

Corporate Governance Report continued

As required by King III and the JSE Listings Requirements, Aspen has compiled a register explaining its application of the 75 King III principles in the table that follows.

Aspen King III application table

✓ = Applied
‡ = In progress

NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 1 – Ethical leadership and corporate citizenship			
1.1	The Board should provide effective leadership based on an ethical foundation.	✓	Governance in the Group extends beyond mere legislative and regulatory compliance. The Board and management strive to entrench an enterprise-wide culture of good governance aimed at ensuring that decisions are taken in a fair and transparent manner, within an ethical framework that promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable.
1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	✓	Aspen's vision, <i>"To deliver value to all our stakeholders as a responsible corporate citizen that provides quality, affordable medicines globally"</i> encapsulates the Group's inherent approach of conducting business ethically, with integrity and with a commercial wisdom which strives to enhance the economic and social well-being of its investors, employees, customers and business partners. The Board is responsible for ensuring that this vision is met and that Aspen remains to be seen as a responsible corporate citizen.
1.3	The Board should ensure that the Company's ethics are managed effectively.	✓	A formalised ethics management programme has been implemented at all of the Group's businesses. This programme is managed by the Company Secretary & Group Governance Officer under the direction of the Social & Ethics Committee.
Chapter 2 – Board and directors			
2.1	The Board should act as the focal point for and custodian of corporate governance.	✓	The Board is accountable to shareholders and other stakeholders and is ultimately responsible for the implementation of sound corporate governance practices throughout the Group. Aspen's Board is committed to ensuring that the Group adheres to high standards of corporate governance in the conduct of its business.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	✓	One of the key responsibilities of the Board is to approve and review the strategic direction of the Group and monitor the execution of strategic plans, ensuring both the ongoing performance of the Group against set targets and its long-term sustainability. Aspen's risk management objectives aim to sustainably support the effective pursuit of the Group's strategy.
2.3	The Board should provide effective leadership based on an ethical foundation.	✓	See 1.1
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	✓	See 1.2
2.5	The Board should ensure that the Company's ethics are managed effectively.	✓	See 1.3

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 2 – Board and directors continued			
2.6	The Board should ensure that the Company has an effective and independent audit committee.	✓	The Audit & Risk Committee is constituted as a statutory committee in terms of the provisions of section 94 of the Companies Act and has an independent role with accountability to both the Board and shareholders. In applying the recommendations of King III, the Audit & Risk Committee consists of three independent, non-executive directors selected by the Board on the recommendation of the Remuneration & Nomination Committee. The Board elects the Chairman of the Audit & Risk Committee.
2.7	The Board should be responsible for the governance of risk.	✓	The Board is responsible for the governance of risk across the Group, for setting the risk appetite and for monitoring the effectiveness of Aspen's risk management processes. This responsibility is delegated to the Audit & Risk Committee.
2.8	The Board should be responsible for information technology (IT) governance.	✓	IT systems have an essential role to play in the implementation of the Group's strategy and the effectiveness of these systems is reported to the Board on a quarterly basis. The Board, which is ultimately responsible for IT governance, has adopted an IT governance charter in accordance with the King III recommendations and has appointed a Chief Information Officer to discharge the duties contained in this charter. An IT Steering Committee has been established to ensure that the Group's IT strategy is aligned with the Group business objectives and to oversee the implementation and maintenance of the Group's IT governance. This steering committee meets periodically, comprises representatives from both the Group's businesses and functions and is chaired by the Deputy Group Chief Executive.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	✓	The Board is ultimately responsible for overseeing the Group's compliance with laws, rules, codes and standards in terms of King III. The Board has delegated to management the responsibility for the implementation of an effective legislative compliance framework and processes as envisaged by King III. The Board has considered the compliance framework that has been established by management and has satisfied itself that it is adequate for the requirements of King III. Aspen has appointed a Group Legal Officer who fulfils the function of Group Compliance Officer in providing the Board with assurance that the Group is compliant with applicable laws and regulations. This is an independent, objective assurance and consulting activity designed to give operational effect to the principles of King III.
2.10	The Board should ensure that there is an effective risk-based internal audit.	✓	The Board has delegated to the Audit & Risk Committee the responsibility of overseeing internal audit. This Committee considers and approves the internal audit charter and internal audit's annual risk-based audit plan.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	✓	The Board acknowledges it is ultimately responsible for the management of relationships with the Group's major stakeholders and the importance of stakeholder perceptions on the Group's reputation. The Board has approved a stakeholder policy and receives formal feedback from management on a quarterly basis as to the nature of interaction with stakeholders.
2.12	The Board should ensure the integrity of the Company's Integrated Report.	✓	The Audit & Risk Committee fulfils an oversight role regarding the Group's Integrated Report and the reporting process, including the system of internal financial controls. This Committee recommends the Integrated Report's approval to the Board.

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Aspen King III application table continued

NUMBER	PRINCIPLE	HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 2 – Board and directors continued		
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	<p>✓ Based on the results of the formal documented review of the design, implementation and effectiveness of the Group's systems of internal financial controls conducted by Group Internal Audit, supported by approved outsourced internal audit service providers during the 2014 financial year and, in addition, considering information and explanations given by management and discussions with the external auditor on the results of their audits, no material breakdowns in the functioning of the financial internal controls were noted during the year under review. The scope of internal audit work undertaken was limited in respect of the following:</p> <ul style="list-style-type: none"> ➤ regarding the transaction with Nestlé in Latin America and the acquisition of the specialist sterile manufacturing site from GSK in France, no internal audit work was undertaken during the 2014 financial year in view of the timing of the integration and the transition arrangements in place. Further, due to the disentanglement process and transition arrangements in place, the financial internal control frameworks for these business units had not been finalised. Approvals frameworks and management reviews at a business and at a corporate level are in place; and ➤ in view of the disentanglement process with MSD taking place at Aspen Oss and the transition processes underway, limited internal audit work was undertaken for this business unit. Internal financial control frameworks have been completed for key financial internal controls. <p>As a consequence of these limitations, the external audit approach was adapted and extended where appropriate to take this into account. Taking consideration of information and explanations given by management and discussions with the external auditor on the results of their audits, nothing came to the attention of the Audit & Risk Committee that caused the Committee to believe that there were material breakdowns in the functioning of the financial internal controls during the period between transaction completion and 30 June 2014 at the business units where the scope of internal audit activities was limited.</p>
2.14	The Board and its directors should act in the best interests of the Company.	<p>✓ In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the Company's stakeholders. The Board as a whole acts in the best interests of the Group and its stakeholders.</p>
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.	<p>✓ The Board is aware of the requirements of the Companies Act regarding business rescue. The Board has established a risk management process that helps the Group to continuously evaluate both internal and external risks, threats and opportunities to ensure that the Company is operating optimally and is not in distress.</p>

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 2 – Board and directors continued			
2.16	The Board should elect a Chairman of the Board who is an independent non-executive director. The CEO of the Company should also not fulfil the role of Chairman of the Board.	✓	The Board is currently led by Judy Dlamini, a non-executive director. In line with the recommendations of King III and in view of the fact that she is not classified as an independent non-executive director in terms of these recommendations, the Board has appointed Roy Andersen as the Lead Independent Director. He also acts as Chairman in instances where the Chairman may have a conflict of interest. The roles of the Chairman of the Board and the Group Chief Executive are separate and clearly defined, such that no one individual director has unfettered powers of decision-making.
2.17	The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority.	✓	Aspen's corporate governance framework includes the structures, processes and practices that the Board of Directors uses to direct and manage the Group's operations. While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the Group Chief Executive and the Deputy Group Chief Executive the authority to run the day-to-day affairs of the Company subject to an approvals framework established by the 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.	✓	The Board currently comprises 11 directors, two of whom are executive directors with the remainder being non-executives. Six of these are considered independent non-executive directors within the criteria determined by King III and constitute the majority of non-executive directors on the Board.
2.19	Directors should be appointed through a formal process.	✓	Non-executive directors are appointed by the Board in terms of a formally documented and transparent process which takes place under the guidance of the Remuneration & Nomination Committee. Non-executive directors are selected on the basis of their skills, business experience, reputation and qualifications. Gender and racial diversity is also considered in the appointment of new directors.
2.20	The induction and ongoing training and development of directors should be conducted through formal processes.	✓	Newly appointed directors are required to participate in an induction programme coordinated by the Chairman together with the Company Secretary & Group Governance Officer. The Company Secretary & Group Governance Officer is also, with the assistance of the Group Legal Officer and Group Compliance Officer, responsible for ensuring that directors are kept abreast of relevant legislative and regulatory developments as well as significant information impacting the Group's operating environment. Training sessions for non-executive directors are held regularly. These sessions are presented by senior management or subject experts and are designed to keep directors updated on developments in the Group and the territories in which it operates as well as other relevant matters.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company Secretary & Group Governance Officer.	✓	The Company Secretary is also the Group Governance Officer and plays a pivotal role in the corporate governance of the Group. The Company Secretary & Group Governance Officer attends all Board and committee meetings and provides the Board and directors, collectively and individually, with guidance on the execution of their governance role. The Board is satisfied that the Company Secretary & Group Governance Officer is properly qualified and experienced to competently carry out the duties and responsibilities of Company Secretary & Group Governance Officer.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 2 – Board and directors continued			
2.22	The evaluation of the Board, its committees and the individual directors should be performed every year.	✓	An evaluation of the performance of the Board, the Board committees, the Chairman, the Group Chief Executive, the Company Secretary & Group Governance Officer and of each of the individual directors is conducted annually.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	✓	The Board has established the following Board committees, each with specific Terms of Reference, to assist it in the execution of its role: <ul style="list-style-type: none"> ➤ Audit & Risk; ➤ Remuneration & Nomination; and ➤ Social & Ethics.
2.24	A governance framework should be agreed between the Group and its subsidiary boards.	✓	The Group operates according to an approval framework approved by the Board and each subsidiary board has approved such approval framework.
2.25	Companies should remunerate directors and executives fairly and responsibly.	✓	The Group remains cognisant of the importance of finding the proper balance between keeping its employees appropriately rewarded and motivated and balancing the financial considerations of the Group's shareholders in the medium term. The Group makes reference to independent surveys, publicly available economic data and marketplace intelligence both locally and internationally in endeavouring to set remuneration packages that are competitive as well as industry and market related.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	✓	The Board approves the Remuneration Report prepared by the Remuneration & Nomination Committee. The report discloses the remuneration of each individual director as required by the Companies Act.
2.27	Shareholders should approve the Company's remuneration policy.	✓	The Company's Remuneration Policy, as approved by the Board on the recommendation of the Remuneration & Nomination Committee is tabled for a non-binding advisory vote at each annual general meeting of shareholders.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 3 – Audit committee			
3.1	The Board should ensure that the Company has an effective and independent audit committee.	✓	All members of the Audit & Risk Committee are regarded as independent directors. The members of the Audit & Risk Committee are appointed annually by the shareholders at the annual general meeting.
3.2	Audit Committee members should be suitably skilled and experienced independent non-executive directors.	✓	The Remuneration & Nomination Committee, through its nomination process, ensures that members are sufficiently qualified and experienced in matters such as financial and sustainability reporting, internal financial controls, external and internal audit processes, corporate law, risk management, financial sustainability issues, IT governance as it relates to integrated reporting and governance processes.
3.3	The Audit Committee should be chaired by an independent non-executive director.	✓	The Chairman of the Audit & Risk Committee is an independent non-executive director.
3.4	The Audit Committee should oversee integrated reporting.	✓	The Audit & Risk Committee considers the Group's Integrated Report and the sustainability information as disclosed in this report and in the Sustainability Report to evaluate the integrity of reported information and for consistency with the Annual Financial Statements.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	✓	The Audit & Risk Committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	✓	As part of its formal processes, the Audit & Risk Committee considers and satisfies itself of the expertise and experience of the Deputy Group Chief Executive who performs the duties of the Company's Financial Director. The Committee also does this in respect of the appropriateness of the expertise and adequacy of resources of the Group's finance function and experience of the senior members of management responsible for the Group's finance function, including the Group Finance Officer.
3.7	The Audit Committee should be responsible for overseeing of internal audit.	✓	The Audit & Risk Committee is responsible for overseeing internal audit and has considered and approved the internal audit charter and internal audit's annual risk-based audit plan.
3.8	The Audit Committee should be an integral component of the risk management process.	✓	Oversight of the Group's risk management function has been assigned to the Audit & Risk Committee.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 3 – Audit committee continued			
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	✓	The Audit & Risk Committee annually satisfies itself that the external auditor is independent of the Group, as required by the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance is sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence. The Committee annually nominates the appointment of the external audit firm and the designated auditor responsible for performing the functions of auditor, to shareholders for appointment.
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	✓	The Audit & Risk Committee Chairman reports back to the Board subsequent to each committee meeting. Annually the Chairman of the Committee prepares an Audit & Risk Committee report to shareholders and represents the Committee at the annual general meeting.
Chapter 4 – The governance of risk			
4.1	The Board should be responsible for the governance of risk.	✓	The Board of Directors is responsible for governance of risk across the Group, for setting the risk appetite and for monitoring the effectiveness of Aspen's risk management processes. This responsibility is delegated to the Audit & Risk Committee.
4.2	The Board should determine the level of risk tolerance.	✓	Specific risk tolerance levels are set annually by the Audit & Risk Committee and approved by the Board.
4.3	The Risk Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	✓	The Board of Directors is responsible for governance of risk across the Group, for setting the risk appetite and for monitoring the effectiveness of Aspen's risk management processes. This responsibility is delegated to the Audit & Risk Committee.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	✓	The Board considers risk management to be a key process in the responsible pursuit of strategic objectives and in the effective management of related material issues across the Group. The executive risk forum supports the Audit & Risk Committee with the administration of the Group risk management process.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	✓	The integrated risk management model considers strategic, operational, financial and compliance risks. Reputational risks and uncertain risks, which are inherent to Aspen's business and to the pharmaceutical industry in general, are also identified, monitored, mitigated and recorded. The Board, through the Audit & Risk Committee, conducted a formal and detailed assessment of risks twice during the 2014 year. Aspen's management culture is underpinned by effective risk identification and mitigation activities which are applied, on a day-to-day basis, through a system of internal controls, monitoring mechanisms and relevant stakeholder engagement activities. In accordance with the Group's risk philosophy, business activities and business plans are aligned to the Group's governance, economic, environmental and social aspirations.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 4 – The governance of risk continued			
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	✓	The identification and evaluation of uncertain risks facing each business unit is formally discussed by the executive risk forum with regional executive management teams. A report of uncertain risks is presented to the Audit & Risk Committee. Following a comprehensive review of risks and mitigating controls at the Audit & Risk Committee meeting, the Committee formulated an overall conclusion and submitted a formal risk review report to the Board. The Committee's report included an opinion on the overall status of material inherent, residual, reputational and uncertain risks as well as the adequacy of related mitigating controls.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	✓	Formal risk registers and risk reports are prepared by business unit management teams and include detailed risk mitigation plans in response to identified risks. The Audit & Risk Committee evaluates the effectiveness of management's response to key risks facing the business, including adequacy of insurance cover to mitigate transferred risks. Consideration is also given to the organisational structure to support effective and consistent implementation of the Group's risk management policy and related processes. The Boards of Directors at the subsidiary companies are responsible for oversight of the risk management processes implemented at the relevant business units and for monitoring the effectiveness of the implemented risk management system.
4.8	The Board should ensure continual risk monitoring by management.	✓	The executive risk forum monitors the effectiveness of implemented risk mitigation plans on a day-to-day basis on behalf of the Audit & Risk Committee.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	✓	The Group's internal audit function performs an independent, annual review of the Group's risk management and risk governance processes to assure ongoing effectiveness.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	✓	The Board discloses the Group's key risks and the mitigating activities relevant to these risks in the Integrated Report.
Chapter 5 – The governance of information technology			
5.1	The Board should be responsible for information technology (IT) governance.	✓	IT systems have an essential role to play in the implementation of the Group's strategy and the effectiveness of these systems is reported to the Board, which is ultimately responsible for IT governance, on a quarterly basis.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	✓	An IT Steering Committee has been established to ensure that the Group's IT strategy is aligned with the Group business objectives and to oversee the implementation and maintenance of the Group's IT governance.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	✓	See 5.2.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 5 – The governance of information technology continued			
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	✓	The IT Steering Committee monitors the performance of all major IT projects in the Group and reports on these to the Board on a quarterly basis.
5.5	IT should form an integral part of the Company's risk management.	✓	IT governance and risk management is integrated into the Group's risk management framework.
5.6	The Board should ensure that information assets are managed effectively.	±	Information security procedures are in place to varying degrees. Information is managed according to business requirements, and where personal information has been identified on a system it is managed at a local level and according to controls as defined for the complete system. Where business requirements include information security and management requirements they are included in new solutions and services. As part of the implementation of an information security management system, a high-level information classification framework will be implemented for each Aspen business, with ownership of the information security management system being established at a local level.
5.7	A risk committee and audit committee should assist the Board in carrying out its IT responsibilities.	✓	The Audit & Risk Committee assists the Board in reviewing the risks in respect of IT and in the carrying out of its IT responsibilities. A formal evaluation of IT risks is conducted as part of the annual risk reporting process across all business units.
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.	✓	The Board is ultimately responsible for overseeing the Group's compliance with laws, rules, codes and standards in terms of King III.
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.	✓	The Company Secretary & Group Governance Officer is, with the assistance of the Group Legal Officer & Group Compliance Officer, responsible for ensuring that directors are kept abreast of relevant legislative and regulatory developments as well as significant information impacting the Group's operating environment. Training sessions for non-executive directors are held regularly, with a total of two sessions held during the year. These sessions are presented by senior management or subject experts and are designed to keep directors updated on developments in the Group and the territories in which it operates as well as other relevant matters.
6.3	Compliance risk should form an integral part of the Company's risk management process.	✓	The Group's risk management process encompasses all classes of risk, including compliance.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	✓	The Board has delegated to management the responsibility for the implementation of an effective legislative compliance framework and processes as envisaged by King III. The Board has considered the compliance framework that has been established by management and has satisfied itself that it is adequate for the requirements of King III. Aspen has appointed a Group Legal Officer who fulfils the function of Group Compliance Officer in providing the Board with assurance that the Group is compliant with applicable laws and regulations. This is an independent, objective assurance and consulting activity designed to give operational effect to the principles of King III.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 7 – Internal audit			
7.1	The Board should ensure that there is an effective risk-based internal audit.	✓	An effective risk-based internal audit function has been established. The purpose, authority and responsibilities of the internal audit function are defined in the Board-approved internal audit charter that is consistent with the Institute of Internal Auditors' definition of internal auditing, and the principles of King III.
7.2	Internal audit should follow a risk-based approach to its plan.	✓	The Audit & Risk Committee is responsible for overseeing internal audit and has considered and approved the internal audit charter and internal audit's three-year strategy plan, as well as the annual risk-based audit plan.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	✓	A written assessment regarding the effectiveness of the system of internal controls and risk management is tabled to the Audit & Risk Committee annually.
7.4	The Audit Committee should be responsible for overseeing the internal audit.	✓	The Audit & Risk Committee is responsible for overseeing internal audit and has considered and approved the internal audit charter and internal audit's annual risk-based audit plan. The Chief Audit Executive is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the Audit & Risk Committee at each committee meeting. Copies of the detailed reports are also provided to the Audit & Risk Committee together with an overall summary of the audit result for each audit. The Chief Audit Executive has direct access to the Audit & Risk Committee, primarily through its Chairman, and attends Audit & Risk Committee meetings by invitation.
7.5	Internal audit should be strategically positioned to achieve its objectives.	✓	The Group's internal audit function is an independent, objective assurance and consulting activity aimed at assisting Aspen to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal control and governance processes.
Chapter 8 – Governing stakeholder relationships			
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation.	✓	The strength of the Group lies in its ability to foster and maintain strong relationships with its stakeholders through transparency and effective communication. The Board of Directors is committed to sustaining Aspen's established credibility and rapport amongst its stakeholders.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	✓	A Group policy and guidelines for managing stakeholder engagement, based on international best practice and approved by the Board, have been published on the Company website. A structured system of engagement exists to ensure the timeous communication of accurate and relevant information to each stakeholder group in a consistent manner. Executive management is entrusted with the responsibility for implementation of the stakeholder engagement policy through a robust and consistent system of communication with identified stakeholder groups.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	✓	The Board has adopted a stakeholder-inclusive governance approach. Business leaders at the Group's subsidiary companies (or their equivalent) are mandated to liaise with the people and operations stakeholder groups to ensure that the specific expectations of a diverse stakeholder base are met.

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NUMBER	PRINCIPLE		HOW PRINCIPLE IS APPLIED OR OTHER RELEVANT EXPLANATION
Chapter 8 – Governing stakeholder relationships continued			
8.4	Companies should ensure the equitable treatment of shareholders.	✓	The Company supports transparency, best practice disclosure, consistent communication and timeous dissemination of consistent information to all shareholders. The legitimate interests of minority shareholders are protected in accordance with the Companies Act and JSE Listings Requirements.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	✓	<p>The open-door policy at Aspen facilitates ongoing interaction and promotes internal stakeholder participation. Meetings, forums, awareness sessions and electronic communication are just some of the interaction methods available to internal stakeholders.</p> <p>External stakeholders can liaise with the Group using the following channels:</p> <ul style="list-style-type: none"> ➤ Aspen’s online enquiry form; ➤ using direct contact details of the corporate and regional offices for specific information; ➤ the Aspen customer care hotlines or the medical information hotline; ➤ the independently monitored Tip-offs Anonymous hotline; ➤ direct access to the Group Investor Relations Manager, Group Company Secretary & Group Governance Officer, Group Risk & Sustainability Manager or the Group Corporate Communications consultant; and ➤ access to publicly available corporate information through the Group Company Secretary & Group Governance Officer.
8.6	The Board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible.	✓	The Group’s approach to conflict/dispute resolution is through constructive dialogue with the relevant parties. Where this preferred method does not result in adequate resolution of a matter, external legal advisers, arbitrators and/or mediators are engaged to expedite resolution.
Chapter 9 – Integrated reporting and disclosure			
9.1	The Board should ensure the integrity of the Company’s Integrated Report.	✓	The Board reviews and approves the Integrated Report subsequent to its review and recommendation by the Audit & Risk Committee. Structured authorisation and review processes are in place, which include external and internal assurance reviews.
9.2	Sustainability reporting and disclosure should be integrated with the Company’s financial reporting.	✓	<p>The Audit & Risk Committee considered the Group’s Integrated Report and the sustainability information as disclosed in this report and in the Sustainability Report to evaluate the integrity of reported information and for consistency with the Annual Financial Statements. The Audit & Risk Committee has discussed the sustainability information with management.</p> <p>Reporting is prepared in line with recognised guidelines that include International Financial Reporting Standards, King III and the Global Reporting Initiative (“GRI G3.0”).</p>
9.3	Sustainability reporting and disclosure should be independently assured.	✓	During the 2014 financial year the Audit & Risk Committee considered the results of the sustainability audit conducted by Environmental Resources Management, and limited assurance engagements performed on selected key performance indicators by Environmental Resources Management, PricewaterhouseCoopers Inc, as the Group’s external auditors and Group internal audit. The Committee was satisfied that the sustainability information, as presented in the 2014 Integrated and Sustainability Reports, is reliable, consistent and fairly presented.