

ACCELERATE PROPERTY FUND LIMITED



KING IV APPLICATION REGISTER

This King IV application disclosure has been prepared in compliance with the JSE Listings Requirements and provides a high-level overview of how the Company has applied the principles of good corporate governance as set out in the Report on Corporate Governance for South Africa, 2016 (King IV), read together with the King IV Code of Governance (the Code).

The board of directors of Accelerate (the board) endorses the principles of good corporate governance and regards these as an integral component of its business success and sustainability of the company.

Principle	Summary of implementation of practices
	Governance outcome: Ethical culture
<p>1. <i>Ethical leadership</i> The governing body should lead ethically and effectively.</p>	<ul style="list-style-type: none"> ▪ The board cultivates and collectively and individually exhibits characteristics of integrity, competence, responsibility, accountability, fairness and transparency. ▪ The board provides leadership that results in the achievement of its strategy.
<p>2. <i>Organisation values, ethics and culture</i> The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<ul style="list-style-type: none"> ▪ The board sets the direction for ethics in the company. ▪ The board approves the code of ethics. ▪ The code of ethics is distributed to key stakeholders for endorsement. ▪ The social, ethics and transformation committee provides ongoing oversight of ethical matters.

<p>3. Responsible corporate citizenship The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<ul style="list-style-type: none"> ▪ The board sets the direction for good corporate citizenship, including compliance with the Constitution, laws, standards, policies and procedures. ▪ The social, ethics and transformation committee oversees and monitors the Company's status as a good corporate citizen.
	<p>Governance outcome: Performance and value creation</p>
<p>4. Strategy, implementation and performance The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<ul style="list-style-type: none"> ▪ The board steers and set the direction, purpose and strategy of the company. ▪ The board approves the strategy with due reference to timelines, risks and opportunities, resources and relationships, legitimate expectations of stakeholders, impact on the six capitals (financial, manufactured, intellectual, social and relationship, human and natural) and the inter-connectedness and interdependencies of all these factors. ▪ The board delegates the implementation of the strategy to management. ▪ The board approves business plans for implementation by management. ▪ The board oversees the implementation of the strategy and business plans by management against agreed performance measures and targets. ▪ The board oversees that there is ongoing assessment and response to any negative consequences for the economy, society and environment by the company using its six capitals. ▪ The board monitors its solvency and liquidity and going concern status.
<p>5. Reports and disclosure The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</p>	<ul style="list-style-type: none"> ▪ The board sets the direction and guidance for its reporting. ▪ The board, with the assistance of the audit and risk committee, approves the reporting frameworks to be used. ▪ The board oversees that the various reports it issues are compliant with legal reporting requirements and meets the reasonable and legitimate needs of material stakeholders. ▪ The board ensures that an annual integrated report is issued timeously. ▪ The board, with the assistance of the audit and risk committee, ensures the integrity of external reports. ▪ The board oversees publication and access by stakeholders of the King Code disclosure requirements, integrated reports, financial statements and other external reports on its website and/or other appropriate platform/media.
	<p>Governance outcome: Adequate and effective control – governing structures and delegation</p>
<p>6. Role of the governing body</p>	<ul style="list-style-type: none"> ▪ The board provides leadership through setting the strategic direction of the company, approving the implementation plans that give effect to the strategy and overseeing the implementation and monitoring

<p>The governing body should serve as the focal point and custodian of the corporate governance in the organisation.</p>	<p>of the plans by management. The board ensures accountability of the company's performance through, <i>inter alia</i>, reporting and disclosure. The board approves the board charter, terms of reference for its committees annually and has an approved process for directors to obtain professional advice, as required.</p> <ul style="list-style-type: none"> ▪ The board is satisfied that it has discharged its responsibilities in relation to its charter.
<p>7. Composition of the governing body</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p><i>Composition of the board</i></p> <ul style="list-style-type: none"> ▪ With the assistance of the nominations committee, the board approves the processes for ensuring an appropriate composition. ▪ The board, with the assistance of the nominations committee, considers an appropriate size for itself, with reference to the optimal mix of knowledge, skills, experience, diversity, independence (i.e. executive, non-executive and independent non-executive directors), sufficiency in numbers for its committees, quorum requirements and regulatory requirements. The board comprises of a majority of independent non-executive directors, being seven, and four executive directors. ▪ The board has a diversity policy at board level. ▪ One-third of the non-executive directors retire at each annual general meeting as well as any new directors appointed during the course of the year. ▪ The board has established a succession plan. <p><i>Nomination, election and appointment of directors to the board</i></p> <ul style="list-style-type: none"> ▪ The process for nomination, election and appointment of directors is formal and transparent. ▪ With the assistance of the nominations committee, the board considers the collective attributes and diversity needed, as well as whether the candidate is 'fit and proper' prior to potential member nomination. ▪ The board considers the past performance of a director prior to nomination for re-election. ▪ The board discloses potential candidates' profiles and commitments, as well as the board's endorsement, with AGM notices. ▪ New directors are issued with a letter of appointment and provided with an induction programme. ▪ Directors receive ongoing professional development as appropriate and/or requested. <p><i>Independence and conflicts</i></p> <ul style="list-style-type: none"> ▪ Directors table their declaration of all interests and related party disclosures at quarterly board meetings. ▪ Directors are categorised as independent non-executive directors if when judged by a reasonable and informed third-party they would conclude that there are no factors that could cause undue influence or biased decision-making. ▪ No non-executive directors have been on the board longer than nine years.

	<ul style="list-style-type: none"> ▪ Following the resignation of Mr Tito Mboweni on his appointment as Finance Minister and the retirement of Mr John Doidge, the independence of the board has been strengthened by the appointment of three new independent non-executive directors effective 1 May 2019. <p><i>Chairman of the board</i></p> <ul style="list-style-type: none"> ▪ The chairman of the board is an independent non-executive director and there is a lead independent non-executive director. ▪ The role, responsibilities and term of the chairman and lead independent non-executive director are articulated in the board charter. ▪ The chairman of the board is not a member of the audit and risk committee, chairman of the remuneration committee or chairman of the social, ethics and transformation committee. ▪ The chairman of the board is a member of the remuneration committee and chairman of the nominations committee. ▪ Succession planning is in place for the chairman.
<p>8. Committees of the governing body</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</p>	<p><i>General</i></p> <ul style="list-style-type: none"> ▪ Appropriate committees are in place with approved terms of reference. ▪ The composition, roles and responsibilities of committees are complimentary and there is no undue reliance or dominance by any individual member. ▪ Each committee has a minimum of three members and sufficient capability and capacity to function effectively. ▪ Any director may attend any committee meeting as an observer. Management attends by standing or ad-hoc invitation. ▪ The board applies its mind to the information and results provided to it by its committees as delegation to a committee does not discharge the board of its accountability. ▪ The board is satisfied that all its committees fulfilled their responsibilities in terms of their approved terms of reference. <p><i>Audit and risk committee</i></p> <ul style="list-style-type: none"> ▪ The audit and risk committee provides independent oversight of the assurance functions and the integrity of the annual financial statements and other reports. ▪ The audit and risk committee oversees risks that may affect the integrity of reports. ▪ The audit and risk committee members have the necessary financial literacy, skills and experience and are independent non-executive directors of the board. ▪ The audit and risk committee meets annually with external and internal auditors without management. ▪ The audit and risk committee comprises four independent non-executive directors.

	<ul style="list-style-type: none"> ▪ The audit and risk committee reports directly to the board on any of its findings. <p><i>Nominations committee</i></p> <ul style="list-style-type: none"> ▪ The nominations committee has oversight of the nomination, election and appointment process of directors. ▪ The nominations committee oversees succession planning of executive and non-executive directors ▪ The nominations committee comprises of all independent non-executive directors of the board. <p><i>Remuneration committee</i></p> <ul style="list-style-type: none"> ▪ The remuneration committee has oversight of remuneration governance. ▪ The remuneration committee comprises three independent non-executive directors and one executive director. <p><i>Social, ethics and transformation committee</i></p> <ul style="list-style-type: none"> ▪ The social, ethics and transformation committee has oversight of and reports on the company's ethics, statutory duties and corporate citizenship. ▪ The social, ethics and transformation committee comprises one executive director and two independent non-executive directors of the board, therefore the majority are non-executive directors.
<p>9. Delegation to management</p> <p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<ul style="list-style-type: none"> ▪ The board implements an annual performance evaluation of itself, its committees, the chairman of the board and the chairmen of the board committees and individual directors. ▪ The lead independent director leads the evaluation of the chairman. ▪ The board is satisfied with its performance and effectiveness. ▪ The COO is accountable for managing the day-to-day business of the company.
<p>10. Performance evaluations</p> <p>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.</p>	<p><i>CEO appointment and role</i></p> <ul style="list-style-type: none"> ▪ The CEO is responsible for leading strategy implementation and reporting thereon to the board. ▪ The board has a succession plan for the CEO, CFO and COO. <p><i>Delegation</i></p> <ul style="list-style-type: none"> ▪ The board reserves certain powers and matters for itself and sets those powers and matters to be delegated to management via the CEO and/or COO.

	<ul style="list-style-type: none"> ▪ The board has approved a delegation of authority framework. ▪ The CEO and COO have developed a succession plan for executive management and key positions. <p><i>Professional corporate governance services to the board</i></p> <ul style="list-style-type: none"> ▪ The board has a company secretary, as required statutorily and by the JSE Listings Requirements, who is empowered to carry out her functions. She provides guidance on corporate governance matters and supports and coordinates the functioning of the board and its committees. ▪ The company secretary has access to and reports to the board and also maintains an arms-length relationship with the board for reasons of independence. ▪ The evaluation of the competence and independence of the company secretary is included in the annual board evaluation process. ▪ The board is satisfied with the competence, independence and effectiveness of the company secretary.
	Governance outcome: Adequate and effective control – governance functional areas
<p>11. Risk and opportunity governance The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<ul style="list-style-type: none"> ▪ The board sets the approach for risk governance, including opportunities and risks when developing strategy and the potential positive and negative effects of risks on the achievement of its objectives. ▪ The board, with the assistance of the audit and risk committee, treats risk as an integral part of decision making and adherence to its duties. It approves the governance of risk policy and evaluates and agrees the risks it is prepared to take (i.e. risk appetite and risk tolerance levels). ▪ The board delegates to management the implementation of risk management. ▪ The board, with the assistance of the audit and risk committee, oversees risk management (including an assessment of risks and opportunities in relation to the triple context and use of the six capitals). ▪ The board receives periodic, independent assurance on the effectiveness of risk management.
<p>12. Technology and information governance The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<ul style="list-style-type: none"> ▪ The board sets the approach and approves the policy for the technology governance sub-committee which is a sub-committee and reports into the audit and risk committee. ▪ The board, with the assistance of the technology governance sub-committee, delegates to management effective technology and information governance implementation. ▪ The board, with the assistance of the technology governance sub-committee, oversees the management and results of management's implementation of technology and information governance.
<p>13. Compliance governance The governing body should govern compliance with applicable laws and</p>	<ul style="list-style-type: none"> ▪ The board, with the assistance of the audit and risk committee, directs the governance of compliance with laws, adopted non-binding rules, codes and standards. ▪ The board approves the policy for the governance of risk which includes compliance.

<p>adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.</p>	<ul style="list-style-type: none"> ▪ The board, with the assistance of the audit and risk committee, delegates to management the responsibility for implementing compliance management. ▪ The board, with the assistance of the audit and risk committee, oversees compliance management to ensure that it is understood, relates holistically and is responsive to changes, developments and innovations following continuous monitoring of the regulatory environment.
<p>14. Remuneration governance</p> <p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.</p>	<p><i>Remuneration policy</i></p> <ul style="list-style-type: none"> • The board sets the direction and approach for remuneration for the company and approves the remuneration philosophy and implementation thereof which is transparent and understandable. ▪ The remuneration philosophy is designed to attract and retain human capital, promote the achievement of strategic objectives, positive outcomes, an ethical culture and responsible corporate citizenship. ▪ The remuneration philosophy endorses remuneration that it is fair and responsible, uses appropriate performance measures for employees and that of executive management. ▪ The remuneration philosophy sets out all elements of remuneration. ▪ The remuneration committee oversees the implementation of the philosophy to ensure the achievement of the philosophy objectives. ▪ The remuneration philosophy records the measures to be taken if the remuneration philosophy and/or implementation report are voted against in a non-binding advisory vote by 25% or more of the voting rights exercised at each annual general meeting. ▪ The remuneration committee is satisfied with its independence and objectivity, and that the remuneration philosophy achieved its objectives. <p><i>Voting on remuneration</i></p> <ul style="list-style-type: none"> ▪ The company includes a special resolution in the notice of annual general meeting each year for the approval of remuneration for non-executive directors. ▪ The company tables the remuneration philosophy and implementation report at the annual general meeting each year for a non-binding advisory vote. ▪ The company discloses the voting results of its remuneration philosophy and implementation report and engages with shareholders in situations where 25% or more shareholders vote against the philosophy and/or the implementation report. The remuneration committee reports back to shareholders on the results of its shareholder engagement in the next integrated report.
<p>15. Assurance</p> <p>The governing body should ensure that assurance services and functions enable an effective control environment, and that</p>	<p><i>Combined Assurance</i></p> <ul style="list-style-type: none"> ▪ The board delegates oversight of assurance services and functions to the audit and risk committee. ▪ The audit and risk committee oversees an effective internal control environment, integrity of information for management decision making and external reporting.

<p>these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<ul style="list-style-type: none"> ▪ The board delegates to the audit and risk committee the application of a combined assurance model that covers the significant risks and material matters through a combination of the company's line functions, risk and compliance functions, internal auditors, external auditors and any other applicable assurance providers. ▪ With its committees, the board assesses the output of the combined assurance and forms its own opinion on the integrity of the information and reports on the effectiveness of the control environment. <p><i>Assurance of external reports</i></p> <ul style="list-style-type: none"> ▪ The board, with the assistance of the audit and risk committee, directs how assurance of external reports should be done, taking account of legal requirements. ▪ The board is satisfied with the effectiveness of the combined assurance approach as a basis for making its statements on the integrity of external reports. <p><i>Internal audit</i></p> <ul style="list-style-type: none"> ▪ The board directs the audit and risk committee to have oversight of the internal audit function. ▪ The audit and risk committee approves the internal audit activity charter annually and ensures that the internal audit has sufficient and adequate skills, including supplementary specialists, as required. ▪ The chief audit executive and internal audit function is independent of management. ▪ The audit and risk committee approves the appointment, contract and remuneration of the chief audit executive and ensures that he/ she is suitably capable. ▪ The chief audit executive has access to the audit and risk committee chairman and is not a member of the executive. ▪ The chief audit executive reports to the chairman of the audit and risk committee. ▪ The audit and risk committee monitors that internal audit follows a risk-based plan, reviews the risk profile regularly and adapts the plan accordingly. ▪ The audit and risk committee ensures that the internal audit makes an annual statement on the effectiveness of the governance, risk management and control processes. ▪ The audit and risk committee confirms annually with the chief audit executive that the internal audit function conforms to a recognised industry code of ethics.
	<p>Governance outcome: Trust, good reputation and legitimacy</p>
<p>16. Stakeholders In the execution of its governance roles and responsibilities, the governing body</p>	<p><i>Stakeholders relationships</i></p> <ul style="list-style-type: none"> ▪ The board directs the stakeholder approach and approves the stakeholder engagement policy. ▪ The board delegates to executive management effective stakeholder relationship management.

<p>should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<ul style="list-style-type: none"> ▪ The board oversees the management of stakeholder relationships. ▪ The board is satisfied with the effectiveness of its stakeholder engagement and management programme. <p><i>Shareholder relationships</i></p> <ul style="list-style-type: none"> ▪ The board oversees robust proactive shareholder engagements. ▪ At least a majority of directors and the external auditor are available at the annual general meeting. ▪ The board has a market disclosure policy which ensures equal treatment of all shareholders and that minority interests are protected. <p><i>Relationships within a group of companies</i></p> <ul style="list-style-type: none"> ▪ This is not applicable. However, Accelerate Property Management Company (Pty) Limited, a key service provider, has endorsed the code of conduct and policies of Accelerate to the extent that they are applicable.
<p>17. Responsibility of shareholders The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.</p>	<ul style="list-style-type: none"> ▪ This principle is not applicable