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Governance outcome: Ethical culture	
PRINCIPLE 1: Ethical leadership The governing body should lead 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.
PRINCIPLE 2: Organisation values, ethics and culture The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board ensures compliance with the Code of Conduct is integrated into the strategy and operations of Vukile Property Fund. The group's ethics are contained in its value statement. This Code of Conduct is currently being reviewed and updated.
PRINCIPLE 3: Responsible corporate citizenship The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board takes responsibility for and oversees how Vukile minimises the potential negative social impacts of the communities in which we operate. The Social and Ethics Committee operates as a combined committee with the Human Resources Committee and was constituted in line with South Africa's Companies Act requirements.
Governance outcome: Performance and value creation	
PRINCIPLE 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.	The Board annual approves the proposed strategies in terms of the group's purpose, business value drivers and the legitimate interests of our stakeholders. Management has processes in place to define and align the group's short, medium and long-term strategic objectives with its risk appetite. Policies and operational plans approved by the Board include financial, ethical, compliance, sustainability, performance and risk measures.

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PRINCIPLE 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.	Vukile's Integrated Annual Report (IAR) sets-out our 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 6: Role of the governing body The governing body should serve as the focal point and custodian of corporate governance in the organisation.	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 7: Composition of the governing body 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.	When determining the number of directors needed, the Board considers factors such as the appropriate mix of business, commercial and industry experience and skills. We also decide on the optimum combination of executive, non-executive and independent non-executive members. Prospective members of the Board are independently and thoroughly assessed in line with JSE guidelines. The Board considers this present mix of directors are appropriate and compliant with JSE requirements.
PRINCIPLE 8: Committees of the governing body 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	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 3.84(b). 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. Three independent non-executive Board members comprises the nominations committee. The Social, Ethics and Human Resources Committee fulfil the social and ethics

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	requirements in terms of South Africa's Companies Act.
PRINCIPLE 9: Performance evaluations 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	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. In addition, the Chairman also ensures the Board operates effectively by regularly engaging with the non-executive directors on their performance and other matters that require attention.
PRINCIPLE 10: Delegation to management 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.	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.
PRINCIPLE 11: Risk and opportunity governance The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The Board is ultimately responsible for setting the risk appetite of the group, identifying strategic risks and opportunities and managing these. This responsibility for risk governance is expressed in the Board charter and risk policy plan. The Board ensures that appropriate risk management programmes are in place and monitors their implementation against key risk indicators. The Board has approved and oversees policy that articulates and gives effect to its set direction on risk. A group risk register lists risks identified by management during risk workshops and strategic workshops are maintained and presented at each Board meeting.

	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.
PRINCIPLE 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.	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, skill, expertise and knowledge to exercise such authority effectively. Internal IT controls are assessed by the ARC on behalf of the Board.
PRINCIPLE 13: Compliance governance 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.	The Board ensures compliance with all relevant South African legislation, including the JSE REIT Listing Requirements, Johannesburg Stock Exchange's (JSE) Listings Requirements and King IV.
PRINCIPLE 14: Remuneration governance 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 the short-, medium- and long-term.	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 Social, Ethics and Human Resources Committee (SEHRC) assists the Board in approaching and administering remuneration. SEHRC comprises only independent non-executive directors, which monitors and strengthens the credibility of the group's executive remuneration system.

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PRINCIPLE 15: Assurance 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.	The Board has approved a charter that mandates the Audit and Risk Committee (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 Deloitte, is monitored under the leadership of the ARC chair.
Governance outcome: Trust, good reputation and legitimacy	
PRINCIPLE 16: Stakeholders In the 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 interests of the organisation over time.	Stakeholders are assessed as part of Vukile Property Fund'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 manager 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.