

King IV Principles and activities of MiX Telematics Limited (“the Company”)

Principles	MiX Activities	Focus Areas
Leadership, Ethics and Corporate Citizenship		
Leadership		
<p>1. The governing body should lead ethically and effectively.</p>	<p>The Board of Directors of the Company (“Board”) exercises effective leadership, adhering to the duties of a director.</p> <p>The Board’s functions are outlined in the Board Charter and the Company’s Memorandum of Incorporation.</p> <p>Effective and ethical leadership is entrenched in the Board’s decision-making and the Board complies with the principles of the Code of Ethics and Conduct, which is based on integrity, competence, responsibility, accountability, fairness and transparency in achieving the strategy and leadership of the Company.</p> <p>The Code of Ethics and Conduct is subject to regular review to ensure alignment with the current environment, updated documents are communicated to all employees and directors and are available on the Company website.</p> <p>Ethical characteristics are considered during performance evaluations of each director.</p>	<p>The Board’s focus during fiscal 2020 has been on:</p> <ul style="list-style-type: none"> • reviewing the various policies and charters to ensure on-going alignment with the best practices; and • the process regarding the change from a Foreign Private Issuer to a U.S. Domestic Filer on the New York Stock Exchange (“NYSE”). The Company is required to comply with all U.S. and NYSE rules as if we are a domestic company in the U.S. as well. <p>The Board will continue to focus on embedding a strong ethical culture within the organization.</p>
Organizational Ethics		
<p>2. The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture.</p>	<p>The Code of Ethics and Conduct has been adopted and applies to all employees and directors of the Company.</p> <p>The Social and Ethics Committee monitors compliance with our codes and policies and has taken steps to ensure that ethical business practices are pervasive throughout the Group.</p>	<p>Training programs will continue to be revised and updated as required.</p> <p>The Social and Ethics Committee will continue to act to improve the awareness of the Code of Ethics and Conduct within the organization.</p>

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	<p>The Company values integrity, and puts ethics above profits, and the arrangements for ensuring that organizational ethics is maintained is contained in the Code of Ethics and Conduct.</p> <p>Annual training on ethics and anti-corruption and bribery is conducted and is mandatory for all employees, including non-executive directors. Surveys on ethical behavior are independently conducted on an <i>ad hoc</i> basis, and results and feedback are provided with recommendations to the Social and Ethics Committee, which then feeds back to the various regional offices for remediation, if necessary.</p> <p>A system whereby employees and third parties can report unethical conduct or risky behavior anonymously is also in place.</p>	<p>The Social and Ethics Committee will continue to provide guidance/feedback to various regional offices on areas requiring attention.</p> <p>The Social and Ethics Committee facilitates the completion of an independent questionnaire on ethical behavior by regional management as well as the Company’s resellers/dealers. This requirement will be extended to all the Company’s partners in FY2021.</p>
Responsible Corporate Citizenship		
<p>3. The governing body should ensure that the organization is and is seen to be a responsible corporate citizen.</p>	<p>The Company’s Corporate Social Investment (“CSI”) programs are focused on women and children. The issues of importance include education, literacy, food security, the disabled and critically ill, the fatherlessness and on child abuse. The Company’s employees’ wellness and training are also a strong focus.</p> <p>The oversight and management of the Company’s initiatives and focus areas are appropriately disclosed in the Corporate Citizenship Report and the Social & Ethics Committee Report which is included annually in the Company’s annual reports.</p> <p>The Code of Ethics and Conduct, and the initiatives set up by the Social and Ethics Committee, underpin all employee relationships and compliance is monitored by the Social and Ethics Committee.</p>	<p>Various skills development programs will continue to be implemented throughout the Company.</p> <p>The Social and Ethics Committee will continue to encourage responsible corporate citizenship through education around the Code of Ethics and Conduct as well as other training.</p> <p>Management will look at mechanisms to focus educational initiatives towards their industry, by providing bursaries or other support to specific individuals as a means of developing competencies which will benefit the Company and local communities in future.</p> <p>The Company will continue to invest in formal skills and competency development initiatives by focusing on providing technical, leadership and interactive courses.</p>
Strategy, Performance and Reporting		
Strategy and Performance		
<p>4. The governing body should appreciate that the organization’s core purpose, it’s risks and opportunities, strategy, business model,</p>	<p>The Board Charter sets out the roles and responsibilities of the Board in respect of the implementation of company strategy, governance and</p>	<p>The Board Charter has been reviewed and updated to ensure alignment with the appropriate principles and practices.</p>

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<p>performance and sustainable development are all inseparable elements of the value creations process.</p>	<p>performance. The Board Charter delegates responsibilities to other committees.</p> <p>An annual strategy meeting attended by executive and operational management is held to discuss the strategy for the forthcoming year to ensure the sustainability of the Company and alignment with stakeholder expectations.</p> <p>A three-year strategy is formulated, approved by the Board and progress is monitored on a quarterly basis.</p> <p>The Audit and Risk Committee considers risks and opportunities as part of the discharge of its responsibilities which include review and approval of: the Group-wide risk assessments, Internal Audit Plans – including a rolling 3-year plan, internal audit reports, management controls assessments and external assurance reports.</p>	<p>The Board will review the three-year strategy agreed by the Executive Committee and operational management to ensure alignment with stakeholder expectations and the purpose of the Company.</p>
Reporting		
<p>5. The governing body should ensure that reports issued by the organization enable stakeholders to make informed assessments of the organization’s performance, and its short, medium and long-term prospects.</p>	<p>The Board ensures timely and accurate dissemination of Company information, including various local and foreign regulatory filings.</p> <p>Financial performance is reported on a quarterly basis, in accordance with both International Financial Reporting Standards and Generally Accepted Accounting Principles, and followed up with earnings calls with investors. This information is made available on an open forum for stakeholder review.</p> <p>Applicable reporting frameworks are used to ensure accurate and effective reporting, and materiality is considered when determining the level of information included in Company reports.</p> <p>All financial and non-financial information published by the Company undergoes a comprehensive review, with input from its advisors, prior to the release.</p> <p>The Board ensures that the Company complies with all relevant laws, regulations and codes of best business practice and that the Company communicates with stakeholders openly and promptly, and with substance prevailing over form.</p>	<p>The Board will continue to be responsible for the reporting process and will ensure that these enable stakeholders to make an informed assessment of the Company’s performance.</p> <p>The Board will focus on ensuring that it continues to review the information needs of the various stakeholders and that these needs are met.</p>

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	<p>The Company provides timely and equitable disclosure of financial information and non-financial information is available on the Company’s website and in the Company’s annual report.</p>	
<p>Governing Structures and Delegation</p>		
<p>Primary Role and Responsibilities of the Governing Body</p>		
<p>6. The governing body should serve as the focal point and custodian of corporate governance in the organization.</p>	<p>All deliberations and decision-making by the Board are conducted with the highest standards of corporate governance in mind, and the Board strives to find the correct balance between conforming to governance principles, while acting in the best interests of shareholders.</p> <p>The Board Charter guides the Board by setting out its governance responsibilities, including the role, responsibilities, membership requirements and procedural conduct.</p> <p>The Board receives feedback from sub-committees, which includes feedback on governance and related activities.</p>	<p>The number of meetings held during FY2020 and attendance at these meetings is disclosed in the Company’s annual report.</p> <p>The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board Charter.</p>
<p>Composition of the Governing Body</p>		
<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>The Board is satisfied that the composition of the Board reflects the appropriate balance of knowledge, skills, experience, diversity and independence, and aligns with the practices of King IV.</p> <p>The various practices implemented by the Board to attain the appropriate balance in board composition and to discharge its governance responsibilities are further set out in the Company’s annual report.</p>	<p>The Board will focus on ensuring its composition develops in line with the targets it has set, is in compliance with the principles of KING IV and the requirements of applicable statutory rules, laws and regulations.</p>
<p>Committees of the Governing Body</p>		
<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>	<p>The Board has delegated particular roles and responsibilities to the Audit and Risk Committee, the Nominations and Remuneration Committee, and the Social and Ethics Committee, and reviews and approves the Committees Terms of References to ensure that the delegation of authority to each committee is effective and achieves the desired outcome.</p>	<p>The Board reviews the roles and responsibilities of the various committees to ensure these committees effectively discharge their duties.</p> <p>External advisors, executive directors and members of management continue to attend Committee meetings by invitation.</p>

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	<p>The responsibilities and functions of each committee are further set out in the Company’s annual report.</p>	
<p>Evaluations of the Performance of the Governing Body</p>		
<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.</p>	<p>The Board evaluates its own performance, that of its committees, the Chairperson and its individual members, to support continued improvement in its performance and effectiveness.</p> <p>The Nominations and Remuneration Committee is responsible for conducting the annual evaluations.</p>	<p>The evaluations during the year were undertaken in an informal manner; the Board did not identify the need to implement any remedial actions for individual directors, committees, the Chairperson, or the Board as a whole.</p> <p>Detailed evaluation procedures are conducted by an external party every second year, as well as self-review procedures that can be performed by the Board and its directors on alternate years.</p>
<p>Appointment and Delegation to Management</p>		
<p>10. The governing body should ensure that the appointment of and delegation to management contribute to the role clarity and effective exercise of authority and responsibilities.</p>	<p>There is a clear balance of power and authority at Board level and the Board sets the parameters for the powers that are delegated to management.</p> <p>The Board has developed an approvals framework, which delegates specific powers and delegations of authorities to operating management and the approvals framework is updated at least annually, or more regularly if required.</p> <p>The Board is satisfied that the approvals framework contributes to role clarity and the effective exercise of authority.</p>	<p>The approvals framework is reviewed regularly and updated if required, to ensure a clear balance of power and that role clarity is maintained.</p>
<p>Governance Functional Areas</p>		
<p>Risk Governance</p>		
<p>11. The governing body should govern risk in a way that supports the organization in setting and achieving its strategic targets.</p>	<p>The Board takes overall responsibility for risk management with a formal process implemented for managing risk while delegating authority to the Audit and Risk Committee. The Group risk management function supports the enterprise-wide risk approach by identifying, evaluating and measuring</p>	<p>The Board aims to continue to evaluate and document the full Risk and Compliance environment within the Group.</p> <p>The Audit and Risk Committee reviewed various charters and policies, management reports as well as various reports prepared by risk management and other assurance providers.</p>

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	<p>Group-wide risks and compliance in all functional areas of the Group, as well as maintaining adequate internal controls.</p> <p>Risk is managed at an operational level with operations maintaining their own risk registers, which are in turn consolidated at Group level where risk is reviewed by the Audit and Risk Committee.</p> <p>The Executive Committee is responsible for ensuring that operational management considers and implements the appropriate risk responses. The Executive Committee ensures that risk management is performed on a continual basis and reports and presents to the Board on this matter on an annual basis.</p> <p>The Audit and Risk Committee oversees the risk management processes within the Company and reports back to the Board. On an annual basis, the Board reviews the Group risk register to ensure risks are being managed within a tolerable level and that sufficient attention is being paid to reducing risk items where the risk is considered unacceptable.</p> <p>The material risks of the Company are further set out in the Company’s annual report.</p>	
Technology and Information Governance		
<p>12. The governing body should govern technology and information in a way to support the organization in setting and achieving its strategic objectives.</p>	<p>The Board takes overall responsibility for the governance of information and technology management, and delegates the management thereof to the Executive Committee who reports back at Board meetings.</p>	<p>The Business Systems function is responsible for systems governance and implementation within the Group. Regular feedback is provided to governance authorities based on the work performed by Business Systems.</p> <p>An Information Security Management System (“ISMS”) is in place. This includes policies and procedures to systematically manage the Group’s sensitive data and to ensure business continuity is proactively managed. These items are reviewed by relevant governance authorities.</p>
Compliance Governance		
<p>13. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and</p>	<p>The Board assumes overall responsibility for compliance with applicable laws, regulations, and adopted non-binding rules, codes and standards and has implemented a group compliance risk management policy to ensure</p>	<p>The Board aims to continue to evaluate and document the full risk and compliance environment within the Group.</p>

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<p>standards in a way that supports the organization being ethical and a good corporate citizen.</p>	<p>that the Company complies with all applicable laws and regulations and reinforces a compliance culture through the Company to ensure that continuous compliance risk management is implemented and adhered to.</p> <p>There has been nothing material that has come to the attention of the Board indicating that the Company has not complied with the laws and regulations in the jurisdictions in which the Company operates. During the year under review, the Company has not paid any material fines for non-compliance with laws and regulations.</p>	<p>The Audit and Risk Committee continues to improve the compliance-monitoring program within the Group.</p>
<p>Remuneration Governance</p>		
<p>14. The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.</p>	<p>The Board ensures that the remuneration practices of the Company are fair, responsible and transparent and the remuneration policy aims to achieve this. The Nominations and Remuneration Committee is satisfied that the stated objectives of the remuneration policy have been achieved.</p>	<p>In line with the recommended practices in King IV, both the remuneration policy and remuneration implementation report will be put to shareholders for approval by way of non-binding advisory votes at the upcoming annual general meeting.</p> <p>The Remuneration policy provides for the measures that the Company commits to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25%.</p> <p>During fiscal 2020, the Nominations and Remuneration Committee focussed on the following:</p> <ul style="list-style-type: none"> • the overall remuneration structures, configuration and performance targets were assessed against desired objectives and changes contemplated where required; • considering management’s recommendations for non-executive directors’ fees and the fees for the Board subcommittees before recommending to the Board and then to shareholders for approval; • implementing mechanisms for further aligning shareholder and management interests; and • identifying and nominating non-executive Board candidates for approval by the Board.

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Assurance		
<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 organization's external reports.</p>	<p>The Board assumes overall responsibility for arrangements in respect of assurance services and has delegated the responsibility for ensuring effective implementation of the assurances functions to the Audit and Risk Committee. The combined assurance model covers the significant risks applicable to the Company, and the Audit and Risk Committee is satisfied with the expertise, effectiveness and adequacy of arrangements in place for combined assurance.</p>	<p>The Company operates a combined assurance framework based on the three lines of defense, which aims to optimize the assurance coverage obtained from management, internal assurance providers, and external assurance providers, with respect to the Group's key risks.</p> <p>The Audit and Risk Committee monitors the level of assurance obtained within the Company on an ongoing basis.</p>
Stakeholder Relationships		
Stakeholders		
<p>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 organization over time.</p>	<p>The Board recognizes that it has various stakeholders and adopts a stakeholder-inclusive approach in respect of the overall governance of the businesses. The Company strives to maintain a balance between the various stakeholders while acting in the best interests of the Company. The Board exercises ongoing oversight of stakeholder relationship management in accordance with its stakeholder relationship governance policy.</p> <p>The Company understands that communication with stakeholders in respect of financial and non-financial information is vital and open dialogue is actively pursued. The Company provides timely and equitable disclosure of financial information and non-financial information is available on the Company's website and in the integrated report.</p> <p>The Company and its subsidiaries operate as a single corporate group and subsidiaries are required to entrench the Company's governance framework within their day-to-day activities.</p>	<p>The Company attended various investor conferences during the financial year, as well as participating in various community projects as part of their ongoing Corporate Social Investment program.</p> <p>The Company maintains continual engagement with customers, employees, partners, and suppliers, as well as individual shareholders through formal and informal channels.</p>

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Responsibilities of Institutional Investors		
17. The governing body of an institutional organization should ensure that responsible investment is practiced by the organization to promote the good governance and the creation of value by the companies in which it invests.	For institutional investors. Not applicable to the Company.	Not applicable