Principle	Description	Compliance
Chapter 1	**Ethical leadership and corporate citizenship**	
1.1	The board should provide effective leadership based on an ethical foundation.	The board is the guardian of the values and ethics of the group
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen.	The board is the guardian of good corporate governance and manages to achieve a balance between strategy, performance, sustainability and risk whilst acting in the best interests of the company and shareholders.
1.3	The board should ensure that the company's ethics are managed effectively.	The group has a code of ethics, to which all members of the board, management and employees of the group are required to adhere to. The code promotes and enforces ethical business practices.
Chapter 2	**Boards and directors**	
2.1	The board should act as the focal point for and custodian of corporate governance.	Good corporate governance practice is an important ingredient in creating and sustaining shareholder value and ensuring that behaviour is ethical, legal, transparent and for the benefit of all its stakeholders. The board charter is an important component of the framework that defines our corporate governance practice within the group, and is designed to provide guidance to directors and external audiences as to how we approach this critical issue within the group.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	The board is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the group's businesses, in particular in relation to the triple bottom line of social, economic and environmental performance. It determines the strategic objectives and policies of the group so as to

		deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The board ensures that management strikes an appropriate balance between promoting long-term sustainable growth and delivering short-term performance.
2.3	The board should provide effective leadership based on an ethical foundation.	Refer to 1.1.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	Refer to 1.2.
2.5	The board should ensure that the company's ethics are managed effectively.	Refer to 1.3.
2.6	The board should ensure that the company has an effective and independent audit committee.	Refer to chapter 3 below.
2.7	The board should be responsible for the governance of risk.	Refer to chapter 4 below.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Refer to chapter 6 below.
2.10	The board should ensure that there is an effective risk-based internal audit.	Refer to chapter 7 below.
2.11	The board should appreciate that stakeholders` perceptions affect the company's reputation.	Refer to chapter 8 below.
2.12	The board should ensure the integrity of the company's integrated report.	Refer to chapter 9 below.
2.13	The board should report on the effectiveness of the company's system of internal controls.	Refer to chapters 7 and 9 below.
2.14	The board and its directors should act in the best interests of the company.	The duties of directors include: a. only exercising powers within the authority given and acting in accordance with the company's articles of

		association; b. at all times acting not only in good faith and honesty, but also in the company's best interests and to promote the success of the company for all its members, whilst having regard to the likely consequences of any decision in the long-term, the interests of employees, the need to further relationships with suppliers and customers, the impact on the community and the environment, and the need to act fairly as between members of the company; c. exercising independent judgement in carrying out their duties; d. exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience; and avoiding a conflict of interest between their personal interests and their duties to the company.
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.	Not applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company should not also fulfil the role of chairman of the board.	The chairman of the board, Adv Raymond Heathcote, is an independent non-executive director. The chief executive of the group, Mr Quinton van Rooyen, holds the post of group managing director.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of	Mr Quinton van Rooyen, appointed as group managing director by the board on 7 September 2006,

	authority.	operates under a delegation of authority, as recommended by the ARC and approved 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 has a majority of independent non-executive directors. As at 31 March 2015 the group had four non-executive directors, all of whom are independent, and three executive directors.
2.19	Directors should be appointed through a formal process.	The process for appointing new directors to the board is determined by the board charter and the Remco charter, read in conjunction with the company's articles of association.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	The group company secretary and group chairman agree upon a board training programme based on the requirements of the board. A Training workshop was presented during the year under review by Ithemba Governance and Statutory Solutions (Pty) Ltd, on corporate governance and the legal and regulatory framework. All newly appointed directors go through a formal orientation programme with management however no new directors were appointed during the year under review.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	The group company secretary is regarded by the board as competent, suitably qualified and experienced.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	The board conducts an annual review of its own effectiveness and that of the board committees.

2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	The board takes full ownership of certain key decisions to ensure it retains proper direction and control of the group and has established ARC and Remco to help it meet these responsibilities. The board is responsible for the performance and affairs of the group and holds itself ultimately accountable to its stakeholders. Delegating various functions and authorities to committees and management does not absolve the board and its directors of their duties and responsibilities.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	The governance model for the Trustco subsidiaries is based on the group risk management framework, ensuring that the governance requirements applicable to each entity are congruent with the risk exposure.
2.25	Companies should remunerate directors and executives fairly and responsibly.	Refer to the remuneration report on pages 72 -83 of the Integrated Report.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	Refer to the remuneration report on pages 72-83 of the Integrated Report.
2.27	Shareholders should approve the company's remuneration policy.	Ordinary shareholders of Trustco approve, by means of a non-binding advisory vote, the group's remuneration policy annually at the AGM.
Chapter 3	**Audit committee**	Refer to the ARC report under the Corporate Governance section on

		pages 64-65 of the Integrated Report.
3.1	The board should ensure that the company has an effective and independent audit committee.	The membership of the ARC comprises three independent non-executive directors.
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors.	The members of the ARC are all suitably skilled and experienced independent non-executive directors.
3.3	The audit committee should be chaired by an independent non-executive director.	Mr Winton J Geyser, the chairman of the ARC, is an independent non-executive director.
3.4	The audit committee should oversee integrated reporting.	The ARC oversees integrated reporting in the group and the chairman of the ARC signs off on the ARC report under the Corporate Governance section of the Integrated Report.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	A combined assurance model has been established and the ARC oversees its application in the group.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	The ARC performs this assessment on an annual basis.
3.7	The audit committee should be responsible for overseeing of internal audit.	The ARC reviews and approves the annual internal audit plan, as submitted by Internal Audit. Furthermore the internal audit function reports to the ARC.
3.8	The audit committee should be an integral component of the risk management process.	The board has assigned oversight of the company's risk function to the ARC which plays an important role in the risk management process.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	The ARC performs this function on an ongoing basis.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	The ARC formally reports to the board after each meeting and the ARC report is included in the Corporate Governance section of

		the full integrated report.
Chapter 4	**The governance of risk**	
4.1	The board should be responsible for the governance of risk.	The ARC assists the board with the governance of risk in the group.
4.2	The board should determine the levels of risk tolerance.	The ARC assesses the levels of risk tolerance and reports on it to the board.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	Refer to 4.1 above.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	The board has delegated the day-to-day responsibility for risk management to management.
4.5	The board should ensure that risk assessments are performed on a continual basis.	The ARC actively monitors the group's key risks as part of its standard agenda.
4.6	The board should ensure that the frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	All risks are identified and steps to mitigate these are outlined, including reasonably unpredictable risks.
4.7	The board should ensure that management considers and implements appropriate risk responses.	The ARC ensures that the group has in place appropriate responses to perceived risks.
4.8	The board should ensure continual risk monitoring by management.	Responsibility for identified risks is assigned to ARC
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	The ARC receives this assurance from various external and internal assurance providers, in terms of the combined assurance model.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Trustco's Integrated Annual Report provides a detailed outline of the risk management process to its stakeholders. Refer to the Risk Management Review on pages 70-71of the Integrated Report.
Chapter 5	**The governance of information technology**	
5.1	The board should be responsible for information technology (IT) governance.	The board is comfortable that an effective governance structure is in place through the IT Steering

		Committee (ITSC), whose mandate is to improve the overall status of IT governance in the group, while ensuring that future platforms will meet strategic needs and remain competitive. This committee reports to ARC. IT risk managemnet is aligned to the principal risk framework under operational risk.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	Refer to 5.1 and to the information technology report on pages 45-46 of this integrated report.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	Refer to 5.1 and to the information technology report on pages 45-46 of this integrated report.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	Refer to 5.1 and to the information technology report on pages 45-46of this integrated report.
5.5	IT should form an integral part of the company's risk management.	Refer to 5.1 and to the information technology report on pages 45-46 of this integrated report.
5.6	The board should ensure that information assets are managed effectively.	Refer to 5.1 and to the information technology report on pages 45-46of this integrated report.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	Refer to 5.1 and to the information technology report on pages 45-46 of this integrated report.
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.	In the context of the overall obligations of the board, the duties of the directors are to ensure that the company complies with all legislation, regulation, codes and standards.
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 directors and the board understand and stay abreast of the appropriate laws, rules and codes of standards applicable to the group.
6.3	Compliance risk should form an integral part of the company's risk management process.	Compliance is an identified significant risk and addressed as part of the risk management

		process.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	The board delegates this to the Risk and Compliance function of the group.
Chapter 7	**Internal risk**	
7.1	The board should ensure that there is an effective risk-based internal audit.	A risk-based internal audit is in place.
7.2	Internal audit should follow a risk-based approach to its plan.	A risk-based approach is followed by internal audit.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.	This assessment is provided by Internal Audit to the ARC on a regular basis.
7.4	The audit committee should be responsible for overseeing internal audit.	This function is included in the ARC terms of reference. Also refer to 3.7.
7.5	Internal audit should be strategically positioned to achieve its objectives.	Internal audit is independent, with no material breakdowns, enabling it to achieve its objectives. Refer to the ARC report.
Chapter 8	**Governing stakeholder relations**	
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	The group has a decentralised stakeholder engagement model with a practical framework designed around its main stakeholder groups. The group uses various policies and methodologies to govern communication and conduct with stakeholders to cater for their diverse and sometimes conflicting interests and concerns. This is a continuous process and group policies and methodologies are widely informed by best practice, corporate governance and legislative requirements, as well as risk and reputation management principles. Refer to the stakeholders report on page 50 – 51 of the Integrated Report
8.2	The board should delegate to management to proactively deal	Management is responsible for maintaining stakeholder

	with stakeholder relationships.	relationships.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	The appropriate balance is assessed on a continuous basis.
8.4	Companies should ensure the equitable treatment of shareholders.	In terms of the board charter, directors must act in a way they consider, in good faith, would promote the success of the group for the benefit of the shareholders as a whole and, in doing so, have regard (amongst other matters) to the need to act fairly between shareholders of Trustco.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Refer to 8.1.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	The board ensures that disputes are resolved effectively as possible.
Chapter 9	**Integrated reporting and disclosure**	
9.1	The board should ensure the integrity of the company's integrated report.	The board is responsible for the integrity of the Integrated Report and is assisted in this regard by management and internal and external assurance providers.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	The group's integrated reporting provides evidence that sustainable reporting and disclosure is integrated with the group's financial reporting. Refer to page 56 of the Integrated Report.
9.3	Sustainability reporting and disclosure should be independently assured.	Independent assurances are obtained. See page 2 of the Integrated Report for external assurances