



King IV Checklist 2024

Transform potential



Burstone
REAL ESTATE PARTNERS

KING IV CHECKLIST

Principle number	Status
Leadership, ethics and corporate citizenship	
1	<p>The governing body should lead ethically and effectively.</p> <p>The Group's governing body is a board of directors (Board). Board members individually and collectively cultivate integrity, competence, responsibility, accountability, fairness and transparency and exhibit them in their conduct within the boardroom and to the Group's stakeholders. Board members are continuously updated in terms of the assets within the Group's investment portfolio, opportunities and challenges experienced within the portfolio and any market changes in the sector and development in applicable regulation and laws relevant to the Group. The Board holds an annual strategy session, and regular feedback is provided to the management team in terms of matters discussed and agreed at the session to ensure the collective acceptance of responsibility for the steering and direction of the Group. The Board meets at least quarterly, and their attendance is detailed on page 108 of the integrated report. The Group has adopted a risk and governance structure that allows it to operate effectively through various Board committees. Further information is provided on pages 102 to 104 of the integrated report.</p>
2	<p>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 sets the tone from the top in the manner in which it conducts itself and oversees the management of the Group and the framework applied for corporate governance. The Group is an independently listed entity. A common brand and culture provide the foundation for ethics and governance principles adopted by the Group's dedicated management team. The Group's values require that employees behave with integrity, displaying consistent and uncompromising moral strength in order to promote and maintain trust. Each business area and every employee within the Group is responsible for acting in accordance with its values and philosophies. The Group's Social and Ethics Committee has specific oversight of organisational ethics, responsible corporate citizenship, sustainable development, stakeholder relationships and any other responsibilities delegated to it by the Board.</p>
3	<p>The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.</p> <p>The Board acknowledges the Group's responsibility to its stakeholders, the environment and the community at large. The Board recognises the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. The Group's sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of Environmental, Social and Governance (ESG) and seeks to achieve net-zero emissions.</p>
Strategy, performance and reporting	
4	<p>The governing body should appreciate that the organisation's core purpose, risks, opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p> <p>The Board meets its objectives by reviewing and guiding corporate strategy, setting values, promoting high standards of corporate governance, approving key policies and objectives and ensuring that obligations to its shareholders and other stakeholders are understood and met. The driving force behind the corporate strategy is the dedicated management team, which consists of experienced and entrepreneurial professionals committed to achieving the Group's objectives while maintaining strong adherence to sound corporate governance and long-term sustainability principles. A strong relationship between the Board and the management team ensures good governance. The Board and management continuously assess Group strategic objectives in light of prevailing market risks and opportunities and aim to deliver sustainable returns through varying market conditions.</p>
5	<p>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> <p>The Board recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders. The aim is to provide relevant communication that enables stakeholders to make meaningful assessments and informed decisions about the Group, particularly investment decisions.</p>

Principle number	Status
Governing structures and delegation	
6	<p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>The Board ensures that sound corporate governance is a cornerstone of the Group's values, culture, processes, functions and organisational structure. The business is structured in such a manner that ensures that the Group's values and ethics remain embedded in all its business processes. The Board and dedicated management team are fully committed to complying with all applicable legislation, the King Code of Governance, the JSE Listings Requirements, the JSE Debt Listings Requirements and any other regulatory obligations. External service providers and the property managers, are held to the highest standards, and these have been incorporated into the relevant SLAs.</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 Board believes that diversity in terms of a broad range of skills, experience, background and outlook is required for it to be effective. While non-executive appointments are based on merit and overall suitability for the role, the Nominations Committee is mindful of all aspects of diversity when making recommendations for appointment to the Board. The members of the Board contribute a range of skills, including international business and operational experience, knowledge and understanding of the regulatory environment and the economics of the sectors in which the Group operates. The balance between executive and non-executive members is such that there is a clear division of responsibility to ensure a balance of power, such that no one individual or group can dominate board processes or have unfettered powers of decision-making. Further information is provided on pages 20 to 24 in the integrated report.</p>
8	<p>The governing body should ensure that its arrangement for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p> <p>To achieve its objectives, the Board delegates some of its duties and functions to various board committees, or to executive management, without abdicating its own responsibilities. The Board has formally defined and documented, by way of terms of reference, the authority it has delegated to the Board committees.</p> <p>For more details, refer to the integrated report pages 102 and 103.</p>
9	<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> <p>The performance of the Board, its committees and individual directors, are evaluated on an annual basis against recognised standards of corporate governance and covers all areas of the Board's processes and responsibilities.</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 role of the Chair and Joint Chief Executive Officers are distinct and separate, with a clear division of responsibilities, and the Board has approved the powers delegated to them.</p>

KING IV CHECKLIST CONTINUED

Principle number	Status
Governance functional areas	
11	<p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>The Board recognises its responsibility for the overall risk and control framework and the ongoing review of its effectiveness. With the assistance of the Audit and Risk Committee, the Board reviews and monitors risks and controls regularly for relevance and likelihood of occurrence. During the review process, the Board evaluates and agrees on the nature and extent of the risks that the Group should be willing to take in pursuit of its strategic objectives. More details in the integrated report on pages 48 to 54.</p>
12	<p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>The Group has implemented several information and technology processes. The Audit and Risk Committee includes information and technology risk as an agenda item at its meetings and regularly receive feedback from the dedicated IT team with regards to new processes and actions to mitigate risk. The Group has a dedicated team responsible for systems to enhance the operational capability of the Group.</p>
13	<p>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 is committed to upholding all the applicable legislation, regulations and best practice, including their disclosure and transparency requirements. The Group's compliance with these requirements is continuously monitored, in particular with the Companies Act, No. 71 of 2008, as amended, the King Code of Corporate Governance, the Property Sector Charter, the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, the Real Estate Investment Trust legislation and the Competition Act, No. 89 of 1998.</p>
14	<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 the short-, medium and long-term.</p> <p>The Remuneration Committee is appointed by the Board, with delegated powers and operates independently from executive management. It provides oversight and makes decisions regarding remuneration-related matters within its mandate. The Group's remuneration principles align with the Group's vision and link strongly to its strategic objectives. A detailed remuneration report provides information on the Group's remuneration policies and practices.</p>
15	<p>The governing body should ensure that assurance services and functions assure 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 delegates to the Audit and Risk Committee the responsibility for overseeing the arrangements for assurance services and functions. Specific attention is given to the reports received from both the external and internal auditors. Despite the delegation, the Board reviews and ensures the application of the combined assurance model so that, taken as a whole, the various providers of assurance support the objectives for assurance.</p>
Stakeholder relationships	
16	<p>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.</p> <p>Building trust and credibility among stakeholders is vital to good business. The Group considers and takes into account the needs of all stakeholders in its operations. Identifying, engaging and building relationships with stakeholders, not only with clients but with the communities in which they operate, is an important strategic objective of the Group.</p>