

Key objectives and principal integrated risks

REMGRO'S KEY OBJECTIVES

Managing with a view to maximising value creation and sustainable growth

1

We focus on the creation of shareholder value and sustainable growth by investing in businesses that can deliver superior earnings and dividend growth over the long term.

2

This objective is underpinned by Remgro's investment philosophy and strategy and also its understanding of all risks and opportunities associated with the Group's investment portfolio and target markets.

3

These risks and opportunities are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

Doing business ethically

1

By always considering the impact of the Company's strategy on the commercial sustainability of the Company, the indirect impacts on the society in which it operates, as well as the environment, results in being a responsible corporate citizen and investor.

2

Leadership based on ethical foundations results in a culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. Consistent achievement of objectives creates trust.

3

Thereby positioning ourselves as an investment partner of choice.

PRINCIPAL INTEGRATED RISKS

Remgro's three principal risks are summarised below. A more comprehensive analysis of our risk management process is provided in the Risk Management Report, while our main financial risks, including those relating to the global economy and currencies are disclosed in the Chief Financial Officer's Report.

RISK	CONTEXT
<p>1 Increased country risk due to social unrest, low economic growth, the increasing current account and budget deficits and the resultant impact of lowering sovereign credit ratings.</p>	<p>The boards of investee companies are increasingly directing focus to addressing pressing issues such as, foreign currency risk, social instability, power supply risk, water scarcity, legislation and regulatory aspects and increased crime, by means of strategic and/or control processes.</p>
<p>2 Inability of boards of investee companies to timely identify disruptive technology risks or similar developments in their markets.</p>	<p>The sustainability of investee companies is dependent upon their ability to identify market trends and disruptive technology which can materially impact their businesses.</p>
<p>3 The destruction of value due to poor management of existing investments, including management at investee company level. Non-identification and assessment of suitable investment opportunities.</p>	<p>The successful management of investments is dependent upon a proper understanding of the businesses of the investee companies and also on identifying the appropriate Remgro executives that will represent it on the boards of the investee companies. Creating "Alpha" requires effective organic growth and judicious corporate investments.</p>

PRINCIPAL INTEGRATED SUSTAINABILITY DRIVERS

The following aspects are considered fundamental to the sustainability of growth and wealth creation:

1

Remgro's size and influence enables it to acquire significant stakes in entities that are big enough to have a material effect on Remgro's results.

2

A strong low-geared statement of financial position enables Remgro to make new investments or to increase its stake in well-performing investments, or fund growth opportunities by means of shareholder loans.

3

The ability to add value to investee companies by means of skilled and experienced executives.