

KING IV™ CODE DISCLOSURE 2017

The following table provides a summary narrative account of **SA Corporate Real Estate Limited** ("SA Corporate") application of the King IV™ principles along with references to sections of the 2017 Integrated Annual Report and Audited Annual Financial Statements 2017 that addresses how recommended practices have been implemented. The 2017 Integrated Annual Report and Audited Annual Financial Statements can be found on SA Corporate's website <http://www.sacorporatefund.co.za/>.

PRINCIPLE	NARRATIVE ON DISCLOSURE	REFERENCE
<p>1 The governing body should lead ethically and effectively.</p>	<p>The Board is the custodian of the group's ethical leadership and corporate governance and its responsibility in this regard is set out in the SA Corporate Board Charter. The code of ethics ensure that SA Corporate is effectively managed and controlled by an ethical Board based on integrity and good faith who serve in the best interest of all stakeholders. Performance evaluations are conducted of the board, its committees, the chairpersons and individual directors.</p>	<p>Values Governance and Compliance Report: Ethical Leadership and Corporate Citizenship</p>
<p>2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Board, through the Social, Ethics and Environmental Committee ensures that the Company's ethics performance is assessed, monitored, reported and disclosed. A code of ethics is in place which requires all directors and employees to apply moral standards in all business dealings. This includes standards of good, right and fair conduct, which are supported by the Company's values. The code outlines guidelines on stakeholder engagement and its commitment to its stakeholders.</p>	<p>Governance and Compliance Report: Social, Ethics and Environmental Committee</p>
<p>3 The governing body should ensure that the organisation is and is seen to be a good corporate citizen.</p>	<p>The Board, through the Social, Ethics and Environmental Committee, ensures that the Company performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights and oversees and monitors on an ongoing basis, how the consequences of the Company's activities and output affects its status as a responsible corporate citizen.</p>	<p>Sustainability Report Governance and Compliance Report: Social, Ethics and Environmental Committee</p>
<p>4 The governing body should appreciate that organisation's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process.</p>	<p>Management develops the strategy and presents it to the Board for approval. The Board takes steps to ensure that long-term planning will result in sustainable outcomes taking account of society, environment and economy. The Board ensures that the strategy is aligned with the purpose of the Company, the value drivers of its business and the legitimate interests and expectations of its stakeholders. Strategy is translated into key performance areas and the associated performance and risk measures are identified and clear. The Board continually monitors the solvency and liquidity of the Company and its going concern.</p>	<p>Investment Philosophy Chairman's Statement Managing Director's Review Financial Director's Review Audit Committee Report</p>
<p>5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and it's short, medium and long term prospects.</p>	<p>The Board and its Committees assess the integrity of external reports such as the Integrated Annual Report and Annual Financial Statements, ensuring that communication to stakeholders is accurate, transparent, consistent and relevant.</p> <p>The Integrated Annual Report and Annual Financial Statements is approved by the board on recommendation from the Audit Committee with inputs from other committees where applicable. Material issues are aligned with the strategic direction and the requirements of all its stakeholders.</p>	<p>Integrated Annual Report 2017 Audited Financial Statements Financial Director's Review 31 December 2017 Year End Results Presentation</p>

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6	<p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>The Board is guided by a Charter that has been aligned with the principles of good governance as set out in King IV™. It sets out rules for its composition, frequency of meetings, the roles and responsibilities of the board (including those of individual directors), the establishment of committees, policies and procedures to be adopted and advice, director fees and performance appraisals.</p> <p>The Board is satisfied it has fulfilled its responsibilities according to its Charter for the reporting period.</p>	<p>Governance and Compliance Report</p> <p>Board and Board Committee meeting attendance</p>
7	<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>The Nomination Committee is responsible for identifying suitable candidates and recommending nominations to the board. When determining the number of directors to serve on the board, the knowledge, skills, diversity and resources required as appropriate to the business.</p> <p>The Board has implemented a gender and racial diversity policy during the reporting period. Procedures for appointments to the board are formal and transparent and appointments are considered by the board as a whole.</p> <p>The Chairman, Mr J Molobela, is an independent non-executive director. Mr. A Moloto was appointed as lead independent director. The Chairman's role, responsibilities and those of the lead independent director have been documented and approved by the nomination committee.</p>	<p>Integrated Annual Report</p> <p>Directorate</p> <p>Governance and Compliance Report</p>
8	<p>The governing body should ensure that its arrangements for delegation within in its own structures promote independent judgement, and assist with balance of power and the effective discharge of duties.</p> <p>There are six standing committees each with an approved terms of reference, setting out the nature and extent of the responsibilities delegated, their decision-making authority and reporting responsibilities. An approvals framework sets out matters reserved for the Board and those delegated to Committees and Management.</p> <p>The Audit Committee Report is detailed on pages 4 to 7 of the Audited Annual Financial Statements 2017.</p>	<p>Directorate</p> <p>Governance and Compliance Report</p> <p>Audited Annual Financial Statements 2017</p>
9	<p>The governing body should ensure that the evaluation of its own performance and that of its committees, it's chair and its' individual members support continued improvement of performance and effectiveness.</p> <p>The Board evaluates its effectiveness and that of its Chairman, committees, committee chairmen, individual directors and Company secretary. The Company secretary facilitated the evaluations which were done in February 2017. The overall conclusion of the reports was that the board and committees are functioning well and effectively, with a confident and strong team of board and committee members. Deficiencies or shortcomings in performance will be addressed in 2018 through training, development and other initiatives.</p>	<p>Governance and Compliance Report</p> <p>Performance Evaluations</p>
10	<p>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p> <p>The Managing Director is responsible for executing the strategy and the day-to-day business and operations of the group and reports to the Board. Succession planning for the MD is not formalised in a document, but discussed and by the nominations committee and board.</p> <p>Potential successors have been identified. The Board is satisfied that the delegation of authority framework contributes to role clarity and contributes to an effective arrangement by which authority and responsibilities are exercised.</p>	<p>Governance and Compliance Report</p>

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<p>11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The Board assumes responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation. The Board is responsible for risk governance as expressed in the Board Charter and risk management policy and plan. The Risk and Compliance Committee assists the Board in carrying out this function with additional oversight from the Audit Committee.</p>	<p>Governance and Compliance Report Risk Management Report</p>
<p>12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>The Board approves policy that supports the organisation setting and achieving its strategic Information and Technology objectives. The Information and Technology (IT) Steering Committee has been established to assist the Board to drive the process. The committee will establish a formal IT strategy in 2018 from which IT governance will flow. Management is responsible for the implementation of all the structures, processes and mechanisms for the IT governance framework.</p>	<p>Governance and Compliance Report Information and Technology Governance Risk Management Report</p>
<p>13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>The Board, assisted by the Risk and Compliance Committee, the Company Secretary who is the Risk Manager and Compliance Officer, is responsible for monitoring management's implementation to promote ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles and practices, and its own governing documents and codes of conduct.</p>	<p>Governance and Compliance Report Risk and Compliance Committee report Risk Management Report</p>
<p>14 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>The Board, through the Remuneration Committee, assumes responsibility for the governance of remuneration by setting the direction on how remuneration should be approached and addressed to ensure that it promotes the strategic objectives, encourages individual performance, and supports the Group's long term strategy and stakeholder interests.</p> <p>The full Remuneration Report is found from page 79 of the 2017 Integrated Annual Report 2017.</p>	<p>Governance and Compliance Report Remuneration Report</p>
<p>15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<p>The Board assumes responsibility for assurance by setting the direction concerning the arrangements for combined assurance services and functions to enable an effective internal control environment.</p> <p>The Board satisfies itself that a combined assurance model is applied, which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance as described in the Integrated Annual Report and Annual Financial Statements.</p>	<p>Assurances and Internal Control Combined Assurance Model Audit Committee Report in Annual Financial Statements</p>
<p>16 In execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.</p>	<p>The Board assumes responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation. The Board has adopted a stakeholder-inclusive approach that strives to balance the needs, interests and expectations of material stakeholders over time.</p> <p>All Committees assist the Board carrying out its responsibility by discussing specific stakeholder matters.</p>	<p>Stakeholder Engagement Report Managing Director's Review Sustainability Report</p>