



2016

Barclays Africa Group Limited
King III fact sheet 2016



Our reporting suite

Our integrated report is our primary report to our shareholders and contains information relevant to other stakeholders



Our 2016 Integrated Report is supplemented by disclosures made available online (including our financial statements, risk management report and special interest fact sheets) and various documents published as part of our annual results announcement made on 23 February 2017.

The full suite of reports is available on our corporate website www.barclaysafrica.com and at our interactive report website www.barclaysafrica2016ar.co.za.

Report	Scope and boundary	Reporting standards/ frameworks	Assurance
2016 Integrated Report and supplementary fact sheets			
<ul style="list-style-type: none"> › 2016 Integrated Report › GRI (formerly the Global Reporting Initiative) fact sheet › King III fact sheet › Broad-based black economic empowerment (BBBEE) fact sheet 	<p>Barclays Africa Group, including key banking and insurance subsidiaries</p> <p>BBBEE applies to our South African operations</p>	<ul style="list-style-type: none"> › International Integrated Reporting Council's International Integrated Reporting <IR> Framework › South African Companies Act, No 71 of 2008, as amended (Companies Act) › JSE Listings Requirements › King Report on Governance for South Africa, 2009 (King III) › GRI G4 Standards 	<ul style="list-style-type: none"> › Internal controls and management assurance › Compliance and internal audit reviews › External audit opinion on financial information, and external assurance on selected key performance indicators › Board approval, assisted by the Disclosure Committee (a Group Audit and Compliance Committee sub-committee) and our Social and Ethics Committee › Independent BBBEE verification by the National Empowerment Rating Agency (NERA)
Financial reports			
<ul style="list-style-type: none"> › 2016 Consolidated and separate financial statements › 2016 Pillar 3 risk management report › 2016 Financial results booklet 	<p>Barclays Africa Group, including subsidiaries and joint ventures</p> <p>Note 49.3 of the financial statements provides a list of material subsidiaries and consolidated structured entities</p>	<ul style="list-style-type: none"> › International Financial Reporting Standards (IFRS) › Companies Act › Banks Act, No 94 of 1990 › JSE Listings Requirements › King III 	<ul style="list-style-type: none"> › Internal controls and management assurance › Compliance and internal audit reviews › Governance oversight by our Board, assisted by our Group Audit, and Group Risk and Capital Management Committees › External audit opinion (the complete opinion statement can be found in the consolidated and separate financial statements)



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Barclays Africa, a strong African franchise...

We are a diversified financial services provider offering an integrated set of products and services across personal and business banking, corporate and investment banking, wealth and investment management and insurance.

We are driven by **our Purpose** to help people achieve their ambitions – in the right way by fulfilling their financial services needs in a responsible and sustainable manner.

We are focused on **our Goal** to be the financial services group of choice in Africa.

Our **Values** define the way we think, work and act:

Respect

We respect and value those we work with and the contribution they make.

Integrity

We act fairly, ethically and openly in all we do.

Service

We put our customers and clients at the centre of what we do.

Excellence

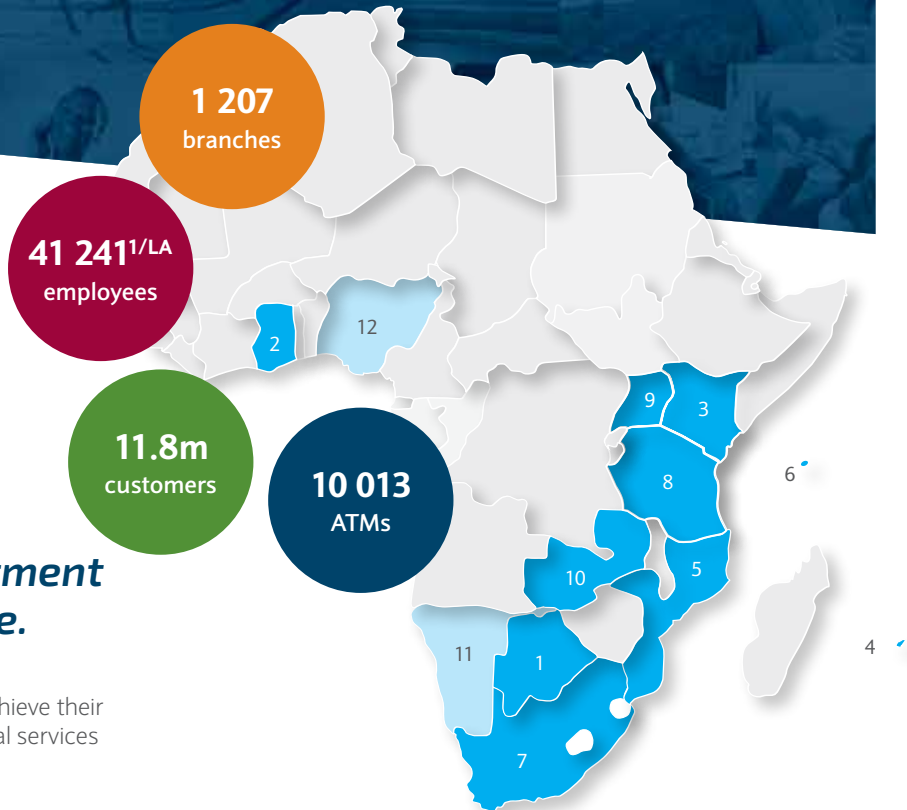
We use our energy, skills and resources to deliver the best sustainable results.

Stewardship

We are passionate about leaving things better than we found them.

We are committed to **Shared Growth** which, for us, means having a positive impact on society and delivering shareholder value.

Our **Balanced Scorecard** provides a holistic approach to deliver commercial returns, while responding to stakeholders' needs.



	Branches	ATMs	Customers	Employees ¹
1 Botswana	34	113	154 998	1 178
2 Ghana	65	165	518 758	1 111
3 Kenya	105	214	515 966	2 765
4 Mauritius	19	38	77 674	762
5 Mozambique	48	108	283 491	928
6 Seychelles	7	17	16 746	217
7 South Africa	774	8 885	9.425m ^{LA}	30 739
8 Tanzania BBT ²	18	51	62 980	496
8 Tanzania NBC ³	51	230	424 712	1 212
9 Uganda	39	69	130 565	869
10 Zambia	47	123	201 555	964

- Barclays Africa representative offices
- 11 Namibia
- 12 Nigeria

¹ Includes permanent and temporary employees.

² Barclays Bank Tanzania.

³ National Bank of Commerce.

^{LA} This indicator is covered by the scope of a limited assurance engagement undertaken by EY and PwC. The basis of measurement thereof and the assurance statement can be found at barclaysafrica2016ar.co.za.

...delivering our One Africa strategy.

We are strongly positioned as a fully local bank with regional and international expertise. We aspire to build the leading financial services group in our chosen countries in Africa and selected customer and client segments, and to remain locally relevant and competitive in all our presence countries.

We continue our journey to distinguish ourselves ...

... from international banks by operating a bank with deep African insights from our local operations.

... from local and regional banks through our access to international technologies and products and our ability to connect our customers and clients seamlessly to international markets.

... by embodying Shared Growth as a business ethos and a sustainable way of conducting business.

Driving change through four strategic themes ...

African opportunity

Investing in the greatest growth opportunities and connecting Africa to international capital markets.

Customer and client experience

Making our customers' and clients' lives easier and helping them to prosper.

Simplify and accelerate

Simplifying our business processes to better serve our customers and clients, by sustainably reducing costs and improving efficiencies.

Powered by people and technology

Unlocking the power of a dynamic workforce enabled by technology, information and innovation to deliver value to our customers and clients.

By focusing on ...

- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none"> ➤ Growing banking and insurance in key retail and business market segments ➤ Serving corporate clients in key growth sectors and enabling international client coverage | <ul style="list-style-type: none"> ➤ Creating value propositions informed by data insights and innovation ➤ Serving our customers and clients through a network of branches, ATMs, corporate offices and digital platforms including internet and apps, point-of-sale, and call centres | <ul style="list-style-type: none"> ➤ Developing, automating and optimising our products and product processes ➤ Delivering our technology resilience programme | <ul style="list-style-type: none"> ➤ Attracting, developing and retaining employees ➤ Empowering our employees with information and technology |
|--|---|--|--|

Measured against our medium-term targets ...

- A return on equity in the range of 18 – 20%
- Top three by revenue in our five key markets (Botswana, Ghana, Kenya, South Africa and Zambia)
- A revenue share of 20 – 25% from Rest of Africa
- A cost-to-income ratio in the low 50s

While building the Group of the future ...

We keep evolving and building new strategic capabilities that enable us to be relevant and competitive as we move into the future.

These initiatives include:

- new digital payment technologies; and
- leveraging strategic partnerships to drive innovation, increase market access and enhance our customer value propositions.

Applying King III principles

Introduction

Barclays Africa Group Limited (Barclays Africa or the Group) has a well-established governance structure, with a focus on continuous improvement. We have embedded the King Code of Governance Principles for South Africa 2009 (King III) within our culture by assigning specific committees the responsibility for applying King III principles relevant to their mandate.

This fact sheet provides an overview of our application of the King III principles, with references to other reports for further information, where applicable. This is a supporting document for our 2016 Integrated Report and expands on our corporate governance.

Applying King III principles

With the exception of the two areas below, the Group has applied all the principles of King III:

- > **Remuneration:** Although deferred bonus awards are not subject to financial performance conditions, the exposure to share price and malus provisions in the plan provides appropriate links to performance and risk adjustment. This structure is in accordance with the requirements of the UK's Financial Stability Board's principles for sound compensation practices. It generally subjects our incentive awards to higher levels of deferral than found elsewhere in the local market.
- > **Information Technology Committee (ITC):** The Chairman of the ITC is not an independent director. Our Board believes that Patrick Clackson, who is a Barclays PLC executive, was well-placed to chair this committee, given his experience in banking and related systems as well as his ability to engage with and provide challenge to management on this topic.

Transition to King IV

Following the launch of King IV on 1 November 2016, we conducted an assessment of our Board Charter and committee terms of reference against the principles and recommended practices of King IV. Our view is that we are well positioned in terms of King IV and, in the main, already apply most of its recommended practices.

Key considerations to enhance our application of practices under King IV and to respond to the subsequent related JSE amendments include the following:

- > King IV recommends that the governing body should set and disclose targets for gender and race representation in the membership of the governing body, and progress made against these targets. In our 2015 Integrated Report, we disclosed our Board gender target. While our Board reflects the pan-African nature of our business, we include our race composition target for South African Board members in this report.
- > The JSE introduced mandatory separate non-binding advisory votes by shareholders of the issuer at the annual general meeting on the remuneration policy and the implementation report (as described in King IV). We intend to include the second vote as part of our notice of annual general meeting in 2018. The Board notes that the consequences of not passing the non-binding advisory vote will require disclosure and engagement with shareholders.
- > King IV recommends that, in relation to stakeholder relationships, the governing body should approve policy that articulates and gives effect to its direction on stakeholder relationships. We disclose our material issues in relation to stakeholders and will work towards an appropriate policy.

While we believe our level of disclosure is in line with current best practice, the specific disclosure obligations introduced by the recommended practices in King IV could lead to potential extensive additional disclosures in the form of our explanation of how we applied the principles.

King IV recommends that the board of the holding company should ensure the agreed group governance framework is implemented across the group, and the subsidiaries must form part of the governance arrangements for the group and must agree to all the policies of the group. We have approximately 145 subsidiary entities and will supplement our existing arrangements so as to strengthen our governance in respect of all active entities.

Board committees

DAC	Directors' Affairs Committee
GACC	Group Audit and Compliance Committee
GRCMC	Group Risk and Capital Management Committee
RemCo	Group Remuneration Committee
SEC	Social and Ethics Committee
ITC	Information Technology Committee
BFC	Board Finance Committee
CoRC	Concentration Risk Committee
MC	Models Committee
Ad hoc	Ad hoc committee






This report cross-references to the following documents:

- > 2016 annual consolidated and separate financial statements (financial statements)
- > 2016 Integrated Report
- > 2016 Pillar 3 risk management report

Available for download at barclaysafrica2016ar.co.za.



King III checklist




Principle	Description	Compliance
Chapter 1: Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation.	Our Board provides ethical leadership, promotes strong principles of integrity within the Group and strives to promote reward practices that foster sustainable high performance. The Board is assisted by the SEC and RemCo.
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen.	We are committed to Shared Growth, which for us means having a positive impact on society and delivering shareholder value. Our SEC is the primary Board committee which oversees the Group's commitment to responsible corporate citizenship.
1.3	The board should ensure that the company's ethics are managed effectively.	<p>We are committed to the highest standards of integrity and ethical behaviour. Our code of conduct (the Barclays Way) outlines the behaviours which govern our way of working across the business. It is a point of reference covering all aspects of employees' working relationships, including those with each other, our customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. Our conduct culture fosters values-based decision-making and shows how our policies and practices align with our Values.</p> <p>The conduct of employees is monitored in various ways, including surveys and by tracking the number of disciplinary cases, grievances and ethical breaches recorded.</p> <p> 2016 Integrated Report: Conduct balanced scorecard review (page 38).</p>
Chapter 2: Boards and directors		
2.1	The board should act as the focal point for and custodian of corporate governance.	<p>Good corporate governance practice is the foundation on which we build value for our shareholders and other stakeholders. We recognise our responsibility to drive ethical, legal and transparent behaviour and to ensure our business dealings are conducted for the benefit of all our stakeholders. Our Board Charter is an important component of the framework that defines our corporate governance practice within the Group. It (i) is the foundation document for our governance principles and related practices; (ii) details matters reserved for our Board; (iii) defines separate roles for our Group Chairman and our Chief Executive Officer, as well as our Board's expectations of the chairmen of our Board committees, our lead independent director and our directors; and (iv) outlines the mandate for our Board committees.</p> <p>Our Board is assisted in this regard by the DAC.</p> <p> 2016 Integrated Report: Chairman's review (page 2) and governance review (page 55).</p>

Principle	Description	Compliance
Chapter 2: Boards and directors (continued)		
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	<p>Our strategy is focused on the opportunity for growth. It takes into account the matters we believe are material to our long-term sustainability and our ability to leverage our assets and expertise across the Barclays Africa Group.</p> <p>We believe our ability to create value is directly linked with our ability to effectively address a number of emerging issues and the associated material matters. The external environment continues to evolve rapidly across a broad spectrum of issues. We must be responsive to the market and the resultant risks and opportunities and we therefore continue to monitor and assess the impacts of global, regional and local change. These environmental considerations are a key input into our process of identifying and managing the matters material to our sustainability.</p> <p>We consider a matter to be material when it has the ability to influence our financial performance, our reputation or impact on our licence to operate.</p> <p>The strategic objectives and policies of the Group are designed to deliver long-term value and provide overall strategic direction within a framework of sound governance, controls and risk management. Our Board ensures that management strikes an appropriate balance between promoting long-term sustainable growth and delivering short-term performance.</p>
2.3	The board should provide effective leadership based on an ethical foundation.	Refer to 1.1.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	Refer to 1.2.
2.5	The board should ensure that the company is and is seen to be a responsible corporate citizen.	Refer to 1.3.
2.6	The board should ensure that the company has an effective and independent audit committee.	Refer to chapter 3.
2.7	The board should be responsible for the governance of risk.	Refer to chapter 4.
2.8	The board should be responsible for information technology (IT) governance.	Refer to chapter 5.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Refer to chapter 6.
2.10	The board should ensure that there is an effective risk-based internal audit.	Refer to chapter 7.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	Refer to chapter 8.
2.12	The board should ensure the integrity of the company's integrated report.	Refer to chapter 9.
2.13	The board should report on the effectiveness of the company's system of internal controls.	Refer to chapters 7 and 9.  Financial statements: GACC report (page 2) .

Principle	Description	Compliance
Chapter 2: Boards and directors (continued)		
2.14	The board and its directors should act in the best interests of the company.	<p>The duties of directors include:</p> <ul style="list-style-type: none"> > Only exercising powers within the authority given, and acting in accordance with the Group's Board Charter. > At all times, acting not only in good faith but also in the Group's best interests and to promote the success of the Group for all its stakeholders, while having regard to the likely consequences of any decision in the long term, the interests of employees, the need to further relationships with suppliers and customers, the impact on the community and the environment, and the need to act fairly as between members of the Group. > Exercising independent judgement in carrying out their duties. > Exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience. > Avoiding a conflict of interest between their personal interests and their duties to the Group.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	Not applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company should not also fulfil the role of chairman of the board.	Our Group Chairman, Wendy Lucas-Bull, is regarded as an independent director. Trevor Munday is the Lead Independent Director of our Board.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	Maria Ramos, appointed as Chief Executive Officer by our Board on 1 March 2009, operates under a delegation of authority from our Board.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	Our Board has a majority of non-executive directors. As at 31 December 2016, we had 12 non-executive directors, of which nine were independent and four were executive directors. Following the appointment of a new director in February, we now have 17 directors, of whom 13 are non-executive directors, of whom ten are independent, and four are executive directors.
2.19	Directors should be appointed through a formal process.	Directors are appointed to our Board through a formal and transparent process. It is a matter for our Board as a whole, assisted by the Directors' Affairs Committee, which comprises only of independent directors and is chaired by our Group Chairman.
2.20	The induction of and ongoing training and development of directors should be conducted through formal process.	All directors are subject to formal induction upon their appointment and formal training sessions for the entire Board are held throughout the year. Refer to page 57 of the 2016 Integrated Report for specific training sessions held.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	Our Group Company Secretary, Nadine Drutman (BCom, LLB, LLM) is regarded by our Board as competent, suitably qualified and experienced. She maintains an arm's length relationship with our Board. She provides guidance to Board members on the execution of their duties and maintains her knowledge of developments in corporate governance best practice and regulation. All Board members have unhindered access to her services in all aspects of our Board's mandate and the operations of the Group.

Principle	Description	Compliance
Chapter 2: Boards and directors (continued)		
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	Our Board conducts an annual review of its own effectiveness and that of our Board committees. For 2016, an internal assessment process in respect of our Board, and a peer review were conducted. The directors have rated the Board as a mature and highly functional Board, with experienced and committed directors who fulfil their fiduciary duties and general duties with reasonable care, skills and diligence. They believe that they take decisions that are in the Group's best interests while having regard to the likely consequences of any long-term decisions and the interests of stakeholders to ensure both the current, medium and long-term sustainability of the Group.
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	<p>Our Board takes full ownership of certain key decisions to ensure it retains proper direction and control of the Group and has several committees to help it meet these responsibilities. Our Board is responsible for the performance and affairs of the Group and holds itself ultimately accountable to our stakeholders. Delegating various functions and authorities to committees and management does not absolve our Board and its directors of their duties and responsibilities.</p> <p>The following Board committees exist in the Group:</p> <ul style="list-style-type: none"> > Directors' Affairs Committee (DAC) > Group Audit and Compliance Committee (includes the Disclosure Committee) (GACC) > Group Risk and Capital Management Committee (GRCMC) > Group Remuneration Committee (RemCo) > Social and Ethics Committee (SEC) > Information Technology Committee (ITC) > Board Finance Committee (BFC) > Concentration Risk Committee (CoRC) > Models Committee (MC) > <i>Ad hoc</i> committee (Provides oversight and guidance to management on the impact of the Barclays PLC sell-down.)
2.24	A governance framework should be agreed between the group and its subsidiary boards.	The governance model for our subsidiaries is based on our risk management framework, ensuring that the governance requirements applicable to each entity are congruent with the risk exposure.
2.25	Companies should remunerate directors and executives fairly and responsibly.	Refer to the remuneration report in our 2016 Integrated Report and the detailed remuneration disclosures within Note 66 of our 2016 annual consolidated and separate financial statements which can be found at barclaysafrica2016ar.co.za .
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	Refer to the remuneration report in our 2016 Integrated Report and the detailed remuneration disclosures within Note 66 of our 2016 annual consolidated and separate financial statements.
2.27	Shareholders should approve the company's remuneration policy.	Ordinary shareholders of Barclays Africa approve, by means of a non-binding advisory note, the Group's remuneration policy annually at annual general meeting.
Chapter 3: Audit committee		
3.1	The board should ensure that the company has an effective and independent audit committee.	As at 31 December 2016, the membership of our GACC comprised five independent directors. Effective 1 February 2017, the membership increased to six independent directors.
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors.	The members of our GACC are all suitably skilled and experienced independent non-executive directors.
3.3	The audit committee should be chaired by an independent non-executive director.	Colin Beggs, the Chairman of our GACC, is an independent director.
3.4	The audit committee should oversee integrated reporting.	Our Disclosure Committee, a sub-committee of our GACC, oversees integrated reporting in the Group.

Principle	Description	Compliance
Chapter 3: Audit committee (continued)		
3.5	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	Our GACC oversees the application of our combined assurance model across our Group.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	Our GACC performs this assessment on an annual basis.
3.7	The audit committee should be responsible for overseeing of internal audit.	Our GACC reviews and approves the annual internal audit plan, as submitted by Group Internal Audit.
3.8	The audit committee should be an integral component of the risk management process.	We have a dedicated committee overseeing the risk management process (our GRCMC) and three members of our GRCMC are also members of our GACC.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Our GACC performs this function on an ongoing basis.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	Our GACC formally reports to our Board after each meeting.  2016 Integrated Report: Governance review (page 63); Financial statements: GACC report (page 2).
Chapter 4: The governance of risk		
 Refer to the 2016 Pillar 3 risk management report for further information regarding our risk management approach.		
4.1	The board should be responsible for the governance of risk.	Our GRCMC assists our Board with the governance of risk in the Group.
4.2	The board should determine the levels of risk tolerance.	Our GRCMC assesses the levels of risk tolerance and limits of risk appetite and recommends these to our Board for approval.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	Refer to 4.1.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	Our Board has delegated the day-to-day responsibility for risk management to management.
4.5	The board should ensure that risk assessments are performed on a continual basis.	Our GRCMC actively monitors the Group's principle risks as part of its standard agenda.
4.6	The board should ensure that the frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	All risks are identified and steps to mitigate these are outlined, including reasonably unpredictable risks.

Principle	Description	Compliance
Chapter 4: The governance of risk (continued)		
 Refer to the 2016 Pillar 3 risk management report for further information regarding our risk management approach.		
4.7	The board should ensure that management considers and implements appropriate risk responses.	Our GRCMC ensures that the Executive Committee has in place appropriate responses to perceived risks.
4.8	The board should ensure continual risk monitoring by the management.	Responsibility for identified risks is assigned to the Chief Risk Officer, a member of the Group Executive Committee, who is required to report on the steps being taken to manage or mitigate such risks.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	Our Board, through our GACC and our GRCMC, receives this assurance from various providers, in terms of the combined assurance model.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Our GRCMC considers and approves annual and interim risk management reports.  2016 Pillar 3 risk management report.
Chapter 5: The governance of information technology		
5.1	The board should be responsible for information technology (IT) governance.	Our ITC assists our Board with the governance of IT. Our GACC and GRCMC have oversight of selected components of IT governance. IT risk management is reported within our principal risk framework under operational risk.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	The mandate of our ITC is to ensure that IT systems, data, architecture and innovation meets the Group's current operational and future strategic needs. The ITC monitors the ongoing resilience.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	Our Board has delegated the day-to-day responsibility for IT governance framework to management.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	Refer to 5.1. This forms part of our ITC's terms of reference.
5.5	IT should form an integral part of the company's risk management.	Refer to 5.1. IT risk forms part of operational risk in the principal risk framework.
5.6	The board should ensure that information assets are managed effectively.	Refer to 5.1. This is within the ITC's terms of reference.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	Refer to 5.1.
Chapter 6: Compliance with laws, codes, rules and standards		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	In the context of the overall obligations of our Board, the duties of our directors include ensuring that we comply with all legislation, regulation, codes and standards. Our Group Compliance function reports to the GACC, SEC and DAC and provides a report to the Board annually on all significant matters relevant to conduct, regulatory and other legal compliance.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	Our directors and Board understand and stay abreast of the appropriate laws, rules and codes of standards applicable to the Group. Significant time is spent understanding and addressing the regulatory environment.  2016 Integrated Report: Chairman's review (page 2) and Conduct Balanced Scorecard review (page 38).

Principle	Description	Compliance
Chapter 6: Compliance with laws, codes, rules and standards (continued)		
6.3	Compliance risk should form an integral part of the company's risk management process.	Compliance is an identified significant risk and addressed as part of the risk management process. Compliance reports are presented to our GACC and, where applicable, our GRCMC. 2016 Integrated Report: Conduct Balanced Scorecard review (page 38) and Risk performance summary (page 51) ; 2016 Pillar 3 risk management report .
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	Our Board delegates this to the Group Compliance function.
Chapter 7: Internal risk		
7.1	The board should ensure that there is an effective risk-based internal audit.	A risk-based internal audit is in place.
7.2	Internal audit should follow a risk-based approach to its plan.	A risk-based approach is followed by internal audit.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.	This assessment is provided by our Group Internal Audit function to our GACC in advance of annual and interim reporting.
7.4	The audit committee should be responsible for overseeing internal audit.	This function is included in our GACC terms of reference. Also refer to 3.7.
7.5	Internal audit should be strategically positioned to achieve its objectives.	Internal Audit is independent, with reporting lines to our Chief Executive Officer and to our GACC, enabling it to achieve their objectives. Financial statements: GACC report (page 2) .
Chapter 8: Governing stakeholder relations		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	We have a decentralised stakeholder engagement model designed around our main stakeholder groups. We use various policies and methodologies to govern communication and conduct with stakeholders to cater for their diverse and sometimes conflicting interests and concerns. This is a continuous process and our policies and methodologies are widely informed by best practice, corporate governance and legislative requirements, as well as risk and reputation management principles.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	Management is responsible for maintaining stakeholder relationships and for obtaining input from our various stakeholders, through different forums, methodologies, surveys, interactions and platforms.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	Consideration is given by our Board to all relevant stakeholder groupings. The means of assessing whether appropriate balance is achieved, remains a work in progress.
8.4	Companies should ensure the equitable treatment of shareholders.	In terms of our Board Charter, our directors must act in a way they consider, in good faith, would promote the success of the Group for the benefit of the shareholders as a whole and, in doing so, have regard (among other matters) to the need to act fairly between shareholders of the Group.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Refer to 8.1.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Our Board ensures that there are parties within management who are responsible to resolve disputes as effectively as possible.

Principle	Description	Compliance
Chapter 9: Integrated reporting and disclosure		
9.1	The board should ensure the integrity of the company's integrated report.	The Board is responsible for the integrity of the Integrated Report and is assisted in this regard by the Disclosure Committee which is a sub-committee of the GACC.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	Our integrated report is our primary report for communicating with our stakeholders. The report focuses on our material matters and takes the operating environment, current performance and stakeholder feedback into account. Our executive management and Board deem these matters to be those that have the ability to influence our financial performance, our reputation or to impact on our licence to operate. We measure, and report back on, our progress through our Balanced Scorecard which provides a holistic approach to deliver commercial returns while responding to stakeholders' needs.
9.3	Sustainability reporting and disclosure should be independently assured.	PwC and EY have provided limited assurance over selected key performance indicators (marked with an ^{LA}) contained in the 2016 Integrated Report in which they express an unmodified conclusion. 2016 Independent Limited Assurance Report.