



Material Risks
as at 1 July 2023

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Material risk disclosure

- ✘ Risk of significant deterioration in economic environment in South Africa, including:
 - ✘ electricity supply constraints / load shedding / risk of grid collapse affecting business confidence and resulting in additional costs of business for operations;
 - ✘ breakdowns in the telecommunications network impacting business operations;
 - ✘ deterioration in South Africa's trade relations with the USA / European countries which could affect export trade of customers in the motor manufacturing industry and could also result in disinvestment of key suppliers from South Africa.

- ✘ Acquisition and disposal risks. Acquisitions to be considered on an ongoing basis. Group to divest, where appropriate, from companies which have no realistic prospect of meeting return on capital hurdles.

- ✘ General Business and Compliance Risks
 - ✘ Employee performance and retention. Appropriate remuneration policies strive to reward employees in a fair and responsible way, which ensures a culture of high performance to deliver returns to shareholders through employees who are motivated, engaged and committed.

 - ✘ Treasury risks
 - ✘ Liquidity risk. Adherence to banking covenants per facilities.
 - ✘ Foreign exchange risk. Mitigating impact of exchange rate fluctuations through taking out foreign exchange contracts as appropriate.
 - ✘ Customer credit default risks to be mitigated by credit control policies and credit insurance as appropriate.
 - ✘ Asset protection. Material risks to be insured as appropriate subject to limits and deductibles. Insurers excluding liability for damages and losses arising from electricity grid collapse.

 - ✘ Business interruption / IT risks (cyber-attacks / loss of data) to be mitigated as appropriate.

 - ✘ Compliance and Sustainability
 - ✘ Compliance with Occupational Health and Safety standards.
 - ✘ Environmental and Sustainability risks. Compliance with environmental legislation and reducing carbon and water footprint.
 - ✘ Legal compliance and litigation risks to be mitigated via obtaining independent expert advice as appropriate.

 - ✘ Fraud risks to be mitigated as appropriate and with the support of independently administered Ethics Hotline.

