Centres of Growth

KING V APPLICATION REGISTER

Governance outcome: Ethical culture	
<u>PRINCIPLE 1:</u> Leadership The governing body leads ethically and effectively.	The Board has approved a Code of Conduct for Vukile Property Fund Limited ("Vukile") and ensures that its conduct is aligned with the Vukile values. Measures are in place to ensure that all Board members have sufficient working knowledge of the organisation, its industry, its operating context and all key laws, rules, codes and standards.
<u>PRINCIPLE 2:</u> Ethics The governing body governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.	The Board ensures compliance with the Code of Conduct is integrated into the strategy and operations of Vukile. The group's ethics are contained in its value statement.
<u>PRINCIPLE 3:</u> Strategy, performance and sustainable value creation The governing body ensures that the organisation's purpose, strategy and business model support performance that creates sustainable value within the organisation's economic, social and environmental context.	The Board through its Environmental Social and Ethics Committee, takes responsibility for and oversees how Vukile minimises the potential negative social impacts of the communities in which we operate.
Governance outcome: Performance and value creation	
<u>PRINCIPLE 4:</u> Reporting The governing body ensures that external reports issued by the organisation creates and preserves value within its economic, social and environment context over the short, medium and long term.	Vukile's Integrated Annual Report (IAR) sets out the company's approach to creating shareholder value. The IAR provides a balanced view of Vukile's financial and non-financial objectives. It provides information on Vukile's strategies for growth, efficiency, quality, sustainability, corporate governance and accountability. The preparation of the IAR was guided by the principle of materiality.

Governance outcome: Adequate and effective control	
PRINCIPLE 5: Composition of the governing body The governing body ensures that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.	The Board's role, responsibilities, membership requirements and procedural conduct are documented in a Board charter that is reviewed from time to time. The Board has approved a protocol that allows all directors to access any company information they might require.
PRINCIPLE 6: Committees of the governing body The governing body ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.	When determining the number of directors needed, the Board considers factors such as the appropriate mix of business, commercial and industry experience and skills. Prospective members of the Board are independently and thoroughly assessed in line with JSE guidelines. The Board considers the present mix of directors appropriate and compliant with the JSE requirements. The Board has established a stable and balanced distribution of skills, experience and role allocation through all its committees in terms of JSE listing requirement: Paragraph 5.7(i). A set policy stipulates a clear balance of power and authority at Board level, to ensure that no one director has unfettered powers of decision-making. The Board determines its own role, functions, duties and performance criteria as well as that for directors and Board committees. An annual effectiveness self-evaluation is undertaken in respect of the Board and its sub-committees and for the year under review, the Board satisfied itself that it and its sub-committees operated effectively.

<u>PRINCIPLE 7:</u> Appointment and delegation to management The governing body ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the governing body and management are clearly defined.	The Chief Executive Officer (CEO) was appointed by the Board on 1 August 2011 and is responsible for executing strategy and the day-to-day business of the company. The Board has approved a formal delegation of authority. The policy and framework indicate matters reserved for the Board and those delegated to management. The Board is satisfied that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.
<u>PRINCIPLE 8:</u> Risk The governing body governs risk in a way that enables the organisation to sustain and optimise its strategy and objectives.	The Board has delegated the management of risk to the group's management team, which executes this responsibility through processes within an established risk management policy and governance framework.
<u>PRINCIPLE 9:</u> Compliance The governing body governs compliance with applicable laws and adopted policies, non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship	The Board ensures compliance with all relevant South African legislation, including the Companies Act, JSE REIT Listing Requirements and King V.
<u>PRINCIPLE 10:</u> Data, information and technology The governing body governs data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.	The Board is responsible for IT governance, which is governed by an IT charter. IT Management directs, controls and measures the IT activities and processes of the group. This committee ensures that any delegation of IT processes is to a functionary with the appropriate seniority, skills, expertise and knowledge to exercise such authority effectively. Internal IT controls are assessed by the ARC on behalf of the Board.

PRINCIPLE 11: Remuneration The governing body ensures that the organisation remunerates fairly, responsible and transparently to promote sustainable value creation by the organisation within its economic, social and environmental context.	The group's remuneration philosophy seeks to reward executive directors and other senior management for individual and group performance. It recognises that these individuals can significantly impact the group's performance over the short-, medium- and long-term. The group's remuneration policy provides a framework for remuneration to attract, retain and motivate employees to achieve the strategic objectives of the organisation, within its risk appetite and risk management framework. The Remuneration and Human Capital Committee (RHCC) assists the Board in reviewing and administering remuneration. The RHCC comprises only independent non-executive directors, which monitors and strengthens the credibility of the group's executive remuneration system.
PRINCIPLE 12: Assurance The governing body ensures that assurance functions and services promote an effective internal control environment and safeguard the integrity of external reports issued by the organisation.	The Board has approved a charter that mandates the ARC to oversee internal controls established not only for financial matters, but also for operational, compliance and sustainability issues. The outsourced internal audit function, performed by EY, is monitored under the leadership of the ARC chair.
Governance outcome: Trust, sound reputation and legitimacy	
PRINCIPLE 13: Stakeholders The governing body adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the organisation within its economic, social and environmental context.	Stakeholders are assessed as part of Vukile's risk management process. Stakeholders have been identified as key to our successful strategy execution. Executive Management engages with investors, analysts, debt funder and rating agencies on a continuous basis. At an operational level, the asset managers and property managers engage with local stakeholders. The Board also engages with shareholders at the annual general meeting and on an ad hoc basis when required.