT is a strategic asset within Adapt IT, it also presents the organisation with significant risk. The IT risks are governed and controlled to support Adapt IT's strategic objectives. In line with King IV™, technology and information governance forms part of the governance structures and the board has deemed it appropriate to delegate this function to the Audit and Risk Committee. However, the responsibility of IT governance ultimately resides with the board.

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Principle	Application
13. The governing body should govern compliance with applicable laws and adopts non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	<ul style="list-style-type: none"> • The board, with the assistance of the Audit and Risk Committees, ensures that the group complies with applicable laws, adopts non-binding rules, codes and standards. • The group has identified all of the laws, codes and standards that impact its operations. • The board has delegated the responsibility for implementing compliance to management. • The board considers the relevant data protection laws that apply to Adapt IT, to ensure that the processing of personal information is secure and in line with the relevant laws, including the South African Protection of Personal Information Act (POPIA) and the European General Data Protection Regulation (GDPR). The company has appointed an Information Officer.
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.	<ul style="list-style-type: none"> • The board, by means of the Remuneration Committee, is responsible for establishing a formal and transparent procedure for developing a policy for executive directors' remuneration and performance appraisals and for establishing remuneration packages for key senior management. • In addition to the above, the committee is responsible for making recommendations to the board on all fees payable to non-executive directors, subject to shareholder approval and considers the performance and independence of all non-executive directors. • The Remuneration Committee, consisting of three independent non-executive directors and the Chief Executive Officer (by invitation), is responsible for recommending to the board, on an annual basis, the remuneration packages of the executive directors. • The remuneration policy, overseen by the Remuneration Committee, supports the business strategy to create sustainable value for stakeholders both in the short term and the long term through the implementation of a high-performance culture. • In line with the recommended practices in King IV™, both the remuneration policy and the implementation report are tabled annually for separate non-binding advisory votes by the shareholders at the annual general meeting (AGM).
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.	<ul style="list-style-type: none"> • The Audit and Risk Committee operates under formally adopted terms of reference aligned with King IV™, assisting the board to fulfil its oversight responsibility on corporate governance. Its specific responsibility is on accurate financial reporting and the existence of adequate financial systems and controls. • The Audit and Risk Committee discharges its responsibility by evaluating the operations and findings of both internal and external audit and by assessing the appropriateness and adequacy of the accounting procedures and the systems of internal financial and operational control. • The Audit and Risk Committee is accountable for the process of risk management and internal control systems and for reviewing the effectiveness thereof. It is also responsible for establishing risk and control policies and ensuring these are communicated throughout the business. • In accordance with the Audit and Risk Committee charter, the committee consists of no less than three independent non-executive directors, one of whom is the Chairperson of the committee. • The Chairperson of the Audit and Risk Committee is not the Chairman of the board. • The Chief Executive Officer, Chief Financial Officer, internal auditors and external auditors are required to attend Audit and Risk Committee meetings but do not vote at meetings of the committee. Other board members also have the right of attendance only. • Adapt IT's internal auditors and external auditors have unfettered access to members of the Audit and Risk Committee and the Chief Executive Officer. • The company secretary is secretary to the Audit and Risk Committee. • The Audit and Risk Committee reports on its findings to the board after each formal committee meeting.

Principle	Application
<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.</p>	<ul style="list-style-type: none"> • The board requires objective and honest communication with investors in a timely, relevant and balanced manner. It is practice to engage with shareholders on a frequent basis. Adapt IT's investor information is posted timeously on the website, www.adaptit.com. • Furthermore, transparent communication and engagement with stakeholders is deemed as vital to ensure that the principles on stakeholder management expressed in the King IV™ Code are adopted. • The board conducts its business in the best interest of the company and ensures that Adapt IT performs in the interests of its broader stakeholder group, including present and future investors in Adapt IT, its customers and clients, business partners, employees and the societies in which it operates. • 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. • The board oversees that the company encourages proactive engagement with shareholders, including engagement at the AGM of the company.
<p>17. The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.</p>	<ul style="list-style-type: none"> • Not applicable, the group is not an institutional investor.