

Mobile endorses the principles underlying the Code of Corporate Practices and Conduct in the King Reports on Corporate Governance. Ongoing enhancement of corporate governance principles is a global movement, fully supported by the board, and the board will continue to adopt, as appropriate, existing and new principles which advance good practical corporate governance and add value to the group's business activities.

It must be noted that Mobile is an investment holding company, has no employees and is classified as the pyramid company of Trencor Ltd ('Trencor') in terms of the Listings Requirements of the JSE Ltd ('JSE').

The board is of the opinion that the group has, in all material respects and where relevant, complied with the Code during the year under review.

The salient features of the group's corporate governance are set out below. The King III Report will apply in respect of the group's 2010 annual report.

Board of directors

Composition

The names and brief résumés of the directors appear on page 99. The board currently comprises four non-executive directors, two of whom qualify as independent non-executive directors in terms of the King II Report.

There is a procedure for appointments to the board and such appointments are formal and transparent and a matter for the board as a whole.

A board effectiveness review was conducted in 2008 and the board is satisfied with the outcome of the process.

The directors have considerable experience and an excellent understanding of the group's business and all serve on the board of Trencor.

The board as a whole is satisfied that no one director or block of directors has undue power on decision-making.

Professional advice

All directors have access to the company secretary and are entitled to obtain independent professional advice, at the company's expense if required.

Meetings

The board meets regularly on a scheduled quarterly basis and at such other times as circumstances may require. During the year ended 31 December 2009, five meetings were held and these were attended by all directors.

Board papers are timeously issued to all directors prior to each meeting and contain relevant detail to inform members of the financial position of the group. When appropriate, strategic matters and developments are addressed as well.

Directors' service contracts

None of the directors are bound by service contracts. In terms of the articles of association, not less than one-third of the directors

are required to retire by rotation at each annual general meeting of the company and may offer themselves for re-election. The appointment of new directors during the year is required to be confirmed at the next annual general meeting and such new directors are required to retire at such annual general meeting, but may offer themselves for re-election.

Directors' remuneration

No remuneration is paid to the directors and, accordingly, no remuneration committee has been established.

Directors' interests

The number of shares held by the directors in the issued share capital of the company at 31 December 2009 and 2008 were as follows:

	Beneficial		Total
	Direct	Indirect	
2009			
C Jowell	1 461 389	131 040 841	135 502 230
N I Jowell	74 215	134 933 030	135 007 245
D M Nurek	–	–	–
E Oblowitz	–	–	–
	1 535 604	265 973 871	267 509 475
2008			
H A Gorvy	105 000	11 186	116 186
C Jowell	1 461 389	131 040 841	135 502 230
N I Jowell	74 215	134 933 030	135 007 245
E Oblowitz	–	–	–
	1 640 604	265 985 057	267 625 661

Board and audit committee terms of reference

The board is ultimately accountable and responsible for the performance and affairs of the group. In essence, it provides strategic direction to the group, monitors and evaluates performance and management of its subsidiaries and associate company, determines policies and processes to ensure effective risk management and internal controls, determines policies regarding communication and is responsible for ensuring an effective composition of the board.

Formal detailed terms of reference for the audit committee have been approved and implemented and will be reviewed by the board on a regular basis.

Committees of the board

Audit committee

The audit committee consists of two independent non-executive directors and normally meets at least twice a year, prior to the finalisation of the group's interim results and reviewed annual results, and at such other times as may be required. The committee is primarily responsible for assisting the board in carrying out its duties in regard to accounting policies, internal controls and audit, financial reporting, identification and monitoring of risk, and the relationship with the external auditors.

In addition to the committee members, the chairman of the board and certain Trecor group executives are normally invited to attend meetings of the committee. The external auditors attend all meetings and have direct and unrestricted access to the audit committee at all times.

During the year, the committee met on three occasions. The meetings were attended by both members.

In addition, the committee chairman meets separately with the external auditors on an ad-hoc basis.

The audit committee is satisfied that the external auditors are independent in the discharge of their duties. The use of the services of the external auditors for non-audit services requires the prior approval of the committee.

The Mobile audit committee has reviewed the group annual financial statements and annual financial statements for the year ended 31 December 2009 and recommended that the said financial statements be approved.

Other

There are no other committees of the board. All other matters are considered by the full board.

Risk management

Responsibility for managing the group's risks lies with the board of directors. However, shareholders are referred to the report on corporate governance published in the accompanying Trecor annual report relating to its significant risk exposures which could have an effect on Mobile.

Code of ethics

The board agreed a formal code of ethical conduct in 1998 which seeks to ensure high ethical standards. All directors are expected to strive at all times to adhere to this code, and to enhance the reputation of the group. The code is signed by all directors at least every three years.

Any transgression of the code is required to be brought to the attention of the audit committee. There was no transgression during the year under review.

Restriction on trading in shares

A formal policy prohibits directors and officers from dealing in the company's shares, and those of Trecor, from the date of the end of an interim reporting period until after the interim results have been published and similarly from the end of the financial year until after the reviewed annual results have been published. Directors and officers are reminded of this policy prior to the commencement of any restricted period.

In addition, no dealing in the company's shares is permitted by any director or officer whilst in possession of information which could affect the price of the company's shares and which is not in the public domain.

Directors of the company and of its subsidiaries are required to obtain clearance from Mobile's chairman (and in the case of the chairman, or in the absence of the chairman, from the chairman

of the audit committee) prior to dealing in the company's shares, and to timeously disclose to the company full details of any transaction for notification to and publication by the JSE.

Stakeholder communication

Members of the board meet on an ad-hoc basis with institutional investors, investor analysts, individuals and members of the financial media. Discussions at such meetings are restricted to matters that are in the public domain.

Shareholders are informed, by means of press announcements and releases in South Africa and/or printed matter sent to such shareholders, of all relevant corporate matters and financial reporting as required in terms of prevailing legislation. Mobile also publishes a trading update in respect of the quarters ending March and September each year, in addition to the interim results and reviewed results announcements for the periods ending June and December respectively. In addition, such announcements are communicated via a broad range of channels in both the electronic and print media. The company maintains a corporate website (<http://www.mobile-industries.net>) containing financial and other information, including interim, reviewed and annual results.