



Abridged Corporate Governance Report

Introduction

The directors and management of Super Group subscribe to the generally accepted principles of good corporate governance as one of the foundations of a sustainable business. Super Group is committed to and accepts responsibility for applying these principles to ensure that the Group is managed ethically within prudent risk parameters. The Group is subject to and endorses the ongoing disclosure, corporate governance and other requirements required by the JSE. The Group also supports and complies with the principles of the South African Code of Corporate Practices and Conduct as recommended in the King III report and the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council has been taken into consideration when preparing the Integrated Report.

In terms of paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its application of the Chapter 2 principles on its website, www.supergroup.co.za.

Issues of corporate governance, including the requirements of the Companies Act, will continue to receive the Board's attention, consideration and refinement as necessary in order for the Group to remain compliant with current practices in corporate governance and with the changes arising from the South African Corporate Law reformation process. Sound corporate governance remains one of the top priorities of the Board and executive management.

Board of directors

Corporate governance within Super Group is managed and monitored by a unitary Board, the Group Audit Committee and several subcommittees of the Board. The Board's responsibilities and terms of reference are detailed in the Board charter. This charter has been developed to enable the directors to maintain effective control over strategic, financial and compliance matters of Super Group. This charter is reviewed and updated annually to ensure compliance with the Companies Act, King III and the JSE Listings Requirements.

Board responsibilities

The Board is accountable to the stakeholders for exercising leadership, integrity and judgement in directing Super Group to achieve profitability by ensuring the necessary balance between entrepreneurship and conformance with best business and corporate governance practices. The Board's primary functions are set out on page 2 of the Corporate Governance report on the Group's website, www.supergroup.co.za.

Composition of the Board

A key aspect of the Group's governance philosophy is that no one individual has unfettered powers of decision-making. During the year under review, the Board comprised six non-executive directors and two executive directors and was chaired by a Non-executive Chairman. The non-executive directors exert significant influence at meetings. From time to time the non-executive directors meet without the executive directors present. In considering the composition of the Board, competency in respect of the Group's affairs carries as much weight as independence. The roles of Chief Executive Officer ("CEO") and Chairman of the company are split.

The Board considers its composition including its chairmanship annually.

The Board has considered the chairmanship of Phillip Vallet and agrees that he may now be regarded as an independent non-executive director and remains the best person to lead the company and the Board as the Group continues to implement its strategies. In determining the independence of Mr Vallet, the Board took into account the fact that he was the acting CEO of Super Group some seven years ago for a period of four months until the appointment of Peter Mountford in July 2009. The Board has also had regard to the fact that legal fees paid by Super Group to Fluxmans Inc., are not material to either entity. In the result, the Board has concluded that Mr Vallet is an Independent Non-executive Director.

While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the executive directors' authority to run the day-to-day affairs of the Group. The executive directors are held accountable through regular reports to the Board and are measured against agreed performance criteria and objectives appropriate to the current stage in the business cycle and the prospects in each business unit.

Each of the directors brings to the Board a wide range of expertise, commercial and technical experience and business acumen that allow them to exercise independent judgement in Board deliberations and decisions. Non-executive directors have unrestricted access to management.

Members of the Board have unlimited access to the Group Company Secretary. Where appropriate, advice of independent professionals may be sought by any Board member, the cost of which is borne by the company.

Board meetings

Board meetings are held at least quarterly and additional meetings are convened when necessary should a particular issue demand attention. Where necessary, decisions are taken between Board meetings by written resolution as provided for in the company's MOI.

Details of attendance by directors of the Board and committee meetings for the year under review are set out on page 3 of the Corporate Governance Report on the Group's website, www.supergroup.co.za.

Board appointments

The non-executive directors have no fixed terms of appointment as they are subject to reappointment by the shareholders every three years. Non-executive directors will retire from the Board at the age of 75. Where circumstances require the retiring director maybe retained on the Board. Peter Mountford, the CEO, has a written letter of appointment which endures indefinitely and is subject to termination on one month's notice. Colin Brown, the Chief Financial Officer ("CFO"), has a written letter of appointment which endures indefinitely and is subject to termination on two months' notice. Both executives have change of control clauses in their letter of appointment. One-third of the non-executive Board members is required to retire by rotation every year and, if eligible, is considered for reappointment at the AGM.

There were no changes to the composition of the Board during the financial year.

Evaluation of the Board

The Chairman of the company and the Group Company Secretary have carried out a comprehensive evaluation of the Board, its committees and the directors. They have concluded that the Board and its committees are operating effectively. All the directors have contributed their time and skills to the functioning of the Board.

The Chairman of the company recommends all directors who are nominated for re-election at the AGM as competent and dedicated to serving the Group and looking after the interests of the stakeholders.

Group Company Secretary

The role and evaluation of the Group Company Secretary are set out on page 4 of the Corporate Governance Report available on the website.

Group Audit Committee

Members: David Rose (Chairman), Enos Banda and Mariam Cassim.

In terms of the Companies Act, the members of the Group Audit Committee were directly elected at the AGM in November 2015 by the shareholders. The members of the committee that are standing for re-election at the AGM in November 2016 are set out in ordinary resolution 3 on page 2 of this Notice. The Notice of AGM is available on the Group's website.

Further details of the responsibilities and functioning of the Group Audit Committee are set out on page 4 of the Corporate Governance Report available on the Group's website.

Board subcommittees

The Board has created various subcommittees to enable it to properly discharge its duties and responsibilities and to effectively fulfil its decision making process. The Board and its committees are supplied with relevant and timely information enabling them to discharge their responsibilities. The directors have access to all company information, records and documents.

The following subcommittees have been formally constituted:

- Deal Committee
- Remuneration Committee
- Group Risk Committee
- Group Social and Ethics Committee

Each Board subcommittee acts within formalised terms of reference which have been approved by the Board. These are reviewed annually and updated where necessary. These set out the purpose, membership, duties and reporting procedures. The subcommittees are subject to regular evaluation by the Board with regard to performance and effectiveness. Further details of the responsibilities and functioning of the Deal, Group Risk and Group Social and Ethics Committees are set out on pages 4 to 5 of the Corporate Governance Report on the Group's website, www.supergroup.co.za. The details of the responsibilities and functions of the Remuneration Committee are set out in the Remuneration Report on page 10 of this Notice.

Accountability

The directors are responsible for the Group's system of internal controls. While no system can provide absolute guarantees and protection against material loss, the systems are designed to give the directors reasonable assurance that problems can be identified promptly and remedial action taken as appropriate.

The Board has reviewed the effectiveness of internal controls on an ongoing basis. Further details of the key features are set out on page 5 of the Corporate Governance Report.

Information Technology

The Group continued with an increased focus on the importance of IT on governance and sustainability during the financial year.

Further information in respect of the IT Steering Committee is set out on page 6 of the Corporate Governance Report.

Fraud hotline

Good corporate governance requires companies to implement mechanisms to combat theft, fraud and other unethical practices. Among other initiatives, the fraud hotline acts as both a passive and an active tool in the combating of unethical behaviour. Further details in respect of the Fraud Hotline are set out on page 6 of the Corporate Governance Report.

Employment equity, ethics, health, safety and third party management

Further details of the items listed below are set out on pages 6 and 7 of the Corporate Governance Report.

- employment equity
- Code of Ethics and Business Conduct
- occupational health and safety
- third party management

Insurance

The Group has a comprehensive insurance programme to protect against a wide variety of insurable risks. External advisors are used to advise on the appropriate type and level of cover. The terms and levels of each facility are reviewed annually to ensure that satisfactory cover is in place.

Efforts are made to identify, prevent and mitigate uninsurable risks.

Annual General Meeting

All necessary information and facilities are made available to shareholders to enable them to attend the AGM, submit Forms of Proxy and receive announcements and circulars in accordance with the JSE Listings Requirements. The Chairman of the company, the Chairmen of the Board subcommittees and the external auditors are available to answer questions at the AGM.

The comprehensive Corporate Governance Report is published on the Group's website, www.supergroup.co.za.