

## GLOSSARY OF TERMS

The following abbreviations and definitions have been used throughout this Integrated Report.

- **AGM**  
Annual General Meeting.
- **AOR**  
Area of responsibility.
- **Business activities**  
At the core of the business model is the conversion of inputs into outputs through business activities. These activities may include the planning, design and manufacturing of products or the deployment of specialised skills and knowledge in the provision of services.
- **Business Model**  
An organisation's system of transforming inputs through its business activities into outputs and outcomes that aim to fulfil the organisation's strategic purposes and create value over the short, medium and long term.
- **Capitals**  
Capitals refer to the fundamental pillars of value which the organisation depends on for its success and which increase, decrease or are transformed through the activities and outputs of the group.
  - FC: Financial capital
  - HC: Human capital
  - IC: Intellectual capital
  - MC: Manufacturing capital
  - NC: Natural capital
  - SRC: Social and relationship capital
- **Cash flow**  
The flow of money from operations: incoming funds are revenue (cash inflow) and outgoing funds are expenses (cash outflow).
- **CEO**  
Chief Executive Officer.
- **CFO**  
Chief Financial Officer.
- **Companies Act**  
Act no 71 of 2008 (as amended).
- **Compliance**  
Compliance is a key element of corporate governance. It refers to compliance with legislation and directives as well as with voluntary codes within the company.
- **Covid-19**  
Novel Coronavirus disease.
- **CSI**  
Corporate Social Investment.
- **ERM Framework**  
Enterprise-wide Risk Management Framework.
- **EY**  
Ernst & Young Inc.
- **Financial capital**  
The traditional yardstick of performance, this capital includes funds obtained through financing or generated by means of productivity.
- **Forward-looking**  
Emphasises the need to look forward, not only to the long term, but also to the short and medium term.
- **GDP**  
Gross Domestic Product.
- **GP (Financial)**  
Gross Profit.
- **GP (Human Resources)**  
Guaranteed Remuneration.
- **Guaranteed pay**  
Total cost to company.
- **Human capital**  
The skills and know-how of an organisation's personnel, in addition to their commitment and motivation which affect their ability to fulfill their roles.
- **IASB**  
International Accounting Standards Board.
- **IFRIC**  
International Financial Reporting Interpretation Committee.
- **Integrated report <IR>**  
Concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.
- **Intellectual capital**  
Intellectual capital accounts for the intangibles associated with brand and reputation, in addition to patents, copyright, organisational systems and related procedures.
- **Integrated thinking**  
The active consideration of the relationships between an organisation's various operating and functional units and the capitals that are used or affected.
- **IFRS**  
International Financial Reporting Standards.
- **IT**  
Information Technology.
- **Joint venture (JV)**  
A joint venture or JV is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.
- **JSE**  
Johannesburg Stock Exchange Limited.
- **King IV**  
The King Code of Corporate Governance Principles and the King Report on Governance Principles.
- **Long term**  
A period beyond three years.
- **Manufacturing capital**  
This encompasses physical infrastructure or technology pertaining thereto, such as equipment and tools.
- **Materiality**  
Materiality refers to the actions or issues of substantial importance that affect the group's strategy and therefore its ability to create value over the short, medium and long term and/or actions and decisions by the group that may affect its stakeholders, either positively or negatively.
- **Medium term**  
A period of one to three years.
- **MIBCO**  
Motor Industry Bargaining Council.
- **Natural capital**  
Natural capital includes resources such as water, fossil fuels, solar energy, crops and carbon sinks, which cannot be replaced and are essential to the functioning of the economy as a whole.
- **NOC**  
Network Operations Centre.
- **NRS**  
National Risk Specialist.
- **Outcomes**  
The internal and external consequences (positive or negative) for the capitals as a result of an organisation's business activities and outputs.
- **Outputs**  
An organisation's products and services, and any byproducts and waste.
- **Retention bonus**  
A financial incentive paid to a key employee, from time to time, to motivate him/her to remain in the employment of the company.
- **Sign-on bonus**  
A once-off monetary award offered to a prospective employee as part of a larger remuneration package and as an incentive to join the company.

- **Social and relationship capital**  
This encompasses the relationships – and attendant resources – between an organisation and all its stakeholders, including communities, governments, suppliers and customers.
- **Special purpose bonus**  
Paid out in exceptional circumstances, at the discretion of the executive and/or Remco.
- **Short term**  
A period less than 12 months.
- **STI**  
Short-term incentive.
- **Relationship capital**  
Key relationships, including those with significant groups of stakeholders and other networks. This can include shared values, the trust, willingness to engage and related intangibles associated with the organisation’s brand and reputation.
- **REMCO**  
Remuneration Committee.
- **Risk appetite**  
An expression of the maximum level of residual risk that the group is prepared to accept in order to deliver its business objectives.
- **Stakeholder**  
People or groups whose interests are linked in various ways with those of the organisation. Such people or groups can include shareholders, business partners, employees and the community.
- **SHEQ**  
Safety, health, environmental sustainability and quality management.
- **Strategy**  
The organisation’s strategy identifies how it intends to mitigate or manage risks and maximise opportunities. It furthermore sets out strategic objectives and strategies to achieve them, which are implemented through resource allocation plans.
- **Value**  
Value is the occurrence where the consequences of our successful resource application has a positive impact on a stakeholder.
- **Value creation**  
Value is created through an organisation’s business model, which takes inputs from the capitals and transforms them through business activities and interactions to produce outputs and outcomes that, over the short, medium and long term, create or destroy value for the organisation, its stakeholders, society and the environment.
- **WEF**  
World Economic Forum.

