

HOW CORONATION CREATES VALUE FOR GOVERNMENT AND REGULATORY BODIES

In an increasingly regulated environment, Coronation continues to play an active role in industry initiatives, both in terms of shaping the environment as well as ensuring that we consistently operate to the highest standards.

IN FINANCIAL YEAR 2019

R694m

total tax contribution

Coronation supports and, where appropriate, adheres to relevant governance frameworks that promote leading governance practices. Accordingly, the Board is guided by the principles set out in King IV™, which affirms our approach to corporate governance. We aim to engage government and regulatory bodies in a proactive and meaningful manner. We participate in regulatory discussions to safeguard against unintended outcomes.

We are primarily accountable to the following regulatory bodies:

- ▶ Financial Sector Conduct Authority (South Africa)
- ▶ Prudential Authority – South African Reserve Bank
- ▶ Central Bank of Ireland (Ireland)
- ▶ Financial Conduct Authority (UK)
- ▶ Securities and Exchange Commission (USA)

Active engagement

The majority of our regulatory interaction is with the Financial Sector Conduct Authority (FSCA), and more recently the Prudential Authority, either directly or through our involvement with the Association for Savings and Investment South Africa (ASISA). We are committed to playing an active role in shaping the South African financial services industry by working with industry partners and the FSCA.

A number of Coronation employees serve on various ASISA Board committees, standing committees and working groups, and we have engaged in numerous significant legislative consultations.

This includes the Retail Distribution Review, the Financial Intelligence Centre Act Amendment Bill, changes in the tax treatment of Collective Investment Schemes and the Financial Sector Regulation Bill (Twin Peaks), which creates the Prudential Authority and a dedicated market conduct regulator, namely the FSCA.

In line with our offshore fund offering and our strategy to grow our global franchise, we are members of the Investment Company Institute. This helps us to remain abreast of international industry and regulatory developments and to adjust our practices and strategy in a timely manner.

Advancing broad-based economic transformation

In line with the agenda of government and regulatory bodies to achieve economic transformation and the development of skills in the asset management industry, Coronation has pioneered black businesses and supported the transformation of the industry since the Company's inception over a quarter of a century ago.

Financial contribution

As a leading South African asset manager, Coronation makes a substantial contribution to the national fiscus via its annual tax payments. For the period under review our total tax paid, including VAT where applicable, was R694 million.