



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 1	The governing body should lead ethically and effectively.		
	<p>Integrity: Members of the governing body must act in good faith and in the best interests of the organisation.</p> <p>Commentary: The leadership of L2D is fully committed to the application of and compliance to the highest ethical standards. The Board firmly believes in leading by example and ensuring that the tone is set at the most senior level of the leadership structure. The code of ethics is strictly adhered to in the development and implementation of all strategies.</p> <p>The directors are expected to exercise their powers and perform the functions of director in good faith and for a proper purpose and in the best interests of the company in accordance with S76(4) and S76(5) of the Companies Act 2008, as amended ("the Act"),</p>	K IV™ P1 Prac 1.a.i	Satisfactorily Applied
	<p>Integrity: Members of the governing body should avoid conflicts of interest. In cases where a conflict cannot be avoided, it should be disclosed to the governing body in full at the earliest opportunity, and then proactively managed as determined by the governing body and subject to legal provisions.</p> <p>Commentary: It is required of members of the Board to timeously disclose any interest that conflict or could potentially conflict with those of the company, prior to the start of a meeting as well as when it arises. These are then managed appropriately.</p> <p>Directors are required to complete a formal signed declaration of interest at least once a year and disclose any potential financial conflict of interests accordance with sS75(4), 75(5) and 75(6) of the Act.</p>	K IV™ P1 Prac 1.a.ii	Satisfactorily Applied
	Integrity: Members of the governing body should act ethically beyond mere legal compliance.	K IV™ P1 Prac 1.a.iii	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

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Principle 1	<p>Commentary: All decisions in the business are made with due consideration to the code of ethics.</p> <p>L2D has established an ethics office that meet four times a year to discuss ethics in the workplace. There is an independent fraud and ethics hot line in place.</p> <p>Ethics barometer surveys are conducted from time to time to assess the level of ethical performance of the Company.</p>		
	<p>Integrity: Members of the governing body should set the tone for an ethical organisational culture</p> <p>Commentary: The Company has clearly defined values that the Board and employees are expected to abide by. There are Passion, Accountability, Care and Excellence. The Board firmly believes in leading by example by setting the tone at the top. An ethical culture is entrenched in the business in order to maintain its legitimacy and protect its reputation.</p>	K IV™ P1 Prac 1.a.iv	Satisfactorily Applied
	<p>Competence: Members of the governing body should take steps to ensure that they have sufficient working knowledge of the organisation, its industry, the triple context in which it operates, the capitals that it uses and affects as well as of the key laws, rules, codes and standards applicable to the organisation</p> <p>Commentary: Directors comprises of individuals who possess the necessary knowledge, skills and experience to help fulfil the vision, purpose and strategic objectives of the Company in order to deliver sustainable value for stakeholders. L2D maintain a skills and experience register and director are nominated and appointed to fill any gaps that may exist. Directors are bound by their fiduciary duty and the duty of care and skill and are expected to stay up to date on legislative matters and industry trends.</p>	K IV™ P1 Prac 1.b.i	Satisfactorily Applied
	<p>Competence: Members of the governing body must act with due care, skill and diligence, and take reasonably diligent steps to become informed about matters for decision</p>	K IV™ P1 Prac 1.b.ii	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 1	<p>Commentary: All directors are expected to exercise the powers and perform the functions of a director with the degree of care, diligence and skill that may be reasonably expected of the director within the director's level of general knowledge, skill and experience in accordance with s76(3) of the Act. Directors are further expected to take reasonable steps to become informed about all matters to be discussed at the board meetings.</p> <p>The Board is tasked with directing, administering and controlling L2D's activities. The Board must execute these roles while maintaining transparency, accountability, fairness, and acknowledging its responsibility in all decisions made.</p>		
	<p>Competence: Members of the governing body should continuously develop their competence to lead effectively</p> <p>Commentary: It is a requirement for all directors to continually develop their skills as well as their understanding of the operational environment. Presentations and director information sessions are held at quarterly to assist directors in staying abreast of the regulatory changes, legislative requirements, industry trends and emerging changes.</p>	K IV™ P1 Prac 1.b.iii	Satisfactorily Applied
	<p>Responsibility: Members of the governing body should assume collective responsibility for steering and setting the direction of the organisation; approving policy and planning; overseeing and monitoring of implementation and execution by management; and ensuring for accountability on organisational performance</p> <p>Commentary: It is the Board's responsibility to approve the company's overall strategy, oversee its implementation, and monitor L2D's performance against approved budgets, targets and KPI's.</p> <p>All deliberations, decisions and actions of the Board are based on fairness, accountability, responsibility, transparency.</p>	K IV™ P1 Prac 1.c.i	Satisfactorily Applied
	<p>Responsibility: Members of the governing body should exercise courage in taking risks and capturing opportunities, but do so in a responsible manner and in the best interests of the organisation</p>	K IV™ P1 Prac 1.c.ii	Satisfactorily Applied



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 1	<p>Commentary: L2D takes on risks in the execution of its strategy and the Board appreciates that effective risk management plays a crucial in the pursuit of financial stability and delivering value to stakeholders. The Board, through the Audit and Risk Committee and Chief Risk Officer proactively identify and monitor the risks and emerging risks in the business to ensure they are mitigated or avoided. The directors understand the risk profile of the company and continuously revisits and refines the company's strategy to ensure it remains relevant.</p>		
	<p>Responsibility: Members of the governing body should take responsibility for anticipating, preventing or otherwise ameliorating the negative outcomes of the organisation's activities and outputs on the triple context in which it operates, and the capitals that it uses and affects</p> <p>Commentary: The Board understands that taking on undue risk may have negative outcomes on the Company's performance and for its stakeholders including shareholders. It appreciates the importance of mitigating risks when making decisions especially when there are possible negative outcomes.</p>	K IV™ P1 Prac 1.c.iii	Satisfactorily Applied
	<p>Responsibility: Members of the governing body should attend meetings of the governing body and its committees, and devote sufficient time and effort to prepare for those meetings</p> <p>Commentary: Board and its committees meetings are schedule well in advance annually. Additional ad-hoc meetings are held if required.</p>	K IV™ P1 Prac 1.c.iv	Satisfactorily Applied
	<p>To ensure ethical and effective leadership, directors are expected to make sufficient time and effort in the execution of their duties as directors of the Board. Meeting papers are made available timeously to directors to enable them to prepare for meetings.</p> <p>Annual board and committee attendance is disclosed in the Integrated Report.</p>		
	<p>Accountability: Members of the governing body should be willing to answer for the execution of their responsibilities, even when these were delegated</p>	K IV™ P1 Prac 1.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 1</p>	<p>Commentary: While the Board remain ultimately responsibility for the affairs of the Company in terms of s66(1) of the Act, Management is delegated with the task of executing the strategy and the operational performance of L2D.</p> <p>The Company has a number of standing committees, which were created to assist the Board with the execution of its responsibilities. While certain functions are delegated to the committees, the Board retains ultimate responsibility for all of the committees' activities.</p> <p>Contact sessions between investors and chairs of committees are scheduled when required to address any concerns from the investor community.</p>		
	<p>Fairness: Members of the governing body should adopt a stakeholder-inclusive approach in the execution of their governance role and responsibilities</p> <p>Commentary: L2D's core strategy is to provide consistent returns that meet or exceed its stakeholders' expectations while managing and reducing the portfolio's negative environment impact and enhancing its positive social impact in the communities in which it operates. The Company's objectives and commitments in terms of environmental sustainability, climate risk change, social responsibility and economic sustainability are set out in the ESG report.</p> <p>The Board promotes the stakeholder-inclusive approach of governance and takes account of the impact of the Company's operations on all its stakeholders.</p>	<p>K IV™ P1 Prac 1.e.i</p>	<p>Satisfactorily Applied</p>
	<p>Fairness: Members of the governing body should direct the organisation in such a way that it does not adversely affect the natural environment, society or future generations</p> <p>Commentary: ESG and climate change is recognised as one of the material matters that informs the Company strategy. L2D is recognised as an ESG leader in the SA REIT sector.</p> <p>L2D's has a strategy in place to be net-zero by 2030.</p> <p>Full details of all the ESG targets, achievements and initiatives are set out in the ESG report.</p>	<p>K IV™ P1 Prac 1.e.ii</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 1	<p>Transparency: Members of the governing body should be transparent in the manner in which they exercise their governance role and responsibilities</p> <p>Commentary: The Board is committed to transparency at all levels. The methods of engagements with various stakeholder groups and the outcomes are set out in the Stakeholder Management section of the ESG report.</p>	K IV™ P1 Prac 1.f	Satisfactorily Applied
	<p>The governing body should embody the above ethical characteristics in order to offer effective leadership that results in achieving strategic objectives and positive outcomes over time.</p> <p>Commentary: The Chairman of the Board encourages open, honest and robust discussion at board meetings. All directors are given an opportunity to ask questions raise concerns and make suggestions. Directors must recuse themselves from deliberation or the decision-making-process relating to any matter in which they have a financial interest.</p>	K IV™ P1 Prac 2	Satisfactorily Applied
	<p>The arrangements by which the members of the governing body are being held to account for ethical and effective leadership should be disclosed. These arrangements would include, but are not limited to, codes of conduct and performance evaluations of the governing body and its members</p> <p>Commentary: Board performance evaluations are usually conducted annually with external evaluations done at least every second year. The outcome of the evaluations are discussed with the Nominations Committee meeting first followed by individual discussions between the Chairman and directors. The final outcome is shared with the Board for discussion and recommendations aimed at improving its effectiveness.</p>	K IV™ P1 Prac 3	Satisfactorily Applied
Principle 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 governing body should assume responsibility for the governance of ethics by setting the direction for how ethics should be approached and addressed by the organisation</p> <p>Commentary: The Board has ensured that a code of conduct and ethics-related policies, through which ethical standards are clearly articulated, have been established and implemented.</p>	K IV™ P2 Prac 4	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 2	The governing body should approve codes of conduct and ethics policies that articulate and give effect to its direction on organisational ethics.	K IV™ P2 Prac 5	Satisfactorily Applied
	Commentary: The Board has set the values to which the Company will adhere. The company has a zero-tolerance policy on any issues relating to unethical conduct.		
	The governing body should ensure that codes of conduct and ethics policies: a. encompass the organisation's interaction with both internal and external stakeholders and the broader society;	K IV™ P2 Prac 6.a	Satisfactorily Applied
	Commentary: The Board ensures compliance with the code of conduct. Compliance has been integrated into the strategy and operations of the company; i.e. the ethical organisational culture is reflected in the company's vision and mission; strategies and operations; its decisions and conduct; and the manner in which it treats its internal and external stakeholders.		
	The governing body should ensure that codes of conduct and ethics policies: b. address the key ethical risks of the organisation	K IV™ P2 Prac 6.b	Satisfactorily Applied
Commentary: The Board ensures that ethical risks have been incorporated in the risk management process. This is reflected in the risk register.			
The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. These arrangements should include: a. Publishing the organisation's codes of conduct and policies on the organisation's website, or on other platforms or through other media as is appropriate;	K IV™ P2 Prac 7.a	Satisfactorily Applied	
Commentary: The code of conduct forms part of the employee contract employees have to sign when they join the Company. The employee handbook and code of ethics are available on the intranet.			
The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. These arrangements should include: b. The incorporation by reference, or otherwise of the relevant codes of conduct and polices in supplier and employee contracts	K IV™ P2 Prac 7.b	Satisfactorily Applied	



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 2	<p>Commentary: All employee contracts refer to the code of ethics and states that these codes will be in effect upon employment. Ethical behaviour towards all stakeholders and suppliers is non-negotiable. a Anti-bribery and corruption policy is in place.</p>		
	<p>The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation’s ethical standards. These arrangements should include: c. Including the codes of conduct and ethics policies in employee induction and training programmes</p> <p>Commentary: A formal induction program is in place for new directors which includes the distribution of a comprehensive induction pack and meeting with all the executive team and Company Secretary.</p> <p>The Board's continuing development programme focuses on improving and keeping the directors up-to-date with governance, regulatory and industry developments.</p> <p>The results of performance evaluations are constructively used to identify training and development needs for directors.</p> <p>At an employee level, new employees are required to familiarize themselves with the company's codes of conduct and ethics. Employees are required to complete on-line training modules on anti-bribery and corruption annually.</p>	K IV™ P2 Prac 7.c	Satisfactorily Applied
	<p>The governing body should delegate to management the responsibility for implementation and execution of the codes of conduct and ethics policies</p>	K IV™ P2 Prac 8	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 2	<p>Commentary: The Company has clearly defined values which all employees are expected to abide by. The board sets the values which promotes an ethical environment of fairness and transparency.</p> <p>The Board has delegated the authority to Management to implement and execute the code of ethics and polices but remains ultimately responsible for the ethics of the Company.</p> <p>The Ethics Office comprising of the CEO and the Compliance Officer provides oversight over ethics in the business.</p>	
	<p>The governing body should exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the following: a. Application of the organisation’s ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers</p>	<p>K IV™ P2 Prac 9.a</p> <p>Satisfactorily Applied</p>
	<p>Commentary: The Social, Ethics and Transformation Committee assist the Board in providing oversight of the management of ethics. L2D also has an Ethics Office.</p>	
	<p>The governing body should exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the following: b. Having sanctions and remedies in place for when the organisation’s ethical standards are breached</p>	<p>K IV™ P2 Prac 9.b</p> <p>Satisfactorily Applied</p>
	<p>Commentary: To ensure the highest ethical standards are maintained, any breach, or allegation of a breach, is fully investigated and the necessary action taken. L2D’s property manager is required to report all whistle blowing and allegations of fraud relevant to management of the portfolio to L2D. If the investigation showed a breach in the control system, more controls are implemented to mitigate the risk.</p>	
	<p>The governing body should exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the following: c. The use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately</p>	<p>K IV™ P2 Prac 9.c</p> <p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 2	<p>Commentary: There is an independent fraud and ethics hotline service provider . Directors, employees, suppliers and other parties are able to report, without fear of reprisal or victimisation, any instances of fraud, corruption, misconduct, illegal activities, or unethical behaviour. A whistle-blowing policy is in place.</p>		
	<p>The governing body should exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the following: d. The monitoring of adherence to the organisation’s ethical standards by employees and other stakeholders through, among others, periodic independent assessments</p>	K IV™ P2 Prac 9.d	Satisfactorily Applied
	<p>Commentary: The Board ensures that the Company's ethics performance is assessed, monitored, reported and disclosed. This is done through participation in ethics barometer surveys.</p>		
	<p>The following should be disclosed in relation to organisational ethics: a. An overview of the arrangements for governing and managing ethics</p>	K IV™ P2 Prac 10.a	Satisfactorily Applied
	<p>Commentary: Details relating to L2D's ethics arrangements are disclosed within the Integrated Report for the year.</p>		
	<p>The following should be disclosed in relation to organisational ethics: b. Key areas of focus during the reporting period</p>	K IV™ P2 Prac 10.b	Satisfactorily Applied
	<p>Commentary: Details relating to L2D's ethics key focus areas are disclosed in the Integrated Report for the year.</p>		
	<p>The following should be disclosed in relation to organisational ethics: c. Measures taken to monitor organisational ethics and how the outcomes were addressed</p>	K IV™ P2 Prac 10.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 2	Commentary: The Chief Risk Officer receives details all all whistle blowing incident reports and other allegation of unethical behaviour. All serious incidents are escalated to the the Audit and Risk Committee for investigation and action as may be required. Details relating to ethics monitoring and outcomes are disclosed within the Integrated Report for the year.		
	The following should be disclosed in relation to organisational ethics: d. Planned areas of future focus	K IV™ P2 Prac 10.d	Satisfactorily Applied
	Commentary: Details relating to L2D's ethics future focus areas are disclosed within the Integrated Report for the year.		
Principle 3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.		
	The governing body should assume responsibility for corporate citizenship by setting the direction for how it should be approached and addressed by the organisation	K IV™ P3 Prac 11	Satisfactorily Applied
	Commentary: The Social, Ethics and Transformation Committee assists the Board in monitoring the Company's social, economic environmental, ethics, consumer engagement and management activities in accordance to relevant legislation, codes and other legal requirements.		
	The governing body should ensure that the organisation's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies.	K IV™ P3 Prac 12	Satisfactorily Applied
Commentary: The Board ensures that the Company is a responsible corporate citizen, by complying with all legislation, regulations, codes, rules and policies. The Compliance Officer submits a Compliance dashboard to the Audit and Risk Committee meetings setting out compliance thereto.			
	The governing body should oversee that the organisation's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.	K IV™ P3 Prac 13	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 3	<p>Commentary: L2D's purpose, values, strategy and conduct is aligned with being a responsible corporate citizen.</p>		
	<p>The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and output affects its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: a. Workplace (including employment equity; fair remuneration; and the safety, health, dignity and development of employees)</p> <p>Commentary: The Social, Ethics and Transformation Committee assist the Board in monitoring the Company's performance in terms of people, transformation, health and safety and environmental (net-zero) targets and objectives set. Details of the progress made is set out in the ESG report.</p>	K IV™ P3 Prac 14.a	Satisfactorily Applied
	<p>The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and output affects its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: b. Economy (including economic transformation; prevention, detection and response to fraud and corruption, and responsible and transparent tax policy)</p> <p>Commentary: L2D is committed to Broad Based Black Economic Empowerment and has achieved level 1 contributor status. The focus is on diverting procurement spend to female black owned enterprises, EME's and QSE's.</p>	K IV™ P3 Prac 14.b	Satisfactorily Applied
	<p>The external auditors reports for the years since L2D listing did not identified any risk of material misstatements of the financial statements due to fraud and no reportable irregularities took place.</p> <p>The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and output affects its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: c. Society (including public health and safety; consumer protection; community development; and protection of human rights)</p>	K IV™ P3 Prac 14.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 3	<p>Commentary: The focus of the building block, Safe Spaces, is to drive a clearly defined strategy to ensure that the staff workplace and mall environments upholds the highest standards of safety and security.</p> <p>L2D's socio-economic initiatives and spend are set out in the ESG report. L2D provides bursaries for African males and females students and provides financial assistance to enterprise development and supplier development initiatives to drive economic participation.</p>		
	<p>The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and output affects its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: d. Environment (including responsibilities in respect of pollution and waste disposal; and protection of biodiversity)</p> <p>Commentary: The focus of the building block, the Good We Do, is on implementing sustainability initiatives that drive the good that L2D does in the society it operates in.</p> <p>L2D's malls continue to demonstrate to make positive change by reducing electricity and water consumption and waste generation. L2D has committed to achieving net-zero carbon emissions by 2030.</p>	K IV™ P3 Prac 14.d	Satisfactorily Applied
	<p>The following should be disclosed in relation to corporate citizenship: a. An overview of the arrangements for governing and managing responsible corporate citizenship.</p> <p>Commentary: The Board and management ensure that the company is seen to be a responsible corporate citizen.</p>	K IV™ P3 Prac 15.a	Satisfactorily Applied
	<p>The following should be disclosed in relation to corporate citizenship: b. Key areas of focus during the reporting period</p> <p>Commentary: Corporate citizenship key focus areas are disclosed is included in the Integrated Report.</p>	K IV™ P3 Prac 15.b	Satisfactorily Applied
	<p>The following should be disclosed in relation to corporate citizenship: c. Measures taken to monitor corporate citizenship and how the outcomes were addressed</p>	K IV™ P3 Prac 15.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 3	<p>Commentary: Corporate citizenship measures and outcomes are monitored by the Social, Ethics and Transformation Committee and disclosed in the Integrated Report.</p>		
	<p>The following should be disclosed in relation to corporate citizenship: d. Planned areas of future focus</p> <p>Commentary: Corporate citizen planned areas are set out in the Integrated Report.</p>	K IV™ P3 Prac 15.d	Satisfactorily Applied
Principle 4	<p>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>		
	<p>The governing body should assume responsibility for organisational performance by steering and setting the direction for the realisation of the organisation's core purpose, and the development of its short, medium and long-term strategy</p> <p>Commentary: The business and affairs of L2D is managed under the direction of the board of directors in accordance with s66(1) of the Company's Act.</p>	K IV™ P4 Prac 1	Satisfactorily Applied
	<p>The Board provides financial oversight and ensures that the Company satisfies the solvency and liquidity test at a particular time, when entering into any financial agreement and in the event of distributions.</p> <p>The Board formally approves the Company's overall strategy, oversee its implementation, and monitor its performance against approved budgets, targets and KPI's.</p>		
	<p>The governing body should delegate to management the formulation and development of the organisation's short, medium and long-term strategy</p> <p>Commentary: Management prepares the strategy which is presented to the Board at a strategy session for formal approval. The Board ensures that the strategy will result in sustainable outcomes.</p> <p>Management has formulated a set of strategic value drivers that enable the execution of strategy. These drivers help to prioritise business activities and deliver sustainable value for L2D's stakeholders.</p>	K IV™ P4 Prac 2	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 4	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: a. The timelines and parameters which determine the meaning of short, medium and long term respectively</p> <p>Commentary: The Board ensures that the strategy is aligned with the purpose of the Company, the strategic value drivers of the business and the legitimate interests and expectations of its stakeholders.</p>	K IV™ P4 Prac 3.a	Satisfactorily Applied
	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: b. The risks, opportunities and other significant matters connected to the triple context in which the organisation operates</p> <p>Commentary: The Board provides a different approach to management and asks questions to satisfy themselves that the strategy and business plans are well thought out and aligned with the Company's vision and values.</p>	K IV™ P4 Prac 3.b	Satisfactorily Applied
	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: c. The extent to which the proposed strategy depends on the resources and relationships connected to the various forms of capital.</p> <p>Commentary: The Board considers the resources available to the Company (the six capitals) that is required to achieve the desired outcomes and creation of value.</p>	K IV™ P4 Prac 3.c	Satisfactorily Applied
	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: d. The legitimate and reasonable needs, interests and expectations of material stakeholders</p>	K IV™ P4 Prac 3.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 4	<p>Commentary: The Board takes account of the legitimate interests and expectations of its stakeholders in its decision-making in the best interests of the Company.</p>		
	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: e. The increase, decrease or transformation of the various forms of capitals that may result from the execution of the proposed strategy</p>	K IV™ P4 Prac 3.e	Satisfactorily Applied
	<p>Commentary: The Board considers all six sources of capital in the formulation and approval of the strategy.</p>		
	<p>The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: f. The interconnectivity and inter-dependence of all of the above</p>	K IV™ P4 Prac 3.f	Satisfactorily Applied
	<p>Commentary: The Board considers the trade off in the utilisation of the six sources of capital to achieve the desired outcomes.</p>		
	<p>The governing body should ensure that it approves the policies and operational plans developed by management to give effect to the approved strategy. These should include the key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term</p>	K IV™ P4 Prac 4	Satisfactorily Applied
	<p>Commentary: Strategy is translated into strategic value drivers that form the basis of the business KPIs.</p>		
<p>The governing body should delegate to management the responsibility to implement and execute the approved policies and operational plans</p>	K IV™ P4 Prac 5	Satisfactorily Applied	
<p>Commentary: The Board delegates to management the responsibility to implement and execute the approved policies and operational plans and holds management accountable.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 4</p>	<p>The governing body should exercise ongoing oversight of the implementation of strategy and operational plans by management against the agreed performance measures and targets.</p> <p>Commentary: Management reports to the Board quarterly on the progress made on the implementation of strategy and operational plans. Board calls are held in between the four scheduled meetings to provide updates.</p> <p>The governing body should oversee that the organisation continually assesses, and responsibly responds to, the negative consequences of its activities and outputs on the triple context in which it operates, and the capitals which it uses and affects</p> <p>Commentary: The strategy implemented has have both positive and negative consequences. The Company continues to monitor and assess the risks in determining and execution of its strategy .</p> <p>As part of its oversight of performance, the governing body should be alert to the general viability of the organisation with regard to its reliance and effects on the capitals, its solvency and liquidity, and its status as a going concern</p> <p>Commentary: In accordance with s24(1) of the Act, the Board provides financial oversight and ensures that L2D satisfies the solvency and liquidity test at a particular time, when entering into any financial agreement and in the event of distribution declarations.</p> <p>The Board continually monitors whether the Company is financially distressed; i.e. if it appears reasonably unlikely that the company will be able to pay its debts as they fall due and payable within the ensuing six months or become insolvent within the ensuing six months.</p> <p>The Board discloses if the Company is a going concern.</p> <p>The Audit and Risk Committee reviews a documented assessment by the management of the going concern premise of the Company.</p>	<p>K IV™ P4 Prac 6</p> <p>K IV™ P4 Prac 7</p> <p>K IV™ P4 Prac 8</p>	<p>Satisfactorily Applied</p> <p>Satisfactorily Applied</p> <p>Satisfactorily Applied</p>
<p>Principle 5</p>	<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>		

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 5</p>	<p>The governing body should assume responsibility for the organisation’s reporting by setting the direction for how it should be approached and conducted</p> <p>Commentary: The Board is assisted by the Audit and Risk Committee to ensure that the Company’s reports, including the annual financial statements, integrated report, presentations, circulars and SENS announcements are transparent, accurate and comply with legal and regulatory requirements in order to meet the legitimate and reasonable information needs of its stakeholders.</p>	<p>K IV™ P5 Prac 9</p> <p>Satisfactorily Applied</p>
	<p>The governing body should approve management’s determination of the reporting frameworks (including reporting standards) to be used, taking into account legal requirements and the intended audience and purpose of each report</p> <p>Commentary: The Integrated Report conforms with the requirements of the Companies Act and the JSE Listings Requirements. The Board is satisfied that the Company complies with the corporate governance requirements set out in paragraph 3.84 of the JSE LR and this is disclosed in the Integrated Report. In accordance with LR 7.F.5, the Company has implemented the King IV code and its satisfied with its level of application. The annual financial statement are prepared in accordance with the International Financial Reporting Standards (IFRS). L2D ensures, in line with LR 3.19 that the annual financial statements of the Company are distributed to shareholders within 3 months of the year-end of the financial year. The Audit and Risk Committee, notwithstanding its duties pursuant to s94(7) of the Act, ensures that the adequate financial controls are in place and form a sound basis for the preparation and reporting of reliable information.</p>	<p>K IV™ P5 Prac 10</p> <p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 5</p>	<p>The governing body should oversee that reports such as the annual financial statements, sustainability reports, social and ethics committee reports, or other online or printed information or reports are issued as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders</p> <p>Commentary: The Board reviews the interim results, year-end results, integrated report and annual financial statements to ensure that all the reporting requirements are sufficiently met in accordance with S 29(1)(a-d) of the Act.</p> <p>The front page of the annual financial statements includes the details as required by s 29((3)(b) i-iv) of the Act;</p> <p>In line with a s 30(2)(a) of the Act, as a public company, L2D's annual financial statements are audited.</p> <p>In line with S30(3) of the Act, the annual financial statements include the following: (1) auditors report; (2) directors report with respect to the state of affairs, the business and profit and loss of the group of the company which includes all material matters and prescribed information. The directors report is approved by the Board and signed by an authorised director(s) and is presented to shareholders at the annual general meeting.</p>	<p>K IV™ P5 Prac 11</p>	<p>Satisfactorily Applied</p>
	<p>The governing body should oversee that the organisation issues an integrated report at least annually, which is either: a. a standalone report which connects the more detailed information in other reports and addresses, at a high level and in a complete, concise way, the matters that could significantly affect the organisation's ability to create value; or b. a distinguishable, prominent and accessible part of another report which also includes the annual financial statements and other reports that mustbe issued in compliance with legal provision.</p> <p>Commentary: Separate annual financial statement, Integrated Report and an ESG report were issued for 2022 and are available on the Company's website</p>	<p>K IV™ P5 Prac 12</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 5	<p>The governing body should approve management's bases for determining materiality for the purpose of deciding which information should be included in reports</p> <p>Commentary: The Audit and Risk Committee reviews and approves the basis of determining financial materiality as presented by the external auditors.</p> <p>The Board has also approved a lower internal materiality level.</p>	K IV™ P5 Prac 13	Satisfactorily Applied
	<p>The governing body should ensure the integrity of external reports as provided for in Part 5.4, Assurance of external reports.</p> <p>Commentary: There is a detailed process in place for the preparation, review and approval of the Integrated Report. This includes a review of section by management subject matter experts, the applicable committees, the sponsor and the external auditions.</p> <p>The Integrated Report is formally approved by a resolution of the Board.</p>	K IV™ P5 Prac 14	Satisfactorily Applied
	<p>The governing body should oversee that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders: a. Corporate governance disclosures required in terms of this Code (refer to Part 3: King IV Application and Disclosure for more detail)</p> <p>Commentary: The Integrated Report, ESG report and annual financial statements are published on the Company's website.</p>	K IV™ P5 Prac 15.a	Satisfactorily Applied
	<p>The governing body should oversee that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders: b. Integrated reports</p> <p>Commentary: The Integrated Report is available on the Company's website.</p>	K IV™ P5 Prac 15.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 5</p>	<p>The governing body should oversee that the following information is published on the organisation’s website, or on other platforms or through other media as is appropriate for access by stakeholders: c. Annual financial statements and other external reports</p> <p>Commentary: The annual financial statements are available in the Company's website.</p>	<p>K IV™ P5 Prac 15.c</p>	<p>Satisfactorily Applied</p>
<p>Principle 6</p>	<p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>The governing body should exercise its leadership role by: a. Steering the organisation and setting its strategic direction;</p> <p>Commentary: in accordance with s 66(1) of the Act, the business of the Company is under the direction of the board of directors, which has the authority to exercise all powers and perform any of the functions of the Company. The Board provides leadership and sets the strategic direction of the Company.</p>	<p>K IV™ P6 Prac 1.a</p>	<p>Satisfactorily Applied</p>
	<p>The governing body should exercise its leadership role by: b. Approving policy and planning that give effect to the direction provided</p> <p>Commentary: It is the Board’s responsibility to approve the Company’s overall strategy, oversee its implementation, and monitor L2D’s performance against approved budgets, targets and KPIs.</p>	<p>K IV™ P6 Prac 1.b</p>	<p>Satisfactorily Applied</p>
	<p>The governing body should exercise its leadership role by: c. Overseeing and monitoring of implementation and execution by management</p> <p>Commentary: Management reports back to the Board quarterly on its implementation and execution by means of a Chief Executive (CE) Report, CFO report and an operational report from the Chief Operating Officer. The CE provides further updates in between the scheduled meetings via Teams calls.</p>	<p>K IV™ P6 Prac 1.c</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 6	<p>The governing body should exercise its leadership role by: d. Ensuring accountability for organisational performance by means of, among others, reporting and disclosure.</p> <p>Commentary: The Integrated Report includes a section on executing the strategy to explain performance against the strategic value drivers.</p> <p>The strategic value drivers comprise: customer experience, tenant experience, human experience, capital and risk management, which in turn translate to financial outcomes that are underpinned by the Good L2D does.</p> <p>The Company keeps minutes of the board and committee meetings in accordance with s 73(6) of the Act.</p>	K IV™ P6 Prac 1.d	Satisfactorily Applied
	<p>The governing body should ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a charter which it regularly reviews to guide its effective functioning</p> <p>Commentary: The Board mandate sets out the rules for its composition, the frequency of its meetings, as well as the roles and responsibilities of the directors and the Board as a whole. The Board reviews its mandate annually.</p>	K IV™ P6 Prac 2	Satisfactorily Applied
	<p>The governing body should approve the protocol to be followed in the event that it or any of its members or committees need to obtain independent, external professional advice at the cost of the organisation on matters within the scope of their duties</p> <p>Commentary: Directors are permitted to take independent advice in connection with their duties at the Company's cost following a board approved procedure. The committee members are entitled to obtain independent professional advice at cost of the Company on any issue within the ambit of its scope and subject to following a board approved process.</p>	K IV™ P6 Prac 3	Satisfactorily Applied
	<p>The governing body should approve the protocol to be followed by its non-executive members for requisitioning documentation from, and setting up meetings with, management</p>	K IV™ P6 Prac 4	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 6	<p>Commentary: The Board is kept informed of all developments primarily through Chief Executive and Chairman, who are in regular contact with each other. The Board has unrestricted access to all company information, records and documents.</p>		
	<p>The following should be disclosed in relation to the primary role and responsibilities of the governing body: a. The number of meetings held during the reporting period, and attendance at those meetings</p> <p>Commentary: The Board meets at quarterly in a year, additional ad-hoc board meetings are arranged if required in the case of significant or urgent matter to be discussed. All attendance details were included in the Integrated Report.</p>	K IV™ P6 Prac 5.a	Satisfactorily Applied
	<p>The following should be disclosed in relation to the primary role and responsibilities of the governing body: b. Whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period</p> <p>Commentary: The Board had reviewed its performance against the annual work plan and is satisfied that it had fulfilled its duties and responsibilities during the review period.</p>	K IV™ P6 Prac 5.b	Satisfactorily Applied
Principle 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 governing body should assume responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities</p> <p>Commentary: The board charter provides that the composition of the Board, including its size, broader diversity in terms of gender, race, culture, age, mix of knowledge, skills and experience including industry experience, shall be considered when making appointments.</p>	K IV™ P7 Prac 6	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	When determining the requisite number of members of the governing body, the following factors should be considered: a. The appropriate mix of knowledge, skills and experience, including the business, commercial and industry experience, needed to govern the organisation	K IV™ P7 Prac 7.a	Satisfactorily Applied
	Commentary: The board charter provides that the number of the directors shall not be less than four and all shall have the appropriate proficiencies to ensure that the board is able to carry out its duties and responsibilities, and there should be an appropriate balance of broader diversity and independence to objectively and effectively discharge its governance role and responsibilities.		
	When determining the requisite number of members of the governing body, the following factors should be considered: b. The appropriate mix of executive, non-executive and independent non-executive members.	K IV™ P7 Prac 7.b	Satisfactorily Applied
	Commentary: The Board comprises eleven directors. There are two non-executive directors, six independent non-executive directors and three executive directors.		
	When determining the requisite number of members of the governing body, the following factors should be considered: c. The need for a sufficient number of members that qualify to serve on the committees of the governing body	K IV™ P7 Prac 7.c	Satisfactorily Applied
Commentary: The Board comprises of eleven directors and there are sufficient members to serve on committees. Board committees have been appropriately constituted.			
When determining the requisite number of members of the governing body, the following factors should be considered: d. The need to secure a quorum at meetings	K IV™ P7 Prac 7.d	Satisfactorily Applied	
Commentary: The Board quorum is set as 50% plus one of the directors. Meeting attendance is good and all meetings held during the year secured a quorum.			
When determining the requisite number of members of the governing body, the following factors should be considered: e. Regulatory requirements	K IV™ P7 Prac 7.e	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>Commentary: All Board committees have been appropriately constituted, in accordance with all legislative requirements and in line with a clearly documented mandate that sets out their scope, responsibilities, powers and authority. The Audit and Risk Committee members are all independent non-executive, as per the Companies Act provision.</p>		
	<p>When determining the requisite number of members of the governing body, the following factors should be considered: f. Diversity targets relating to the composition of the governing body</p>	K IV™ P7 Prac 7.f	Satisfactorily Applied
	<p>Commentary: The Board has adopted a diversity policy, which provides targets for the promotion of broader diversity in terms of race, gender, culture, age, field of knowledge, skills and experience.</p>		
	<p>The governing body should comprise a majority of non-executive members, most of whom should be independent.</p>	K IV™ P7 Prac 8	Satisfactorily Applied
	<p>Commentary: The Board comprises of eight non-executive directors, six of whom are independent non-executive directors.</p>		
	<p>As a minimum, the chief executive officer (CEO) and at least one other executive should be appointed to the governing body to ensure that it has more than one point of direct interaction with management. The executive other than the CEO appointed to the governing body may be the chief finance officer (CFO) or another designated executive as is appropriate for the organisation.</p>	K IV™ P7 Prac 9	Satisfactorily Applied
	<p>Commentary: The Board has three executive directors, the Chief Executive, Chief Financial Officer and Chief Commercial Officer.</p>		
<p>The governing body should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender.</p>	K IV™ P7 Prac 10	Satisfactorily Applied	
<p>Commentary: The Board has experience across various industries and sectors, with many years of experience in the management of property investment companies.</p>			
<p>The governing body should set targets for race and gender representation in its membership.</p>	K IV™ P7 Prac 11	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	Commentary: The Board set targets for race and gender representation at 30%, performance against the target is disclosed in the Integrated Report.		
	The governing body should establish arrangements for periodic, staggered rotation of its members so as to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity.	K IV™ P7 Prac 12	Satisfactorily Applied
	Commentary: At least one-third of the directors rotates every year for re-election at the annual general meeting.		
	The governing body should establish a succession plan for its membership which should include the identification, mentorship and development of future candidates.	K IV™ P7 Prac 13	Satisfactorily Applied
	Commentary: Succession planning is undertaken by the Nominations Committee to ensure board continuity.		
	The nomination of candidates for election as members of the governing body should be approved by the governing body as a whole.	K IV™ P7 Prac 14	Satisfactorily Applied
	Commentary: The nomination of potential candidates is considered by the entire board of directors after the Nomination Committee has put forward the applicable candidates. Appointments of new directors are approved by the shareholders at the first annual general meeting (AGM) following their appointment.		
	The processes for nomination, election and ultimately, the appointment of members to the governing body should be formal and transparent.	K IV™ P7 Prac 15	Satisfactorily Applied
Commentary: Appointments to the Board are made in a formal and transparent manner with due deliberation by the Nominations Committee and the Board, and after engagement with the controlling shareholder.			
Before nominating a candidate for election, the governing body should consider the following: a. The collective knowledge, skills and experience required by the governing body.	K IV™ P7 Prac 16.a	Satisfactorily Applied	
Commentary: The Company undertakes various procedures for new appointments, which include background and reference checks. Board members also need to be willing to devote a relevant portion of their time to L2D.			



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	Before nominating a candidate for election, the governing body should consider the following: b. The diversity of the governing body.	K IV™ P7 Prac 16.b	Satisfactorily Applied
	Commentary: Consideration is given to, skills, knowledge, qualifications, diversity, experience and balance of power.		
	Before nominating a candidate for election, the governing body should consider the following: c. Whether the candidate meets the appropriate fit and proper criteria.	K IV™ P7 Prac 16.c	Satisfactorily Applied
	Commentary: Directors to the subsidiary, Stanlib REIT Fund Managers RF (Pty) Ltd are required to meet the fit and proper requirements of the FSCA when appointed.		
	Nomination for re-election of an incumbent of the governing body should be considered by the governing body on the basis of that member's performance, including attendance at meetings of the governing body and its committees.	K IV™ P7 Prac 17	Satisfactorily Applied
Commentary: In terms of the Company's memorandum of incorporation (MOI), at least one-third of the non-executive directors are subject to retirement by rotation and re-election at each AGM. The compositions of the Board and the various board-appointed committees are reviewed when directors change, or on an annual basis.			
A candidate for election as a non-executive member of the governing body should be requested to provide the governing body with details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as member of the governing body.	K IV™ P7 Prac 18	Satisfactorily Applied	
Commentary: Board members need to be willing to devote a relevant portion of their time to L2D, their current directorship commitments are checked for any conflicts to company activities.			
Prior to their nomination for election, candidates' backgrounds should be independently investigated, and their qualifications should be independently verified.	K IV™ P7 Prac 19	Satisfactorily Applied	
Commentary: A comprehensive background check has been performed for all the directors that were appointed to the Board.			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>A brief professional profile of each candidate standing for election at the annual general meeting (AGM), including details of existing professional commitments, should accompany the notice of the AGM, together with a statement from the governing body confirming whether it supports the candidate's election or re-election.</p> <p>Commentary: A brief CV of each director standing for election or re-election at the AGM are included in the Notice of the AGM.</p>	K IV™ P7 Prac 20	Satisfactorily Applied
	<p>Upon election, the terms and conditions for serving as a member of the governing body should be formalised in a letter of appointment.</p> <p>Commentary: A letter of appointment is concluded with all non-executive directors, it includes the directors' code of conduct to be complied with, the contribution that is expected from the specific individual, the remuneration for holding office as director and the terms of directors' and officers' liability insurance to be provided.</p>	K IV™ P7 Prac 21	Satisfactorily Applied
	<p>The governing body should ensure that incoming members are inducted to enable them to make the maximum contribution within the shortest time possible.</p> <p>Commentary: It is a requirement for all directors to continually develop their skills as well as their understanding of the operational environment. Directors are also required to stay informed and understand the material matters that impact the company in order to ensure that they are equipped to perform their duties to the best of their ability. The company secretary manages the induction process.</p>	K IV™ P7 Prac 22	Satisfactorily Applied
	<p>Members of the governing body with no or limited governance experience should be provided with mentorship and encouraged to undergo training.</p> <p>Commentary: Directors with limited governance experience is given time to settle in and are mentored. Director information sessions are held quarterly and directors are given the opportunity to attend training sessions. The executive management team and the company secretary are available at all times to assist the directors to carry out their duties.</p>	K IV™ P7 Prac 23	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	A programme of professional development and regular briefings on legal and corporate governance developments, and risks and changes in the external environment of the organisation, should be provided for members of the governing body. Commentary: Presentations and training sessions are held to ensure that directors stay abreast of the regulatory changes and legislative requirements to which the Company must adhere.	K IV™ P7 Prac 24	Satisfactorily Applied
	Subject to legal provisions, each member of the governing body should submit to the governing body a declaration of all financial, economic and other interests held by the member and related parties at least annually, or whenever there are significant changes. Commentary: Board members must disclose, in writing, their interest in material contracts involving L2D. Board members must also recuse themselves from deliberation or decision-making processes relating to any matter in which they may have a vested financial interest.	K IV™ P7 Prac 25	Satisfactorily Applied
	At the beginning of each meeting of the governing body or its committees, all members should be required to declare whether any of them has any conflict of interest in respect of a matter on the agenda. Any such conflicts should be proactively managed as determined by the governing body and subject to legal provisions. Commentary: Disclosures of conflict interest are tabled at the start of every governance meeting.	K IV™ P7 Prac 26	Satisfactorily Applied
	Non-executive members of the governing body may be categorised by the governing body as independent if it concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interest of the organisation. Commentary: Non-executive directors that are classified as 'independent' by the Company are subjected to an annual evaluation of their independence by the Nominations Committee and confirmed by the Board.	K IV™ P7 Prac 27	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: a. Is a significant provider of financial capital, or ongoing funding to the organisation; or is an officer, employee or a representative of such provider of financial capital or funding;</p> <p>Commentary: No director is a significant provider of financial capital or an officer, employee or a representative of a provider of financial capital or funding.</p>	K IV™ P7 Prac 28.a	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: b. If the organisation is a company, participates in a share-based incentive scheme offered by the company;</p> <p>Commentary: The non-executive directors do not participate in the share-based incentive scheme.</p>	K IV™ P7 Prac 28.b	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: c. If the organisation is a company, owns securities in the company, the value of which is material to the personal wealth of the director;</p> <p>Commentary: No non-executive director holds shares in the Company.</p>	K IV™ P7 Prac 28.c	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: d. Has been in the employ of the organisation as an executive manager during the preceding three financial years, or is a related party to such executive manager;</p> <p>Commentary: No independent non-executive director has been in the employ of the Company as an executive manager during the preceding three financial years, or is a related party to such executive manager.</p>	K IV™ P7 Prac 28.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: e. Has been the designated external auditor responsible for performing the statutory audit for the organisation, or a key member of the audit team of the external audit firm, during the preceding three financial years;</p> <p>Commentary: No independent non-executive director has been the designated external auditor responsible for performing the statutory audit for the Company, or a key member of the audit team of the external audit firm, during the preceding three financial years.</p>	K IV™ P7 Prac 28.e	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: f. Is a significant or ongoing professional adviser to the organisation, other than as a member of the governing body;</p> <p>Commentary: No independent non-executive director is a significant or ongoing professional adviser to the Company.</p>	K IV™ P7 Prac 28.f	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: g. Is a member of the governing body or the executive management of a significant customer of, or supplier to, the organisation;</p> <p>Commentary: No independent non-executive director is a member of the executive management of a significant customer of, or supplier to, the Company.</p>	K IV™ P7 Prac 28.g	Satisfactorily Applied
	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: h. Is a member of the governing body or the executive management of another organisation which is a related party to the organisation; or</p> <p>Commentary: The Chairman is a director of Liberty and David Munro the ex CEO of Liberty. Both have been classified as non-executive directors.</p>	K IV™ P7 Prac 28.h	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: i. Is entitled to remuneration contingent on the performance of the organisation</p> <p>Commentary: No non-executive director is entitled to remuneration contingent on the performance of the Company.</p>	K IV™ P7 Prac 28.i	Satisfactorily Applied
	<p>A non-executive member of the governing body may continue to serve, in an independent capacity, for longer than nine years if, upon an assessment by the governing body conducted every year after nine years, it is concluded that the member exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making</p> <p>Commentary: None of the non-executive directors have served on the board for more than 9 years.</p>	K IV™ P7 Prac 29	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: a. Whether the governing body is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.</p> <p>Commentary: Board composition details are disclosed in the Integrated Report.</p>	K IV™ P7 Prac 30.a	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: b. The targets set for gender and race representation in the membership of the governing body, and progress made against these targets.</p> <p>Commentary: The target set for race and gender representation for the board composition is set at 30%, Performance against the targets have been met and are disclosed in the Integrated Report.</p>	K IV™ P7 Prac 30.b	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: c. The categorisation of each member as executive or non-executive.</p> <p>Commentary: The directors are classified as an executive and non-executive director in the Integrated Report.</p>	K IV™ P7 Prac 30.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>The following should be disclosed with regards to the composition of the governing body: d. The categorisation of each non-executive member as independent or not and, when a non-executive member of the governing body has been serving for longer than nine years, a summary of the views of the governing body on the independence of the member.</p> <p>Commentary: The classification of directors as independent or otherwise is disclosed on the basis of the yearly assessment of the independence of the independent non-executive directors. There is reporting on the procedure and outcome of the assessment of the suitability of non-executive independent directors to continue on the Board as such, for a period longer than 9 years.</p>	K IV™ P7 Prac 30.d	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: e. The qualifications and experience of members.</p> <p>Commentary: All the qualifications and experience of the directors appointed to the Board are disclosed in the Integrated Report.</p>	K IV™ P7 Prac 30.e	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: f. Each member's period of service on the governing body.</p> <p>Commentary: All the directors' dates of appointment are disclosed in the Integrated Report.</p>	K IV™ P7 Prac 30.f	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: g. The age of each member.</p> <p>Commentary: The ages of the directors are disclosed in the Integrated Report.</p>	K IV™ P7 Prac 30.g	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: h. Other governing body and professional positions held by each member.</p> <p>Commentary: All other significant directorships held by the directors are disclosed within the Integrated Report.</p>	K IV™ P7 Prac 30.h	Satisfactorily Applied
	<p>The following should be disclosed with regards to the composition of the governing body: i. The reasons why any members of the governing body have been removed, resigned or retired</p>	K IV™ P7 Prac 30.i	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>Commentary: Reasons for the removal, resignation or retirement of directors are provided.</p>		
	<p>The governing body should elect an independent non-executive member as chair to lead the governing body in the objective and effective discharge of its governance role and responsibilities</p>	K IV™ P7 Prac 31	Satisfactorily Applied
	<p>Commentary: The Chairman of the Board is not independent, but an independent lead director has been appointed.</p>		
	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: a. To lead in the absence of the chair.</p>	K IV™ P7 Prac 32.a	Satisfactorily Applied
	<p>Commentary: A lead independent director, Peter Nelson, was appointed to lead in the absence of the Chairman.</p>		
	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: b. To serve as a sounding board for the chair.</p>	K IV™ P7 Prac 32.b	Satisfactorily Applied
	<p>Commentary: The lead independent director acts as sounding board to the Chairman.</p>		
	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: c. To act as an intermediary between the chair and other members of the governing body, if necessary.</p>	K IV™ P7 Prac 32.c	Satisfactorily Applied
<p>Commentary: The lead independent director acts as an intermediary between the Chairman and other members of the Board, if necessary.</p>			
<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: d. To deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.</p>	K IV™ P7 Prac 32.d	Satisfactorily Applied	
<p>Commentary: The lead independent director deals with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: e. To strengthen independence on the governing body if the chair is not an independent non-executive member of the governing body.</p> <p>Commentary: The lead independent director strengthens independence on the Board and the Chairman is not an independent non-executive director.</p>	K IV™ P7 Prac 32.e	Satisfactorily Applied
	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: f. To chair discussions and decision-making by the governing body on matters where the chair has a conflict of interest.</p> <p>Commentary: The lead independent director chairs discussions and decision-making by the Board on matters where the Chairman has a conflict of interest.</p>	K IV™ P7 Prac 32.f	Satisfactorily Applied
	<p>The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: g. To lead the performance appraisal of the chair</p> <p>Commentary: The lead independent director discussed the outcome of the Chairman's performance appraisal with him.</p>	K IV™ P7 Prac 32.g	Satisfactorily Applied
	<p>The chair's role, responsibilities and term in office, as well as that of the lead independent, should be documented in the charter of the governing body or elsewhere.</p> <p>Commentary: The Chairman's role, responsibilities and term in office, as well as that of the lead independent, are set out in the board charter.</p>	K IV™ P7 Prac 33	Satisfactorily Applied
	<p>The CEO of the organisation should not also chair the governing body, and the retired CEO should not become the chair of the governing body until three complete years have passed after the end of the CEO's tenure.</p> <p>Commentary: The roles of the Chief Executive and Chairman are separate.</p>	K IV™ P7 Prac 34	Satisfactorily Applied
	<p>In order to determine whether the chair is able to perform the duties of this office effectively, the chair, together with the governing body, should determine the number of outside professional positions that the chair is allowed to hold, taking into account the relative size and complexity of the organisations involved</p>	K IV™ P7 Prac 35	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	<p>Commentary: The Chairman's performance is evaluated at least every second year by the Board and the lead independent director.</p>		
	<p>When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: a. The chair should not be a member of the audit committee.</p>	K IV™ P7 Prac 36.a	Satisfactorily Applied
	<p>Commentary: The Chairman is not a member of the Audit and Risk Committee, but he attends as an invitee.</p>		
	<p>When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: b. The chair may be a member of the committee responsible for remuneration but should not be its chair.</p>	K IV™ P7 Prac 36.b	Satisfactorily Applied
	<p>Commentary: The Chairman of the Board is not the chair of the Remuneration Committee, but he is a member thereof.</p>		
<p>When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: c. The chair should be a member of the committee responsible for nominations of members of the governing body and may also be its chair.</p>	K IV™ P7 Prac 36.c	Satisfactorily Applied	
<p>Commentary: The Nominations Committee comprises the Board Chairman and non-executive directors.</p>			
<p>When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: d. The chair may be a member of the committee responsible for risk governance and may also be its chair.</p>	K IV™ P7 Prac 36.d	Satisfactorily Applied	
<p>Commentary: The Chairman of the Board is not a member of Audit and Risk Committee, but he attends the meetings as an invitee.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 7	When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: e. The chair may be a member of the social and ethics committee but should not be its chair.	K IV™ P7 Prac 36.e	Satisfactorily Applied
	Commentary: The Chairman of the Board is a member of the Social, Ethics and Transformation Committee (SET), however does not the chair the committee.		
	The governing body should ensure there is succession planning in place for the position of chair	K IV™ P7 Prac 37	Satisfactorily Applied
	Commentary: The Board is satisfied that the depth of skills among current directors meets succession requirements.		
Principle 8	The following should be disclosed in relation to the chair: a. Whether the chair is considered to be independent.	K IV™ P7 Prac 38.a	Satisfactorily Applied
	Commentary: The Chairman's non-independence is disclosed in the Integrated Report.		
	The following should be disclosed in relation to the chair: b. Whether or not an independent non-executive member of the governing body has been appointed as the lead independent, and the role and responsibilities assigned to the position	K IV™ P7 Prac 38.b	Satisfactorily Applied
Commentary: Peter Nelson has been appointed as a lead independent director.			
Principle 8	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 governing body should determine if and when to delegate particular roles and responsibilities to an individual member or members of the governing body, or to standing or ad hoc-committees. The exercise of judgement by the governing body in this regard, is subject to legal requirements and should be guided by what is appropriate for the organisation and achieving the objectives of the delegation.	K IV™ P8 Prac 39	Satisfactorily Applied
Commentary: The Board has appointed several committees to support it in maintaining oversight of all of L2D's activities, namely the Audit and Risk Committee (ARC), the Social, Ethics, and Transformation Committee (SET), the Remuneration and Nominations Committee and a Related Party Committee.			

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 8	In the event that the governing body determines not to delegate all or some of the responsibilities dealt with in this Code as part of the responsibilities of a specific committee, the governing body should ensure that it fulfils those responsibilities itself. Commentary: The ultimate responsibility still remains with the Board, to whom all committees report.	K IV™ P8 Prac 40	Satisfactorily Applied
	Delegation to an individual member or members of the governing body should be recorded in writing and approved by the governing body. The record should set out the nature and extent of the responsibilities delegated, decision-making authority, the duration of the delegation, and the delegates' reporting responsibilities. Commentary: All committees have a terms of reference (mandate) approved by the Board that sets out their duties and the responsibilities. Where authority is delegated to an individual member it is recorded in the minutes of the meeting.	K IV™ P8 Prac 41	Satisfactorily Applied
	Delegation to committees should be recorded by means of a formal terms of reference that should be approved and reviewed annually by the governing body Commentary: All Board committees have been appropriately constituted, in accordance with all legislative requirements and in line with a clearly documented mandate. The mandates are reviewed annually and annual work plans are prepared to ensure the committees cover all their duties and responsibilities during the year.	K IV™ P8 Prac 42	Satisfactorily Applied
	The terms of reference should, at a minimum, deal with the following: a. The composition of the committee and, if applicable, the process and criteria for the appointment of any committee members who are not members of the governing body. Commentary: The committee mandates sets out their scope, responsibilities, powers, and authority.	K IV™ P8 Prac 43.a	Satisfactorily Applied
	The terms of reference should, at a minimum, deal with the following: b. The committee's overall role and associated responsibilities and functions. Commentary: The committee mandate sets out its scope, responsibilities, powers, and authority.	K IV™ P8 Prac 43.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	The terms of reference should, at a minimum, deal with the following: c. Delegated authority with respect to decision-making.	K IV™ P8 Prac 43.c	Satisfactorily Applied
	Commentary: The committee mandate sets out its scope, responsibilities, powers and authority for decision making.		
	The terms of reference should, at a minimum, deal with the following: d. The tenure of the committee.	K IV™ P8 Prac 43.d	Satisfactorily Applied
	Commentary: The mandates state the committees have no fixed tenure.		
	The terms of reference should, at a minimum, deal with the following: e. When and how the committee should report to the governing body and others.	K IV™ P8 Prac 43.e	Satisfactorily Applied
	Commentary: The committee mandate sets out its scope, responsibilities, powers and authority. Committee's chairman report back to the Board at all meetings.		
	The terms of reference should, at a minimum, deal with the following: f. The committee's access to resources and information.	K IV™ P8 Prac 43.f	Satisfactorily Applied
	Commentary: All committees have access to company resources and information to help them fulfill their responsibilities.		
The terms of reference should, at a minimum, deal with the following: g. The meeting procedures to be followed.	K IV™ P8 Prac 43.g	Satisfactorily Applied	
Commentary: The meeting procedures are set out in the mandates.			
The terms of reference should, at a minimum, deal with the following: h. The arrangements for evaluating the committee's performance	K IV™ P8 Prac 43.h	Satisfactorily Applied	
Commentary: The terms of reference of all committees provide for that the Board will perform and evaluation of the committees' performance at least every two years.			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	<p>The governing body should consider the allocation of roles and associated responsibilities and the composition of membership across committees holistically, so as to achieve the following: a. Effective collaboration through cross-membership, where required; coordinated timing of meetings; and avoidance of duplication or fragmented functioning in so far as possible.</p> <p>Commentary: The Board ensures effective collaboration through cross-membership, committee feedback at the board meetings and coordinated timing of meetings to avoid duplication or fragmented functioning.</p>	K IV™ P8 Prac 44.a	Satisfactorily Applied
	<p>The governing body should consider the allocation of roles and associated responsibilities and the composition of membership across committees holistically, so as to achieve the following: b. Where more than one committee has jurisdiction to deal with a similar matter, the specific role and positioning of each committee in relation to such matter are defined to ensure complementary rather than competing approaches.</p> <p><i>No Commentary</i></p>	K IV™ P8 Prac 44.b	Satisfactorily Applied
	<p>The governing body should consider the allocation of roles and associated responsibilities and the composition of membership across committees holistically, so as to achieve the following: c. A balanced distribution of power in respect of membership across committees, so that no individual has the ability to dominate decision-making, and no undue reliance is placed on any individual.</p> <p>Commentary: There is a clear balance of power and authority at board level to ensure that no one director has unfettered powers of decision making.</p>	K IV™ P8 Prac 44.c	Satisfactorily Applied
	<p>The governing body should ensure that each committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively.</p> <p>Commentary: Board members have the necessary qualifications, knowledge and experience.</p>	K IV™ P8 Prac 45	Satisfactorily Applied
	<p>Each committee should have a minimum of three members subject to legal provisions, where applicable.</p> <p>Commentary: All committees have a minimum of three members.</p>	K IV™ P8 Prac 46	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	Members of the executive and senior management should be invited to attend committee meetings either by standing invitation or on an ad hoc-basis to provide pertinent information and insights in their areas of responsibility. Commentary: Members of the executive and senior management attend committee meetings by invitation to present papers on areas they are responsible for.	K IV™ P8 Prac 47	Satisfactorily Applied
	Every member of the governing body is entitled to attend any committee meeting as an observer. However, unless that member is also a member of the committee, the member is not entitled to participate without the consent of the chair; does not have a vote; and is not entitled to fees for such attendance, unless payment of fees is agreed to by the governing body and shareholders. Commentary: Members of the Board are allowed to attend any committee meetings as invitees and no director fees are paid for such attendance.	K IV™ P8 Prac 48	Satisfactorily Applied
	Any delegation by the governing body of its responsibilities to a committee or a member of the governing body member will not by or of itself constitute a discharge of the governing body's accountability. The governing body should apply its collective mind to the information, opinions, recommendations, reports and statements presented by the committee or the member Commentary: The chairman of each committee reports back to the Board at every meeting, the board applies their mind to the information and recommendations presented by the committees.	K IV™ P8 Prac 49	Satisfactorily Applied
	The following should be disclosed in relation to each committee of the governing body: a. Its overall role and associated responsibilities and functions. Commentary: The role and responsibilities of all board committees are disclosed in the integrated report.	K IV™ P8 Prac 50.a	Satisfactorily Applied
	The following should be disclosed in relation to each committee of the governing body: b. Its composition, including each member's qualifications and experience. Commentary: The composition of all board committees has been disclosed in the integrated report.	K IV™ P8 Prac 50.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	The following should be disclosed in relation to each committee of the governing body: c. Any external advisers or invitees who regularly attend committee meetings. Commentary: No external advisers regularly attend committee meetings.	K IV™ P8 Prac 50.c	Satisfactorily Applied
	The following should be disclosed in relation to each committee of the governing body: d. Key areas of focus during the reporting period. Commentary: The key focus areas of all committees have been disclosed in the integrated report.	K IV™ P8 Prac 50.d	Satisfactorily Applied
	The following should be disclosed in relation to each committee of the governing body: e. The number of meetings held during the reporting period and attendance at those meetings. Commentary: The number of meetings held each year by the board and each board committee and the details of attendance of each director (as applicable) at such meetings are disclosed in the integrated report.	K IV™ P8 Prac 50.e	Satisfactorily Applied
	The following should be disclosed in relation to each committee of the governing body: f. Whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period Commentary: Each committee reviews its compliance with its duties and responsibilities in the November cycle of meeting. The outcomes are disclosed in the integrated report.	K IV™ P8 Prac 50.f	Satisfactorily Applied
	The establishment of an audit committee is a statutory requirement for some organisations. As a matter of leading practice, the governing body of any organisation that issues audited financial statements should consider establishing an audit committee, the role of which should be to provide independent oversight of, among others: a. The effectiveness of the organisation's assurance functions and services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function; and Commentary: The audit and risk committee's role is to provide independent oversight of the effectiveness and quality of the company's financial and internal controls, assurance functions and services.	K IV™ P8 Prac 51.a	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	<p>The establishment of an audit committee is a statutory requirement for some organisations. As a matter of leading practice, the governing body of any organisation that issues audited financial statements should consider establishing an audit committee, the role of which should be to provide independent oversight of, among others: b. The integrity of the annual financial statements and, to the extent delegated by the governing body, other external reports issued by the organisation</p> <p>Commentary: It is the audit and risk committee's responsibility to ensure the integrity of L2D's published financial and non-financial information and to implement effective risk management policy and management.</p>	K IV™ P8 Prac 51.b	Satisfactorily Applied
	<p>A statutory audit committee has the power to make decisions regarding its statutory duties, and is accountable for its performance in this regard. In addition to its statutory duties, the governing body may delegate other responsibilities to the audit committee, such as the approval of the annual financial statements, but the governing body remains ultimately accountable for such delegated responsibilities.</p> <p>Commentary: The audit and risk committee has statutory duties in terms of s94(7) of the Companies Act.</p>	K IV™ P8 Prac 52	Satisfactorily Applied
	<p>When the governing body delegates risk governance to the audit committee, the audit committee should satisfy itself that it dedicates sufficient time to this responsibility.</p> <p>Commentary: Audit and risk committee is responsible for the governance of risk management.</p>	K IV™ P8 Prac 53	Satisfactorily Applied
	<p>Whether or not the governance of risk is delegated to the audit committee, the audit committee should oversee the management of financial and other risks that affect the integrity of external reports issued by the organisation.</p> <p>Commentary: The audit and risk committee has regard to all factors and risks that may impact on integrity of the integrated report; e.g.. judgements, changes in accounting policies, significant or unusual transactions, factors that may predispose management to present misleading information, any evidence that brings into question any previously published financial information, etc. The audit and risk committee specifically has oversight of financial reporting risks, internal financial controls, fraud risks as these relate to financial reporting and IT risks as these relate to internal reporting.</p>	K IV™ P8 Prac 54	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	The members of the audit committee should, as a whole, have the necessary financial literacy, skills and experience to execute their duties effectively.	K IV™ P8 Prac 55	Satisfactorily Applied
	Commentary: Collectively, audit and risk members are equipped with the appropriate financial and related qualifications, skills, financial expertise and experience to discharge their responsibilities.		
	All members of the audit committee should be independent, non-executive members of the governing body.	K IV™ P8 Prac 56	Satisfactorily Applied
	Commentary: All three members of the audit and risk committee are independent non-executive directors.		
	The governing body should appoint an independent, non-executive member to chair the audit committee.	K IV™ P8 Prac 57	Satisfactorily Applied
	Commentary: The Chairman of the audit and risk committee, Peter Nelson, was appointed by the Board.		
The audit committee should meet annually with the internal and external auditors respectively, without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum	K IV™ P8 Prac 58	Satisfactorily Applied	
Commentary: The audit and risk committee meets with the external and internal auditors without management being present at least once a year, normally in the February cycle.			
In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: a. A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: i. The policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year;	K IV™ P8 Prac 59.a.i	Satisfactorily Applied	
Commentary: The external auditors make an annual declaration of their independence which is assessed by the audit and risk committee. The Company has a policy for non-audit services that can provided by the external auditor. A statement on whether the ARC is satisfied that the auditor is independent of the company is included in the integrated report.			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: a. A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: ii. The tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm;</p> <p>Commentary: External auditor independence was disclosed in the integrated report.</p>	K IV™ P8 Prac 59.a.ii	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: a. A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: iii. The rotation of the designated external audit partner; and</p> <p>Commentary: The report of the audit and risk committee in the AFS confirms that the external auditor is independent and states the terms auditors have been appointed for and the term designated auditor out of the allowed five years.</p>	K IV™ P8 Prac 59.a.iii	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: a. A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: iv. Significant changes in the management of the organisation during the external audit firm's tenure which may mitigate the attendant risk of familiarity between the external auditor and management.</p> <p>Commentary: The Audit and Risk Committee is satisfied that the external auditor is independent of the Company. The audit partner is rotated every five years to ensure independence.</p>	K IV™ P8 Prac 59.a.iv	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: b. Significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by the committee.</p> <p><i>No Commentary</i></p>	K IV™ P8 Prac 59.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: c. The audit committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.</p> <p><i>No Commentary</i></p>	K IV™ P8 Prac 59.c	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: d. The audit committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit.</p> <p>Commentary: The effectiveness of the internal audit function and chief audit executive are considered annually in a closed session of the audit and risk committee. The effectiveness is disclosed in the report of the Audit and Risk Committee that forms part of the AFS.</p>	K IV™ P8 Prac 59.d	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: e. The audit committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error.</p> <p>Commentary: The internal audit function provides a source of information as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities. Internal audit provides a written assessment of internal financial controls to the audit committee. The audit committee discloses in the integrated report the nature and extent of material weaknesses in the design, implementation or execution of financial controls that resulted in material financial loss, fraud or material errors. The integrated report includes commentary in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the company.</p>	K IV™ P8 Prac 59.e	Satisfactorily Applied
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: f. The audit committee's views on the effectiveness of the CFO and the finance function.</p>	K IV™ P8 Prac 59.f	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	<p>Commentary: The audit and risk committee performs review of the finance function every year. The results of the review of the finance function are disclosed in the integrated report.</p>		
	<p>In addition to required statutory disclosure and the disclosure recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: g. The arrangements in place for combined assurance and the committee's views on its effectiveness.</p>	K IV™ P8 Prac 59.g	Satisfactorily Applied
	<p>Commentary: The scope of independent assurance over sustainability report is disclosed in the integrated report.</p>		
	<p>The governing body should consider allocating the oversight of the following to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation: a. The process for nominating, electing and appointing members of the governing body.</p>	K IV™ P8 Prac 60.a	Satisfactorily Applied
	<p>Commentary: The nominations committee identifies candidates for nomination to the Board</p>		
	<p>The governing body should consider allocating the oversight of the following to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation: b. Succession planning in respect of governing body members.</p>	K IV™ P8 Prac 60.b	Satisfactorily Applied
	<p>Commentary: The nominations committee oversees a formal succession plan for the board, CEO and certain senior executive appointments.</p>		
	<p>The governing body should consider allocating the oversight of the following to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation: c. Evaluation of the performance of the governing body.</p>	K IV™ P8 Prac 60.c	Satisfactorily Applied
<p>Commentary: The nominations committee oversees the process and results of evaluations of performance and independence of individual directors, board and board committees.</p>			
<p>All members of the committee for nominations should be non-executive members of the governing body, and the majority should be independent.</p>	K IV™ P8 Prac 61	Satisfactorily Applied	
<p>Commentary: The majority of members of the nominations committee are independent.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	The governing body should consider allocating the oversight of risk governance to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation. Commentary: There is a a combined audit and risk risk committee.	K IV™ P8 Prac 62	Satisfactorily Applied
	If the committees for audit and risk are separate, the governing body should consider for one or more members to have joint membership of both committees for more effective functioning. Commentary: There is a combined audit and risk committee consisting of the same members.	K IV™ P8 Prac 63	Satisfactorily Applied
	The committee for risk governance should have executive and non-executive members, with a majority being non-executive members of the governing body Commentary: There were no executive Directors appointed to the Risk committee, however they are invited to all these meetings.	K IV™ P8 Prac 64	Satisfactorily Applied
	The governing body should consider allocating oversight of remuneration to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation. Commentary: The board has appointed remuneration committee.	K IV™ P8 Prac 65	Satisfactorily Applied
	Remuneration committee: All members of the committee for remuneration should be non-executive members of the governing body, with the majority being independent non-executive members of the governing body. Commentary: All members of the remuneration committee are non-executive directors.	K IV™ P8 Prac 66	Satisfactorily Applied
	Remuneration committee: The committee for remuneration should be chaired by an independent non-executive member. Commentary: The Remuneration committee was chaired by an independent non executive director.	K IV™ P8 Prac 67	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 8	For some companies, the establishment of a social and ethics committee is a statutory requirement. The governing body of any organisation not so obliged should consider allocating oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation.	K IV™ P8 Prac 68	Satisfactorily Applied
	Commentary: The Board has appointed a Social and Ethics Committee		
	The responsibilities of the social and ethics committee should include its statutory duties (if applicable) and any other responsibilities delegated to it by the governing body.	K IV™ P8 Prac 69	Satisfactorily Applied
Principle 8	Commentary: The Social, Ethics and Transformation Committee has been mandated to assist the board in the execution of its oversight responsibilities pertaining to legislation and legal requirements.		
	The social and ethics committee should, subject to legal provisions, have executive and non-executive members, with a majority being non-executive members of the governing body	K IV™ P8 Prac 70	Satisfactorily Applied
	Commentary: The Social and Ethics Committee comprises of not less than three directors or prescribed officers of the company, at least one of whom is a non-executive director		
Principle 9	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 governing body should assume responsibility for the evaluation of its own performance and that of its committees, its chair and its individual members by determining how it should be approached and conducted.	K IV™ P9 Prac 71	Satisfactorily Applied
	Commentary: The company conducts performance appraisals of the board and all directors at least every second year to ensure the continued improvement of the quality of the Board and its committees.		
Principle 9	The governing body should appoint an independent non-executive member to lead the evaluation of the chair's performance if a lead independent is not in place.	K IV™ P9 Prac 72	Satisfactorily Applied
	Commentary: The lead independent director leads the evaluation of the chairman performance.		

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 9	<p>A formal process, either externally facilitated or not in accordance with methodology approved by the governing body, should be followed for evaluating the performance of the governing body, its committees, its chair and its individual members at least every two years.</p> <p>Commentary: Formal external evaluations are performed every two years and self-evaluations in the years between. Formal external evaluations will be conducted later in 2023.</p>	K IV™ P9 Prac 73	Satisfactorily Applied
	<p>Every alternate year, the governing body should schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole</p> <p>Commentary: Board evaluation reports are considered by the Nominations Committee and the Board. Matters requiring attention are set out in the Integrated Report</p>	K IV™ P9 Prac 74	Satisfactorily Applied
	<p>The following should be disclosed in relation to the evaluation of the performance of the governing body: a. A description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not.</p> <p>Commentary: The board of directors assume responsibility for the evaluation of its own performance and that of its committees, its chair and its individual members. Formal evaluations are conducted alternating between in-house questionnaire-based evaluations and external evaluations. The results are set out in the governance section of the Integrated Report.</p>	K IV™ P9 Prac 75.a	Satisfactorily Applied
	<p>The following should be disclosed in relation to the evaluation of the performance of the governing body: b. An overview of the evaluation results and remedial actions taken.</p> <p>Commentary: A formal questionnaire-based evaluation was conducted in December 2021 in accordance with best practices set out in the King IV Code of Corporate Governance. The report, which was prepared by a consultant, was considered by the Nominations Committee and the Board in February 2022. The performance of the Board, Chairman and committees were rated as excellent.</p>	K IV™ P9 Prac 75.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 9	<p>The following should be disclosed in relation to the evaluation of the performance of the governing body: c. K IV™ P9 Prac 75.c Whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness.</p> <p>Commentary: The company conducts assessment of all directors at least every second year to ensure the continued improvement of the quality of the Board and its committees.</p>	Satisfactorily Applied
Principle 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 governing body should appoint the CEO. K IV™ P10 Prac 76</p> <p>Commentary: Amelia Beattie was appointed by the Board as full-time Chief Executive of L2D when it was a collective investment scheme in properties with effect from 1 December 2016 and as the Chief Executive of L2D on 10 July 2018.</p> <p>The CEO should be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and should serve as the chief link between management and the governing body. K IV™ P10 Prac 77</p> <p>Commentary: The Chief Executive is responsible for the daily management of L2D's operations and chairs the Exco. The Chief Executive and the Chairman of the Board meeting regularly. Minutes of all the Exco meeting are included in the board papers for reading.</p> <p>The CEO should be accountable, and report to, the governing body. K IV™ P10 Prac 78</p> <p>Commentary: The Chief Executive reports back to the board at all board meetings by way of a Report from the Chief Executive.</p> <p>The CEO should not be a member of the remuneration, audit or nomination committees, but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information. K IV™ P10 Prac 79</p>	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 10	Commentary: The Chief Executive is not a member of the remuneration committee, audit and risk committee or nomination committee. She attends the meetings as an invitee.		
	The CEO and the governing body should agree on whether the CEO takes up additional professional positions, including membership of other governing bodies outside the organisation. Time constraints and potential conflicts of interests should be considered and balanced against the opportunity for professional development.	K IV™ P10 Prac 80	Satisfactorily Applied
	Commentary: The Chief Executive does not have any other significant directorships on any governing bodies that place pressure on the execution of her duties.		
	The governing body should satisfy itself that there is succession planning for the CEO position in place, to provide continuity of executive leadership. Succession planning should be reviewed periodically, and should provide for both succession in emergency situations and succession over the longer term.	K IV™ P10 Prac 81	Satisfactorily Applied
	Commentary: The Nomination and Remunerations Committee considers succession planning for executive directors and other senior executives every year.		
	The governing body should formally evaluate the performance of the CEO against agreed performance measures and targets at least annually	K IV™ P10 Prac 82	Satisfactorily Applied
	Commentary: The Chairman and Chief Executive of Liberty do a formal evaluation of the Chief Executive performance which is tabled at the Remuneration Committee for discussion. The outcome thereof is shared with the Board who approves the Chief Executive's total reward.		
	The following should be disclosed in relation to the CEO: a. The notice period stipulated in the CEO's employment contract and the contractual conditions related to termination.	K IV™ P10 Prac 83.a	Satisfactorily Applied
Commentary: The Chief Executive has a permanent contract with a three-month notice period that does not provide for balloon payments on termination.			
The following should be disclosed in relation to the CEO: b. Other professional commitments of the CEO, including membership of governing bodies outside the organisation.	K IV™ P10 Prac 83.b	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 10	<p>Commentary: The Chief Executive does not have any other significant directorships on any governing bodies that place pressure on the execution of her duties.</p>		
	<p>The following should be disclosed in relation to the CEO: c. Whether succession planning is in place for the CEO position.</p>	K IV™ P10 Prac 83.c	Satisfactorily Applied
	<p>Commentary: The Company is committed to continuously developing its executives to ensure sufficient succession plans are in place upon the resignation of the Chief Executive.</p>		
	<p>The governing body should set the direction and parameters for the powers which are to be reserved for itself, and those that are to be delegated to management via the CEO.</p>	K IV™ P10 Prac 84	Satisfactorily Applied
	<p>Commentary: The Company has a delegation of authority framework (DoA), which sets out matters reserved for the Board and those delegated to committees, the executive directors and other roles in the business.</p>		
	<p>The governing body should approve a delegation of authority framework that articulates its set direction on reservation and delegation of power.</p>	K IV™ P10 Prac 85	Satisfactorily Applied
	<p>Commentary: The Board is satisfied that the delegation of authority framework contributes both to role clarity and an effective arrangement, by which authority and responsibilities are exercised.</p>		
	<p>The governing body should ensure that the delegation of authority framework addresses the authority to appoint executives who will serve as ex officio-executive members of the governing body and to make other executive appointments</p>	K IV™ P10 Prac 86	Satisfactorily Applied
<p>Commentary: The delegation of authority framework (DoA) set out the authority for appointing executives, some of who attend board committees by invitation to present their reports.</p>			
<p>The governing body should oversee that key management functions are: a. Headed by an individual with the necessary competence and authority, and</p>	K IV™ P10 Prac 87.a	Satisfactorily Applied	
<p>Commentary: The Board approved the composition of Executive team (Exco).</p>			

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 10	The governing body should oversee that key management functions are: b. Adequately resourced Commentary: The Chief Executive makes recommendations for the appointment of executives to the Board for approval. The Company is adequately resourced.	K IV™ P10 Prac 87.b	Satisfactorily Applied
	The governing body should satisfy itself that there is succession planning in place for executive management and other key positions to provide continuity of leadership. Succession planning should be reviewed periodically, and provide for both succession in emergency situations and succession over the longer term. Commentary: The succession plan was approved for key management roles and reviewed annually by the Nominations Committee.	K IV™ P10 Prac 88	Satisfactorily Applied
	A statement by the governing body on whether it is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities should be disclosed. Commentary: The Board is satisfied that the delegation of authority framework contributes both to role clarity and an effective arrangement, by which authority and responsibilities are exercised.	K IV™ P10 Prac 89	Satisfactorily Applied
	The governing body should ensure that it has access to professional and independent guidance on corporate governance and its legal duties, and also that it has support to coordinate the functioning of the governing body and its committees. Commentary: The Board has access to professional and independent guidance on all matters including corporate governance and its legal duties. Corporate governance has been delegated to the Company Secretary who provides professional corporate governance services as required, but the Board remains accountable for the corporate governance of the Company.	K IV™ P10 Prac 90	Satisfactorily Applied
	For some companies, the appointment of a company secretary is a statutory requirement. In respect of those companies, the company secretary provides professional corporate governance services. The governing body of an organisation not so obliged should, as a matter of leading practice, consider appointing a company secretary or other professional, as is appropriate for the organisation, to provide professional corporate governance services to the governing body.	K IV™ P10 Prac 91	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 10	Commentary: The company has appointed a company secretary as per s86(1) of the Act who is a full time employee. The company secretary meets the requirements as set out in s84(5) of the Act.		
	The company secretary, Ben Swanepoel (FCIS), is empowered, and authorised, to provide corporate governance services to the Board and management. The Board has evaluated the performance and independence of the company secretary during the period under review and it is satisfied that the company secretary is competent and has the appropriate qualifications and experience required to administer the secretarial obligations of the company. The company secretary maintains an arm's-length relationship with the board of directors.		
	A per s88(1) of the Act, the company secretary is accountable to the Board.		
	The governing body should approve the arrangements for the provision of professional corporate governance services, including whether to outsource them to a juristic person, or to make a full-time or part-time appointment.	K IV™ P10 Prac 92	Satisfactorily Applied
	Commentary: Refer to previous commentary.		
Principle 10	Regardless of the arrangements it has approved, the governing body should ensure that the office of the company secretary or other professional providing corporate governance services, is empowered and that the position carries the necessary authority.	K IV™ P10 Prac 93	Satisfactorily Applied
	Commentary: Refer to previous commentary.		
Principle 10	The governing body should approve the appointment, including the employment contract and remuneration of the company secretary or other professional providing corporate governance services. The governing body should oversee that the person appointed has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the organisation.	K IV™ P10 Prac 94	Satisfactorily Applied
	Commentary: Refer to previous commentary.		

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 10	Commentary: The Board appointed Ben Swanepoel as the company secretary. He has more than 12 years' experience in a listed environment. He has been registered with the Chartered Governance Institute of Southern Africa since 2002.		
	The company secretary has formal job description and is responsible for complying with s88 of the Act.		
	The governing body should have primary responsibility for the removal of the company secretary or other professional providing corporate governance services.	K IV™ P10 Prac 95	Satisfactorily Applied
	Commentary: A resolution confirming the appointment of the company secretary by the board of directors is in place.		
	The company secretary or other professional providing corporate governance services should have unfettered access to the governing body but, for reasons of independence, should maintain an arms-length relationship with it and its members; accordingly, the company secretary should not be a member of the governing body.	K IV™ P10 Prac 96	Satisfactorily Applied
	Commentary: The company secretary is not a director in line with JSE LR 3.84 (b). The directors have unfettered access to his advice and services and he to them.		
	The company secretary or other professional providing corporate governance services should report to the governing body via the chair on all statutory duties and functions performed in connection with the governing body. Regarding other duties and administrative matters, the company secretary or other professional providing corporate governance services should report to the member of executive management designated for this purpose as is appropriate for the organisation.	K IV™ P10 Prac 97	Satisfactorily Applied
Commentary: The company secretary reports to the Board body via the Chairman on all statutory duties and functions performed in connection with the company. On all other matters, the company secretary reports to the Chief Executive.			
The performance and independence of the company secretary or other professional providing corporate governance services should be evaluated at least annually by the governing body.	K IV™ P10 Prac 98	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 10	<p>Commentary: The Board evaluates the performance of the company secretary annually with input from the Chief Executive following the formal KPI evaluation process conducted for all staff.</p>	
Principle 11	<p>The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p>	
	<p>The governing body should assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation. Risk governance should encompass both: a. The opportunities and associated risks to be considered when developing strategy; and</p> <p>Commentary: The Board assume responsibility for the governance of risk, as it pertains to strategy. In the execution of strategy, the company takes on certain risks, which includes making investments and capitalising on opportunities to enhance the portfolio. Therefore effective risk management plays a crucial role in the pursuit of financial stability and delivering superior value for stakeholders.</p> <p>Oversight of risk governance allocated to the Audit and Risk Committee,</p>	<p>K IV™ P11 Prac 1.a</p> <p>Satisfactorily Applied</p>
	<p>The governing body should assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation. Risk governance should encompass both: b. The potential positive and negative effects of the same risk on the achievement of organisational objectives.</p> <p>Commentary: The Board is ultimately responsible for the governance of risk. Identifying, evaluating and managing risk is an ongoing process. The Board has approved a risk management framework. Risk management is embedded in business processes and decision making.</p>	<p>K IV™ P11 Prac 1.b</p> <p>Satisfactorily Applied</p>
	<p>The governing body should treat risk as integral to the way it makes decisions and executes its duties.</p> <p>Commentary: All of the employees are responsible for managing risk in their day-to-day decisions. The risk management system is an integrated part of overall governance, management, reporting processes, policies, and culture.</p>	<p>K IV™ P11 Prac 2</p> <p>Satisfactorily Applied</p>
	<p>The governing body should approve policy that articulates and gives effect to its set direction on risk.</p>	<p>K IV™ P11 Prac 3</p> <p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 11	<p>Commentary: The Board has approved a framework that gives direction to the set direction on risk. The Audit and Risk Committee approves and monitors compliance with the risk management policy and found that L2D complied with the policy in all material aspects during the year under review.</p>		
	<p>The governing body should evaluate and agree the nature and extent of the risks that the organisation should be willing to take in pursuit of its strategic objectives. It should approve in particular attention to: a. The organisation's risk appetite, namely its propensity to take appropriate levels of risk; and</p>	K IV™ P11 Prac 4.a	Satisfactorily Applied
	<p>Commentary: The Board monitors that risks taken are within the tolerance and appetite levels. L2D strategic plans are informed by the trade-off between risk and reward and align with the risk appetite and risk target range.</p>		
	<p>The governing body should evaluate and agree the nature and extent of the risks that the organisation should be willing to take in pursuit of its strategic objectives. It should approve in particular attention to: b. The limit of the potential loss that the organisation has the capacity to tolerate</p>	K IV™ P11 Prac 4.b	Satisfactorily Applied
	<p>Commentary: In pursuit of our aim to create sustainable value and growth, it is the Board's responsibility to set a level of risk tolerance, which refers to the maximum amount of risk L2D is prepared to take as a business.</p>		
	<p>The governing body should delegate to management the responsibility to implement and execute effective risk management</p>	K IV™ P11 Prac 5	Satisfactorily Applied
<p>Commentary: The Board has delegated to management the responsibility of risk management and process that assists in achieving company strategic objectives. The Chief Risk Officer prepares the operational risk register and a risk report. The risk report is reviewed on a quarterly basis by the Audit and Risk Committee and the Board.</p>			
<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: a. An assessment of risks and opportunities emanating from the triple context in which the organisation operates and the capitals that the organisation uses and affects.</p>	K IV™ P11 Prac 6.a	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 11	<p>Commentary: The Audit and Risk Committee reviews the risk management progress and maturity of the company, the effectiveness of risk management activities, the key risks facing the company, and the responses to address these key risks.</p>		
	<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: b. An assessment of the potential upside, or opportunity, presented by risks with potentially negative effects on achieving organisational objectives.</p>	K IV™ P11 Prac 6.b	Satisfactorily Applied
	<p>Commentary: In identifying major risks management actively identifies both the negative impact of the risk on the business, and the positive business opportunities. The company concentrates both on minimising the potential negative impact of the risk and exploiting the upside of these risks, resulting in a positive business opportunity or increased sustainability.</p>		
	<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: c. An assessment of the organisation's dependence on resources and relationships as represented by the various forms of capital.</p>	K IV™ P11 Prac 6.c	Satisfactorily Applied
	<p>Commentary: The risk management system is governed by a risk management framework. The risk management system is supported by policies, processes and activities that relate to taking, managing and reporting risk. The Board promotes transparency, accountability and consistency throughout its risk management process by identifying and segregating the roles of management, and utilising all the resources available.</p>		
	<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: d. The design and implementation of appropriate risk responses.</p>	K IV™ P11 Prac 6.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 11	<p>Commentary: Management considers and identifies the different options to respond i.e. avoid the risk and decline the opportunity; mitigate the risk by improvements in the control environment by implementing contingency and business continuity plans; transfer the risk to a third party eg insurance company or outsourcing to specialists; if the risk is low, tolerate and accept the risk; exploit the risk if it could result in a good opportunity; terminate the activity if it gives rise to an intolerable risk; and combination of risk responses as mentioned above.</p>		
	<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: e. The establishment and implementation of business continuity arrangements that allow the organisation to operate under conditions of volatility, and to withstand and recover from acute shocks.</p>	K IV™ P11 Prac 6.e	Satisfactorily Applied
	<p>Commentary: The company is exposed to similar risks as other listed REITs especially those with largely retail portfolios. It has a strong balance sheet with a low LTV that allows for organisation to operate under volatile conditions.</p>		
	<p>The governing body should exercise ongoing oversight of risk management and, in particular, oversee that it results in the following: f. The integration and embedding of risk management in the business activities and culture of the organisation.</p>	K IV™ P11 Prac 6.f	Satisfactorily Applied
	<p>Commentary: All identified risks are assigned to risk owners who are responsible for monitoring and ensuring that each risk is effectively addressed on a daily basis. It is the responsibility of management to ensure that risk management is embedded in the business processes and incentivisation structures.</p>		
	<p>The internal auditors did not identify any control weaknesses in the year under review.</p>		
	<p>The governing body should consider the need to receive periodic independent assurance on the effectiveness of risk management.</p>	K IV™ P11 Prac 7	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 11	<p>Commentary: The level of L2D's overall residual risk exposure is deemed to be medium with sufficient management actions and initiatives planned. For the year under review, the Board was satisfied that the risks facing the business were managed within the approved limits.</p> <p>Internal audit provides a written assessment on the effectiveness of the system of internal controls and risk management of the effectiveness of the system of internal controls and risk management to the Board.</p> <p>The nature and extent of the risks and opportunities the organisation is willing to take should be disclosed without compromising sensitive information</p>	K IV™ P11 Prac 8	Satisfactorily Applied
	<p>Commentary: The Audit and Risk Committee receives a full risk report and review from the Chief Risk Officer on a quarterly basis. The report is also included in the board pack. The top 10 risks are set out in the Integrated Report.</p>		
	<p>In addition, the following should be disclosed in relation to risk: a. An overview of the arrangements for governing and managing risk.</p>	K IV™ P11 Prac 9.a	Satisfactorily Applied
	<p>Commentary: An overview of the arrangements for governing and managing risk is included in the report of the audit committee in the Integrated Report.</p>		
	<p>In addition, the following should be disclosed in relation to risk: b. Key areas of focus during the reporting period, including objectives, the key risks that the organisation faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels.</p>	K IV™ P11 Prac 9.b	Satisfactorily Applied
	<p>Commentary: The key focus areas for the reporting is disclosed in the Integrated Report.</p>		
	<p>In addition, the following should be disclosed in relation to risk: c. Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed.</p>	K IV™ P11 Prac 9.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 11	<p>Commentary: Management continuously monitor the changes to the internal and external risk environment; measures the performance against the risk tolerances, analyses the responses from any changes made to mitigate the risk, and identifies emerging risks. The level of L2D's overall residual risk exposure is deemed to be medium with sufficient management actions and initiatives planned.</p>		
	<p>In addition, the following should be disclosed in relation to risk: d. Planned areas of future focus</p> <p>Commentary: The planned future focus areas are set out in the Integrated Report.</p>	K IV™ P11 Prac 9.d	Satisfactorily Applied
Principle 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 governing body should assume responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the organisation.</p> <p>Commentary: The Board is responsible for information and technology (IT) governance and it discharges this function through the Audit and Risk Committee.</p>	K IV™ P12 Prac 10	Satisfactorily Applied
	<p>IT services for L2D itself has been outsourced to Liberty in terms of a corporate services agreement.. The Smart Spaces committee is responsible for the increased use of, and integrating technology to enhance shoppers and tenants experiences.</p>		
	<p>The governing body should approve policy that articulates and gives effect to its set direction on the employment of technology and information.</p> <p>Commentary: The Board ensures that an IT charter and policies are established and implemented.</p>	K IV™ P12 Prac 11	Satisfactorily Applied
	<p>The governing body should delegate to management the responsibility to implement and execute effective technology and information management</p> <p>Commentary: IT function has been outsourced to Liberty. Management understands the importance of IT governance within the control environment of L2D.</p>	K IV™ P12 Prac 12	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 12	<p>The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: a. Integration of people, technologies, information and processes across the organisation.</p> <p>Commentary: The Board ensures that the IT strategy is integrated with the company's strategic and business processes and aligned with the performance and sustainability objectives of the company.</p>	K IV™ P12 Prac 13.a	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: b. Integration of technology and information risks into organisation-wide risk management.</p> <p>Commentary: The risk assessment includes IT risks within the control environment of L2D.</p>	K IV™ P12 Prac 13.b	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: c. Arrangements to provide for business resilience.</p> <p>Commentary: Liberty IT provides assurances in respect of business resilience arrangements in place for disaster recovery.</p>	K IV™ P12 Prac 13.c	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: d. Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events.</p> <p>Commentary: L2D is developing an integrated data platform to develop strategic insights into its operations, customer and tenant behaviours.</p>	K IV™ P12 Prac 13.d	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: e. Management of the performance of, and the risks pertaining to, third-party and outsourced service providers.</p> <p>Commentary: Liberty IT provides assurance confirming that the IT environments have been aligned with good industry practice as presented in the Cobit 5 Governance Framework and ITIL (IT Infrastructure Library) guidelines as well as cyber-attack and virus protection,</p>	K IV™ P12 Prac 13.e	Satisfactorily Applied



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 12	The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: f. The assessment of value delivered to the organisation through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure. Commentary: Management reports to the Board on the value of technology employed.	K IV™ P12 Prac 13.f	Satisfactorily Applied
	The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: g. The responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security. Commentary: Management is responsible for disposal of obsolete technology and information in a way which has regard to environmental impact and POPIA.	K IV™ P12 Prac 13.g	Satisfactorily Applied
	The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: h. Ethical and responsible use of technology and information. Commentary: Management is responsible for the ethical use of technology and information and compliance with POPIA.	K IV™ P12 Prac 13.h	Satisfactorily Applied
	The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following: i. Compliance with relevant laws Commentary: The Board ensures that the company complies with IT laws and that IT related rules, codes and standards such as Cobit 5 Governance Framework and ITIL (IT Infrastructure Library) guidelines, ISO 27002 (Security) and ISO 38500 (IT Governance) are considered.	K IV™ P12 Prac 13.i	Satisfactorily Applied
	The governing body should exercise ongoing oversight of the management of information and, in particular, oversee that it results in the following: a. The leveraging of information to sustain and enhance the organisation's intellectual capital.	K IV™ P12 Prac 14.a	Satisfactorily Applied



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 12

Commentary:

The board, through ongoing oversight of the IT environment ensures that the IT strategy is integrated with the company’s strategic and business processes and aligned with the performance and sustainability objectives of the company.

The policies implemented ensure the ethical and responsible use of technology and information. IT risks form an integral part of the company’s risk management activities. When considering compliance of the applicable laws, standards and codes, compliance with technology and information codes and standards are also considered. Management advises the board on the implementation of the changes to the IT environment and its resilience to adapt to the needs of the company.

The governing body should exercise ongoing oversight of the management of information and, in particular, K IV™ P12 Prac 14.b oversee that it results in the following: b. An information architecture that supports confidentiality, integrity and availability of information.

Satisfactorily Applied

Commentary:

The board ensures that an IT charter and policies are established and implemented.

The governing body should exercise ongoing oversight of the management of information and, in particular, K IV™ P12 Prac 14.c oversee that it results in the following: c. The protection of privacy of personal information.

Satisfactorily Applied

Commentary:

Policies have been implemented to agreements updated with service providers in order to protect personal information and the company complies with POPIA. Staff awareness training was done. An information officer has been appointed and registered with the Registrar.

The governing body should exercise ongoing oversight of the management of information and, in particular, K IV™ P12 Prac 14.d oversee that it results in the following: d. The continual monitoring of security of information

Satisfactorily Applied

Commentary:

The outsourced service provider (Liberty) proactively monitoring of IT ensures quick identification and responses to IT incidents eg cyber-security attacks and provides for business resilience.

The governing body should exercise ongoing oversight of the management of technology and, in particular, K IV™ P12 Prac 15.a oversee that it results in the following: a. A technology architecture that enables the achievement of strategic and operational objectives.

Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 12	<p>Commentary: The role IT plays in achieving determined business strategies and objectives has been clearly defined and considered. Management is responsible for the implementation of all the structures, processes and mechanisms for the IT governance framework.</p>		
	<p>The governing body should exercise ongoing oversight of the management of technology and, in particular, oversee that it results in the following: b. The management of the risks pertaining to the sourcing of technology.</p>	K IV™ P12 Prac 15.b	Satisfactorily Applied
	<p>Commentary: Risk relating to the oversight of Information Technology was included in the risk assessment process and the combined assurance model to confirm that the risks relating to IT was evaluated and effectively managed.</p>		
	<p>The governing body should exercise ongoing oversight of the management of technology and, in particular, oversee that it results in the following: c. Monitoring and appropriate responses to developments in technology, including the capture of potential opportunities and the management of disruptive effects on the organisation and its business model.</p>	K IV™ P12 Prac 15.c	Satisfactorily Applied
	<p>Commentary: Management regularly updates the board on the status on technological developments and opportunities and challenges.</p>		
	<p>The governing body should consider the need to receive periodic independent assurance on the effectiveness of the organisation's technology and information arrangements, including outsourced services</p>	K IV™ P12 Prac 16	Satisfactorily Applied
<p>Commentary: The board receives independent assurance on the effectiveness of the IT internal controls.</p>			
<p>The following should be disclosed in relation to technology and information: a. An overview of the arrangements for governing and managing technology and information.</p>	K IV™ P12 Prac 17.a	Satisfactorily Applied	
<p>Commentary: The audit and risk committee is responsible for monitoring IT compliance and management reports to it quarterly.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 12</p>	<p>The following should be disclosed in relation to technology and information: b. Key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents.</p> <p>Commentary: The key focus areas for the period under review are</p> <ul style="list-style-type: none"> • management of IT risks; • capturing of potential opportunities; • the protection of privacy of personal information; and • the continual monitoring of security of information. 	<p>K IV™ P12 Prac 17.b</p>	<p>Satisfactorily Applied</p>
	<p>The following should be disclosed in relation to technology and information: c. Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed.</p> <p>Commentary: The board of directors have delegated to management the responsibility to implement and execute an effective IT management framework for the company. Management is responsible to implement all the structures, processes and mechanisms to execute the IT governance framework.</p>	<p>K IV™ P12 Prac 17.c</p>	<p>Satisfactorily Applied</p>
	<p>The following should be disclosed in relation to technology and information: d. Planned areas of future focus</p> <p>Commentary: The planned focus areas are:</p> <ul style="list-style-type: none"> • Perform a detailed functionality assessment of the property management software; • Investigate a tenant collaboration tool; • Improve shopper wi-fi experience in shopping centres; and • Launch fully digital gift cards 	<p>K IV™ P12 Prac 17.d</p>	<p>Satisfactorily Applied</p>
<p>Principle 13</p>	<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>		

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 13	<p>The governing body should assume responsibility for the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards by setting the direction for how compliance should be approached and addressed in the organisation.</p> <p>Commentary: As a responsible corporate citizen and listed REIT, L2D complies with the JSE Listings Requirements, the Companies Act, specific best practises that apply to REITs in South Africa, as well as other legislation, regulations, codes and standards</p>	K IV™ P13 Prac 18	Satisfactorily Applied
	<p>The governing body should approve policy that articulates and gives effect to its direction on compliance, and that identifies which non-binding rules, codes and standards the organisation has adopted.</p> <p>Commentary: The listed REIT sector is highly regulated and compliance is very important to the business.</p>	K IV™ P13 Prac 19	Satisfactorily Applied
	<p>The governing body should delegate to management responsibility for implementation and execution of effective compliance management</p> <p>Commentary: The compliance officer monitors and reports on the risks of non compliance with statutory and regulatory requirements.</p>	K IV™ P13 Prac 20	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of compliance and, in particular, oversee that it results in the following: a. Compliance being understood not only for the obligations it creates, but also for the rights and protections it affords.</p> <p>Commentary: The board understands, that a culture of compliance reduces the risk of violating the rules and regulations that govern the company.</p> <p>The board has a working understanding of the effect of the appropriate legislation, rules, codes and standards on the company and the business.</p>	K IV™ P13 Prac 21.a	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of compliance and, in particular, oversee that it results in the following: b. Compliance management takes a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another.</p>	K IV™ P13 Prac 21.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 13	<p>Commentary: The compliance officer and head of legal update the audit and risk committee on new legislation, regulations, codes and standards and the board takes a holistic view of compliance to see that the company keeps pace with the changing regulatory environment.</p>		
	<p>The governing body should exercise ongoing oversight of compliance and, in particular, oversee that it results in the following: c. Continual monitoring of the regulatory environment and appropriate responses to changes and developments.</p>	K IV™ P13 Prac 21.c	Satisfactorily Applied
	<p>Commentary: The audit and risk committee monitors the company's compliance with applicable laws, rules, codes and standards, a compliance dashboard is regularly updated and reviewed. There is also reporting to the social ethics and transformation in terms of being a good corporate citizen.</p>		
	<p>The governing body should consider the need to receive periodic independent assurance on the effectiveness of compliance management</p>	K IV™ P13 Prac 22	Satisfactorily Applied
	<p>Commentary: The board receives assurance on the effectiveness of the controls around compliance with laws, rules, codes and standards. In their audit report for the year under review, the external auditors confirmed that they did not become aware of any material instances of non-compliance with the relevant laws and regulations.</p>		
	<p>The following should be disclosed in relation to compliance: a. An overview of the arrangements for governing and managing compliance.</p>	K IV™ P13 Prac 23.a	Satisfactorily Applied
	<p>Commentary: L2D has a compliance officer.</p>		
<p>The following should be disclosed in relation to compliance: b. Key areas of focus during the reporting period.</p>	K IV™ P13 Prac 23.b	Satisfactorily Applied	
<p>Commentary: This is disclosed in the latest Integrated Report.</p>			
<p>The following should be disclosed in relation to compliance: c. Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed.</p>	K IV™ P13 Prac 23.c	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 13	Commentary: Monitoring of compliance is a systematic and on-going process to ensure that the compliance framework is effective and that any associated risks and/or breaches in compliance are effectively managed and mitigated.		
	The following should be disclosed in relation to compliance: d. Planned areas of future focus.	K IV™ P13 Prac 23.d	Satisfactorily Applied
	Commentary: This is disclosed in the latest Integrated Report.		
	Material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, whether imposed on the organisation or on members of the governing body or officers should be disclosed.	K IV™ P13 Prac 24	Satisfactorily Applied
	Commentary: No fines were levied for non compliance with statutory and regulatory requirements, and there were no censures in the period under review.		
Principle 14	Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance should be disclosed.	K IV™ P13 Prac 25	Satisfactorily Applied
	Commentary: Environmental compliance was assessed and disclosed within the sustainability report.		
Principle 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 the short, medium and long term.		
	The governing body should assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis.	K IV™ P14 Prac 26	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14

Commentary:

The remuneration committee is responsible for compensation of all executive directors, senior management as well as non-executive directors.

The executive remuneration is aligned with the company's approach of rewarding senior executives fairly and competitively and in line with value created.

The fees for services rendered by the non-executive directors, as recommended by the board, are approved by a special resolution by shareholders at the annual general meeting of the company each year. Fees payable to non-executive directors are split between a base fee and attendance fees.

Executive directors enter into employment contracts with the company and are provided for by the payment of a guaranteed salary, short-term cash incentive bonus and participation in the long-term incentive scheme. The remuneration policy is fully described in the integrated report.

The governing body should approve policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration

K IV™ P14 Prac 27

Satisfactorily Applied

Commentary:

The remuneration policy report and the remuneration implementation report, which provide insight into the company's remuneration practices are tabled for non-binding advisory votes of shareholders at the annual general meeting. In the event that either the remuneration policy or the remuneration implementation report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders at the annual general meeting, the company will formally engage with such dissenting shareholders to understand the reasons for the dissenting votes, and in respect of objections which are legitimate and reasonable to consider amending the remuneration policies or governance processes. Both report were approved by the requisite majority number of shareholders in the period under review..

The remuneration policy should address organisation-wide remuneration and include provision for the following specifically: a. To attract, motivate, reward and retain human capital.

K IV™ P14 Prac 28.a

Satisfactorily Applied

Commentary:

The remuneration policy has been designed to motivate employees to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term and retain employees.

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>The remuneration policy should address organisation-wide remuneration and include provision for the following specifically: b. To promote the achievement of strategic objectives within the organisation's risk appetite.</p> <p>Commentary: The board assumes responsibility for the governance of remuneration by setting the direction for how remuneration is approached and addressed by the Company.</p> <p>The remuneration is designed to promote the achievement of strategic objectives within the company's risk appetite.</p>	K IV™ P14 Prac 28.b	Satisfactorily Applied
	<p>The remuneration policy should address organisation-wide remuneration and include provision for the following specifically: c. To promote positive outcomes.</p> <p>Commentary: Incentives are linked to board approved business KPIs for each year so as to ensure positive outcomes.</p>	K IV™ P14 Prac 28.c	Satisfactorily Applied
	<p>The remuneration policy should address organisation-wide remuneration and include provision for the following specifically: d. To promote an ethical culture and responsible corporate citizenship</p> <p>Commentary: The remuneration policy promotes an ethical culture as all employees are fairly awarded for their services. The policy does not reward excessive risk taking.</p> <p>Long-long term incentives aim to align management interests with those of shareholders, promoting sustainability of its business through ethical culture and responsible corporate citizenship.</p>	K IV™ P14 Prac 28.d	Satisfactorily Applied
	<p>The remuneration policy should, among others, provide for the following: a. Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation.</p>	K IV™ P14 Prac 29.a	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>Commentary: Remuneration levels reflect the contribution of senior executives. The executive remuneration is aligned with the company’s approach of rewarding senior executives fairly and competitively and in line with value created.</p> <p>The board ensures that the company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p> <p>A malus and clawbacks conditions applies to incentives.</p>		
	<p>The remuneration policy should, among others, provide for the following: b. The use of performance measures that support positive outcomes across the economic, social and environmental context in which the organisation operates; and/or all the capitals that the organisation uses or affects.</p>	K IV™ P14 Prac 29.b	Satisfactorily Applied
	<p>Commentary: Incentives are based on financial and non-financial KPIs that are stretching, verifiable and relevant. Multiple weighted performance measures are used to avoid manipulation of results or poor business decisions. The remuneration committee considers the results of the evaluation of the performance of the Chief Executive and other executive directors, both as a directors and as executives in determining remuneration.</p>		
	<p>The remuneration policy should, among others, provide for the following: c. If the organisation is a company, the voting by shareholders on the remuneration policy and implementation report, and for the implementation of related responding measures as outlined under Voting on Remuneration below</p>	K IV™ P14 Prac 29.c	Satisfactorily Applied
	<p>Commentary: In accordance with LR 3.84(k) the remuneration report and implementation report is tabled every year for a non-binding advisory vote of shareholders at the annual general meeting of the company.</p>		
	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: a. Base salary, including financial and non-financial benefits;</p>	K IV™ P14 Prac 30.a	Satisfactorily Applied
	<p>Commentary: Remuneration policies and practices that address employee contracts, base pay, short term incentives and share based long-term incentives, leave entitlement, medical aid and retirement benefits are in place.</p>		

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: b. Variable remuneration, including short and long-term incentives and deferrals;</p> <p>Commentary: Long term share awards vest equally in three instalments in years 3, 4 and 5 subject to performance conditions. Short term incentives over R500,000 are deferred, vesting in in instalments at 18,30 and 42 with no performance conditions Malus, clawback and forfeiture may be applied to incentives by the remuneration committee if a trigger event occurs.</p>	K IV™ P14 Prac 30.b	Satisfactorily Applied
	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: c. Payments on termination of employment or office;</p> <p>Commentary: Employment contracts do not commit the company to pay on termination arising from an executive's failure. There is no automatic entitlement to bonus or share-based payments on early termination of employment.</p>	K IV™ P14 Prac 30.c	Satisfactorily Applied
	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: d. Sign-on, retention and restraint payments;</p> <p>Commentary: Sign-on and retention payments or share awards are not the norm and are approved by the remuneration committee. No restraint payments are made.</p>	K IV™ P14 Prac 30.d	Satisfactorily Applied
	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: e. The provision, if any, for pre-vesting forfeiture (malus) and post-vesting forfeiture (claw-back) of remuneration;</p> <p>Commentary: Provisions in respect of forfeiture of long-term incentives are adequately addressed by the share incentive scheme. Malus and clawback conditions apply.</p>	K IV™ P14 Prac 30.e	Satisfactorily Applied
	<p>All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: f. Any commissions and allowances; and</p>	K IV™ P14 Prac 30.f	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	Commentary: No commissions and allowances are paid at L2D		
	All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: g. The fees of non-executive members of the governing body.	K IV™ P14 Prac 30.g	Satisfactorily Applied
	Commentary: The chairman is paid a composite annual fee which includes his committee membership. Non-executive directors are paid an annual fee in respect of their board membership and an additional fixed fee in respect of each committee membership. The fees are spit 50:50 between a base fee and attendance fees.		
	The governing body should oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy.	K IV™ P14 Prac 31	Satisfactorily Applied
	Commentary: The remuneration committee in conjunction with the board continuously evaluates the effectiveness of the remuneration policy.		
	The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts: a. A background statement.	K IV™ P14 Prac 32.a	Satisfactorily Applied
	Commentary: The remuneration report included in the integrated report and presented to shareholders includes a background report.		
The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts: b. An overview of the main provisions of the remuneration policy.	K IV™ P14 Prac 32.b	Satisfactorily Applied	
Commentary: The remuneration report includes an overview of the policy on base pay, the use of comparative benchmarks, performance measures for short-term incentives and for vesting of share awards, the maximum number of shares that be awarded to individuals and in total as well as the term of executive contracts.			
The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts: c. An implementation report which contains details of all remuneration awarded to individual members of the governing body and executive management during the reporting period	K IV™ P14 Prac 32.c	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>Commentary: The implementation report contains details of all remuneration awarded to individual directors of the board and executive management for the period under review.</p>		
	<p>The background statement should briefly provide context for remuneration considerations and decisions, with reference to: a. Internal and external factors that influenced remuneration;</p> <p>Commentary: Internal and external factors that influenced remuneration is disclosed in the remuneration report.</p>	K IV™ P14 Prac 33.a	Satisfactorily Applied
	<p>The background statement should briefly provide context for remuneration considerations and decisions, with reference to: b. The most recent results of voting on the remuneration policy and the implementation report and the measures taken in response thereto;</p> <p>Commentary: The voting results on the remuneration policy and implementation report are set out in the remuneration report.</p> <p>In the event that the non-binding advisory resolution in respect of the company's remuneration report or its remuneration policy, as summarised in this report, is voted against by 25% or more of votes cast at the annual general meeting, the board will seek to engage directly with the disapproving shareholders in order to contemplate the reasons for dissent and implement corrective actions.</p>	K IV™ P14 Prac 33.b	Satisfactorily Applied
	<p>The background statement should briefly provide context for remuneration considerations and decisions, with reference to: c. Key areas of focus and key decisions taken by the remuneration committee during the reporting period, including any substantial changes to the remuneration policy;</p> <p>Commentary: The key focus areas of the remuneration committee is set out in the integrated report.</p>	K IV™ P14 Prac 33.c	Satisfactorily Applied
	<p>The background statement should briefly provide context for remuneration considerations and decisions, with reference to: d. Whether remuneration consultants have been used, and whether the remuneration committee is satisfied that they were independent and objective;</p> <p>Commentary: Remuneration consultants are appointed from time to time to conduct a detailed benchmarking exercise.</p>	K IV™ P14 Prac 33.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	The background statement should briefly provide context for remuneration considerations and decisions, with reference to: e. The views of the remuneration committee on whether the remuneration policy achieved its stated objectives; and Commentary: The remuneration committee is satisfied that the remuneration policy has achieved its objectives and the statement is included in the remuneration report	K IV™ P14 Prac 33.e	Satisfactorily Applied
	The background statement should briefly provide context for remuneration considerations and decisions, with reference to: f. Future areas of focus Commentary: Future focus areas are disclosed in the remuneration report.	K IV™ P14 Prac 33.f	Satisfactorily Applied
	The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: a. The remuneration elements and design principles informing the remuneration arrangements for executive management and, at a high level, for other employees. Commentary: The elements of executive and employee remuneration are disclosed in the integrated report.	K IV™ P14 Prac 34.a	Satisfactorily Applied
	The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: b. Details of obligations in executive employment contracts which could give rise to payments on termination of employment or office. Commentary: No termination payments are included in employment contracts, other than leave pay entitlement as prescribed by the Act.	K IV™ P14 Prac 34.b	Satisfactorily Applied
	The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: c. A description of the framework and performance measures used to assess the achievement of strategic objectives and positive outcomes, including the relative weighting of each performance measure and the period of time over which it is measured.	K IV™ P14 Prac 34.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>Commentary: The performance measures (KPIs) used to assess the the performance of the employees are disclosed in the integrated report.</p>		
	<p>The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: d. An illustration of the potential consequences on the total earnings for executive management, on a single, total figure basis, of applying the remuneration policy under minimum, on-target and maximum performance outcomes.</p>	K IV™ P14 Prac 34.d	Satisfactorily Applied
	<p>Commentary: Minimum, on-target and maximum stretch awards scenarios for both short term and long term incentives are disclosed in the remuneration report for the executive directors.</p>		
	<p>The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: e. An explanation of how the policy addresses fair and responsible remuneration for executive management, in the context of overall employee remuneration.</p>	K IV™ P14 Prac 34.e	Satisfactorily Applied
	<p>Commentary: The remuneration policy explains the structure of the total remuneration offering to support the attraction and retention of high-caliber people, which is deemed to be fair, responsible and transparent.</p>		
	<p>The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: f. The use and justification of remuneration benchmarks.</p>	K IV™ P14 Prac 34.f	Satisfactorily Applied
<p>Commentary: The remuneration committee utilises the services of independent remuneration consultants to assist in providing guidance on the remuneration for executive management as required, who selects an appropriate comparative group.</p>			
<p>The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: g. The basis for the setting of fees for non-executive directors.</p>	K IV™ P14 Prac 34.g	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 14	<p>Commentary: The remuneration committee makes a proposal on the remuneration of non-executive directors. Fees are split between a base fee and attendance fees on a 50:50 basis.</p>		
	<p>The brief overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: h. A reference to an electronic link to the full remuneration policy for public access</p>	K IV™ P14 Prac 34.h	Satisfactorily Applied
	<p>Commentary: The integrated report is accessible on the company's website. This gives the public access to the remuneration policy.</p>		
	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: a. The remuneration of each member of executive management, which should include in separate tables: i. A single, total figure of remuneration, received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value;</p>	K IV™ P14 Prac 35.a.i	Satisfactorily Applied
	<p>Commentary: The remuneration implementation report includes a detailed account of the total executive remuneration elements.</p>		
	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: a. The remuneration of each member of executive management, which should include in separate tables: ii. Details of all awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including: the number of awards, the values at date of grant, their award, vesting and expiry dates (where applicable) and their fair value at the end of the reporting period; and</p>	K IV™ P14 Prac 35.a.ii	Satisfactorily Applied
<p>Commentary: Detailed tables of the share incentives granted, forfeited and vested i.r.o. the executive directors are in the remuneration section of the integrated report.</p>			
<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: a. The remuneration of each member of executive management, which should include in separate tables: iii. The cash value of all awards made under variable remuneration incentive schemes that were settled during the year.</p>	K IV™ P14 Prac 35.a.iii	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>Commentary: The remuneration implementation report includes a detailed table of the share awards settled during the reporting period.</p>		
	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: b. An account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including: the targets set for the performance measures and the corresponding value of the award opportunity; and for each performance measure, how the organisation and executive managers, individually, performed against the set targets.</p>	K IV™ P14 Prac 35.b	Satisfactorily Applied
	<p>Commentary: The remuneration committee ensures that remuneration levels reflect the contribution of senior executives and executive directors. The remuneration committee satisfies itself as to the accuracy of recorded performance measures that govern vesting of incentives. These are also independently verified.</p>		
	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: c. Separate disclosure of, and reasons for, any payments made on termination of employment or office.</p>	K IV™ P14 Prac 35.c	Satisfactorily Applied
	<p>Commentary: The termination of employees were separately disclosed and there were no significant payments made on the termination of employees in the period under review.</p>		
	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: d. A statement regarding compliance with, and any deviations from, the remuneration policy.</p>	K IV™ P14 Prac 35.d	Satisfactorily Applied
	<p>Commentary: No deviations to the remuneration policy occurred during the period under review.</p>		
<p>In terms of the Companies Act, fees for non-executive directors for their services as directors must be submitted for approval by special resolution by shareholders within the two years preceding payment.</p>	K IV™ P14 Prac 36	Satisfactorily Applied	
<p>Commentary: In terms of the Act S66(8), fees for non-executive directors for their services as directors are submitted for approval by special resolution to shareholders annually at the annual general meeting of the company.</p>			

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 14	<p>The remuneration policy and the implementation report should be tabled every year for separate non-binding advisory votes by shareholders at the AGM</p> <p>Commentary: The remuneration policy and the implementation report is tabled every year for separate non-binding advisory votes by shareholders of the issuer at the annual general meeting in accordance with LR 3.84(k)</p>	K IV™ P14 Prac 37	Satisfactorily Applied
	<p>The remuneration policy should record the measures that the board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised. Such measures should provide for taking steps in good faith and with best reasonable effort towards the following at a minimum: a. An engagement process to ascertain the reasons for the dissenting votes.</p> <p>Commentary: In the event that the non-binding advisory resolution in respect of the company’s remuneration report or its remuneration policy, as summarised in the report, is voted against by 25% or more of votes casted at the annual general meeting, the board will seek to engage directly with the disapproving shareholders in order to contemplate the reasons for dissent and implement corrective action.</p>	K IV™ P14 Prac 38.a	Satisfactorily Applied
	<p>The remuneration policy should record the measures that the board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised. Such measures should provide for taking steps in good faith and with best reasonable effort towards the following at a minimum: b. Appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or process.</p> <p>Commentary: The non-binding advisory votes taken at the last annual general meeting in May were passed by the requisite majority thus no appropriate corrective response was required.</p>	K IV™ P14 Prac 38.b	Satisfactorily Applied
	<p>In the event that either the remuneration policy or the implementation report, or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the remuneration report succeeding the voting: a. With whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and</p>	K IV™ P14 Prac 39.a	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 14</p>	<p>Commentary: The non-binding advisory votes taken at the last annual general meeting in May were passed by the requisite majority thus no appropriate corrective response was required.</p> <p>In the event that either the remuneration policy or the implementation report, or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the remuneration report succeeding the voting: b. The nature of steps taken to address legitimate and reasonable objections and concerns</p> <p>Commentary: The non-binding advisory votes taken at the last annual general meeting in May were passed by the requisite majority thus no appropriate corrective response was required.</p>	<p>K IV™ P14 Prac 39.b</p>	<p>Satisfactorily Applied</p>
<p>Principle 15</p>	<p>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 governing body should assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The governing body should delegate to the audit committee, if in place, or as is appropriate for the organisation, the responsibility for overseeing that those arrangements are effective in achieving the following objectives: a. Enabling an effective internal control environment.</p> <p>Commentary: The board of directors, through a mandate to its audit and risk committee, ensures the implementation of the combined assurance model across the business. The audit and risk committee is responsible for overseeing effective internal control environment. The internal auditors' audit conclusion was that based on the internal audit work performed, no weaknesses were identified and that the governance processes, risk management and system of internal controls are adequate and effective for the period under review..</p> <p>The governing body should assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The governing body should delegate to the audit committee, if in place, or as is appropriate for the organisation, the responsibility for overseeing that those arrangements are effective in achieving the following objectives: b. Supporting the integrity of information used for internal decision-making by management, the governing body and its committees.</p>	<p>K IV™ P15 Prac 40.a</p>	<p>Satisfactorily Applied</p>
		<p>K IV™ P15 Prac 40.b</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>Commentary: The board, supported by the audit and risk committee, ensures an effective control environment which supports the integrity of the company's information. The company's systems of internal control are designed to provide reasonable assurance against material misstatement. The external auditors confirmed in their audit report for the last financial year ended 31 December that they did not identify any risk of material misstatement of the financial statements due to fraud and that no reportable irregularity has taken place or is taking place.</p>		
	<p>The governing body should assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The governing body should delegate to the audit committee, if in place, or as is appropriate for the organisation, the responsibility for overseeing that those arrangements are effective in achieving the following objectives: c. Supporting the integrity of external reports.</p>	K IV™ P15 Prac 40.c	Satisfactorily Applied
	<p>Commentary: The board, supported by the audit and risk committee, ensures an effective control environment which supports the integrity of the company's information. The company's systems of internal control are designed to provide reasonable assurance against material misstatement.</p>		
	<p>The governing body should satisfy 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</p>	K IV™ P15 Prac 41	Satisfactorily Applied
	<p>Commentary: Internal controls are established not only over financial matters, but also operational, compliance and sustainability issues. The board acknowledges its accountability to its stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that L2D follows a combined assurance model, incorporating management, internal audit, risk management and external audit. These controls relate to achieving the company's strategic objectives within its risk appetite and tolerance levels, across the economic, social and environmental context in which the company operates.</p>		
	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: a. The organisation's line functions that own and manage risks.</p>	K IV™ P15 Prac 42.a	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>Commentary: The audit and risk committee has adopted an assurance model / framework to cover effectively the company's significant risk and material matters through a combination of the following assurance providers and functions. The adopted assurance model therefore provides the company and audit and risk committee with a holistic view of risks and controls and whether the mitigations are effective within the business.</p>		
	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: b. The organisation's specialist functions that facilitate and oversee risk management and compliance.</p> <p>Commentary: The chief risk officer, compliance officer and company secretary oversees risk management and compliance.</p>	K IV™ P15 Prac 42.b	Satisfactorily Applied
	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: c. Internal auditors, internal forensic fraud examiners and auditors, safety and process assessors and statutory actuaries.</p> <p>Commentary: L2D makes use of internal auditors, Liberty's forensic examiners, JHI Retail's health and safety officers, external auditors and other external assurance providers such as sustainability and environmental auditors, independent property valuers and regulatory bodies.</p>	K IV™ P15 Prac 42.c	Satisfactorily Applied
	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: d. Independent external assurance service providers such as external auditors.</p> <p>Commentary: L2D makes use of internal auditors, Liberty's forensic examiners, JHI Retail's health and safety officers, external auditors and other external assurance providers such as sustainability and environmental auditors, independent property valuers and regulatory bodies.</p>	K IV™ P15 Prac 42.d	Satisfactorily Applied



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation’s significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: e. Other external assurance providers such as sustainability and environmental auditors or external actuaries, and external forensic fraud examiners and auditors.</p> <p>Commentary: L2D makes use of internal auditors, Liberty's forensic examiners, JHI Retail's health and safety officers, external auditors and other external assurance providers such as sustainability and environmental auditors, independent property valuers and regulatory bodies.</p>	K IV™ P15 Prac 42.e	Satisfactorily Applied
	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation’s significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: f. Regulatory inspectors.</p> <p>Commentary: L2D makes use of internal auditors, Liberty's forensic examiners, JHI Retail's health and safety officers, external auditors and other external assurance providers such as sustainability and environmental auditors, independent property valuers and regulatory bodies.</p>	K IV™ P15 Prac 42.f	Satisfactorily Applied
	<p>The governing body and its committees should assess the output of the organisation’s combined assurance with objectivity and professional scepticism, and by applying an enquiring mind, to form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved</p> <p>Commentary: The audit and risk committee assesses the reports submitted / output received from the various assurance providers with objectivity and professional scepticism, and applying an enquiring mind, to form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.</p>	K IV™ P15 Prac 43	Satisfactorily Applied
	<p>The governing body should assume responsibility for the integrity of external reports issued by the organisation by setting the direction for how assurance of these should be approached and addressed.</p>	K IV™ P15 Prac 44	Satisfactorily Applied

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 15	<p>Commentary: The board, through the board committees, operates within the confines of the JSE regulations, Companies Act, King IV and framework to integrated reporting to determine the approach and direction of the external reporting. Where appropriate, assurance engagements are planned that provides the committee with assurance on the integrity of the underlying data and the processes followed in compiling specific reports. These assurances are provided by both external and internal audit per internal audit approved plans.</p>		
	<p>The governing body’s direction in this regard should take into account legal requirements in relation to assurance, with the following additional considerations: a. Whether assurance should be applied to the underlying data used to prepare a report, or to the process for preparing and presenting a report, or both.</p> <p>Commentary: The board, through the board committees, operates within the confines of the JSE regulations, Companies Act, King IV and framework to integrated reporting to determine the approach and direction of the external reporting. Where appropriate, assurance engagements are planned that provides the committee with assurance on the integrity of the underlying data and the processes followed in compiling specific reports. These assurances are provided by both external and internal audit per internal audit approved plans.</p>	K IV™ P15 Prac 45.a	Satisfactorily Applied
	<p>The governing body’s direction in this regard should take into account legal requirements in relation to assurance, with the following additional considerations: b. Whether the nature, scope and extent of assurance are suited to the intended audience of a report.</p> <p>Commentary: The board, through the board committees, operates within the confines of the JSE regulations, Companies Act, King IV and framework to integrated reporting to determine the approach and direction of the external reporting. Where appropriate, assurance engagements are planned that provides the committee with assurance on the integrity of the underlying data and the processes followed in compiling specific reports. These assurances are provided by both external and internal audit per internal audit approved plans.</p>	K IV™ P15 Prac 45.b	Satisfactorily Applied
	<p>The governing body’s direction in this regard should take into account legal requirements in relation to assurance, with the following additional considerations: c. The specification of applicable criteria for the measurement or evaluation of the underlying subject matter of the report.</p>	K IV™ P15 Prac 45.c	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>Commentary: The board, through the board committees, operates within the confines of the JSE regulations, Companies Act, King IV and framework to integrated reporting to determine the approach and direction of the external reporting. Where appropriate, assurance engagements are planned that provides the committee with assurance on the integrity of the underlying data and the processes followed in compiling specific reports. These assurances are provided by both external and internal audit per internal audit approved plans.</p>		
	<p>The governing body should satisfy itself that the combined assurance model is effective and sufficiently robust for the governing body to be able to place reliance on the combined assurance underlying the statements that the governing body makes concerning the integrity of the organisation's external reports</p>	K IV™ P15 Prac 46	Satisfactorily Applied
	<p>Commentary: A statement on ensuring the integrity of the report is contained in the integrated report.</p>		
	<p>External reports should disclose information about the type of assurance process applied to each report, in addition to the independent, external audit opinions provided in terms of legal reporting requirements. This information should include: a. A brief description of the nature, scope and extent of the assurance functions, services and processes underlying the preparation and presentation of the report; and</p>	K IV™ P15 Prac 47.a	Satisfactorily Applied
	<p>Commentary: List of assurance providers of information contained in the integrated report.</p>		
	<p>External reports should disclose information about the type of assurance process applied to each report, in addition to the independent, external audit opinions provided in terms of legal reporting requirements. This information should include: b. A statement by the governing body on the integrity of the report and the basis for this statement, with reference to the assurance applied</p>	K IV™ P15 Prac 47.b	Satisfactorily Applied
<p>Commentary: An integrity statement is included in the integrated report.</p>			
<p>The governing body should assume responsibility for internal audit by setting the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. The governing body should delegate oversight of internal audit to the audit committee, if in place.</p>	K IV™ P15 Prac 48	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 15</p>	<p>Commentary: Liberty Group Internal Audit Services (GIAS) is the appointed internal auditors of L2D. The internal audit function evaluates the adequacy and effectiveness of the governance, risk management and internal controls. The results of these reviews are presented to the audit and risk committee.</p> <p>An internal audit charter is in place that outlines the purpose, authority and responsibility of the internal audit function. The audit and risk committee has been delegated the responsibility for overseeing that the internal audit services are executed in line with the internal audit charter.</p> <p>The internal audit plan approved by the audit and risk committee and updated as appropriate to ensure that it is responsive to change, is based on an assessment of risk areas identified by internal audit and management, as well as focus areas highlighted by the audit and risk committee and management. It includes activities which support the achievement of an effective internal control environment which supports the integrity of information. The internal audit plans have been designed and approved to cover the system of internal controls over a number of years and cannot therefore be relied upon in any particular year, to provide assurance that all the elements of the system of internal control were operating effectively throughout the year.</p>		
	<p>The governing body should approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted.</p> <p>Commentary: The internal audit charter was approved by the audit and risk committee and is reviewed regularly. It includes activities that support the achievement of an effective internal control environment, which in turn supports the integrity of information that is reported.</p>	<p>K IV™ P15 Prac 49</p>	<p>Satisfactorily Applied</p>
	<p>The governing body should ensure that the arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the organisation, and that internal audit is supplemented as required by specialist services such as those provided by forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries.</p>	<p>K IV™ P15 Prac 50</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>Commentary: GIAS, the appointed internal auditors, has the necessary skills and resources to the extent that their tools and audit techniques keep pace with the complexity and volume of risk faced by L2D.. The audit and risk committee also regularly assesses whether the necessary arrangements are in place to ensure that adequate skills and resources are in place and that the internal audit function is supplemented as required by specialist skills.</p>		
	<p>If a chief audit executive (CAE) position is provided for in the arrangements for internal audit, the governing body should ensure that the position is set up to function independently from management who designs and implements the controls that are in place, and that the position carries the necessary authority.</p>	K IV™ P15 Prac 51	Satisfactorily Applied
	<p>Commentary: The internal audit function is performed by Liberty GIAS. The internal audit function reports functionally to the audit and risk committee and administratively to the Liberty Financial Director. The internal audit function operates independently from management and has the necessary authority, which includes unrestricted access to meetings, minutes, documentation and risk registers and functions. The performance of the internal audit function is evaluated annually by the audit and risk committee who ensures that it has the necessary competence and independence.</p>		
	<p>For reasons of independence, the CAE should have access to the chair of the audit committee.</p>	K IV™ P15 Prac 53	Satisfactorily Applied
	<p>Commentary: The CAE has full access to the chairman of the risk and audit committee and they meet prior to the audit and risk committee meetings.</p>		
	<p>For reasons of independence, the CAE should not be a member of executive management, but should be invited to attend executive meetings, as necessary, to be informed about strategy and policy decisions and their implementation.</p>	K IV™ P15 Prac 54	Satisfactorily Applied
<p>Commentary: The CAE is not a member of the executive committee and does not attend the meetings, other than to present their audit finding reports.</p>			
<p>Where internal audit services are co-sourced or outsourced, the governing body should ensure that there is clarity on who fulfils the role of CAE.</p>	K IV™ P15 Prac 55	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 15	<p>Commentary: The internal audits at JHI Retail are performed by BDO. Liberty Group Internal Audit manages the audit of the property manager on the portfolio and the CAE is responsible for ensuring these audit are conducted and the findings reported and addressed.</p>		
	<p>The CAE should report to the chair of the audit committee on the performance of duties and functions that relate to internal audit. On other duties and administrative matters, the CAE should report to the member of executive management designated for this purpose as appropriate for the organisation.</p>	K IV™ P15 Prac 56	Satisfactorily Applied
	<p>Commentary: The CAE reports to the chair of the audit committee on the performance of duties and functions that relate to internal audit. On other duties and administrative matters, the CAE reports the the Liberty Financial Director.</p>		
	<p>The governing body should monitor on an ongoing basis that internal audit: a. Follows an approved risk-based internal audit plan; and</p>	K IV™ P15 Prac 58.a	Satisfactorily Applied
	<p>Commentary: The internal audit plan and approach is informed by the strategy and risks of the company.</p>		
	<p>The governing body should monitor on an ongoing basis that internal audit: b. Reviews the organisational risk profile regularly, and proposes adaptations to the internal audit plan accordingly.</p>	K IV™ P15 Prac 58.b	Satisfactorily Applied
<p>Commentary: The audit and risk committee reviews the organisational risk profile regularly, and proposes adaptations to the internal audit plan accordingly.</p>			
<p>The governing body should ensure that internal audit provides an overall statement annually as to the effectiveness of the organisation’s governance, risk management and control processes.</p>	K IV™ P15 Prac 59	Satisfactorily Applied	
<p>Commentary: The internal auditors’ audit conclusion was that based on the internal audit work performed in the period under review, no weaknesses were identified and that the governance processes, risk management and system of internal controls are adequate and effective.</p>			
<p>The governing body should ensure that an external, independent quality review of the internal audit function is conducted at least once every five years.</p>	K IV™ P15 Prac 60	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 15</p>	<p>Commentary: An external assessment must be conducted every five years on Liberty GIAS as required by The Institute of Internal Auditors' (IIA's) International Standards for the Professional Practice of Internal Auditing (Standards) which require assessment by an outside independent assessor or assessment team.</p> <p>The governing body should obtain confirmation annually from the CAE that internal audit conforms to a recognised industry code of ethics</p> <p>Commentary: The internal audit function adheres to the Institute of Internal Auditors Standards for Professional Practice of Internal Auditing and Code of Ethics, at a minimum.</p>	<p>K IV™ P15 Prac 61</p>	<p>Satisfactorily Applied</p>
<p>Principle 16</p>	<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>The governing body should assume responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation.</p> <p>Commentary: A board policy in respect of the stakeholder relationship has not being formally documented but it is noted that L2D manages stakeholder relationships within the guidelines as set by the Act and the JSE regulations. The board has adopted communication guidelines that support a responsible communication programme in line with the listing obligations of the JSE.</p> <p>The governing body should approve policy that articulates and gives effect to its direction on stakeholder relationships.</p> <p>Commentary: The Board delegated the oversight of stakeholder management to the social, ethics and transformation committee. The social, ethics and transformation approved a stakeholder engagement policy, which includes how management engage with identified stakeholders and manage the relationship.</p> <p>The governing body should delegate to management the responsibility for implementation and execution of effective stakeholder relationship management.</p>	<p>K IV™ P16 Prac 1</p>	<p>Satisfactorily Applied</p>
		<p>K IV™ P16 Prac 2</p>	<p>Satisfactorily Applied</p>
		<p>K IV™ P16 Prac 3</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 16	<p>Commentary: Management reports back on stakeholder engagements on a regular basis to the social, ethics and transformation committee. The reports includes the various stakeholder engagements that take place at all levels of the business and the outcomes.</p> <p>In line with S 94(7)(g) of the Act, the audit and risk committee is responsible to receive and deal appropriately with any stakeholder complaints and disputes, whether from within or outside the company. To date no stakeholder complaints have been received that has necessitated any dispute resolution.</p>		
	<p>The governing body should exercise ongoing oversight of stakeholder management and in particular, oversee that it results in the following: a. Methodologies for identifying individual stakeholders and stakeholder groupings.</p> <p>Commentary: L2D has adopted a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders. We group our stakeholders in terms of their level of influence and our social impact. L2D groups its stakeholders in terms of their level of influence and its social impact.</p>	K IV™ P16 Prac 4.a	Satisfactorily Applied
	<p>The governing body should exercise ongoing oversight of stakeholder management and in particular, oversee that it results in the following: b. Determination of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the organisation.</p>	K IV™ P16 Prac 4.b	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	<p>Commentary: Stakeholders which could materially affect the operations of the company are identified and assessed. The stakeholder approach that guides L2D actions:</p> <ul style="list-style-type: none"> • Implement initiatives that contribute to engaging customers in a way that creates a memorable experience; • Provide superior spaces to tenants to ensure our malls remain competitive, relevant and that the customer dwell time is increased to continually add value to our tenants' businesses; • Create an environment that enables employees who are engaged, passionate and able to thrive; • Partner with the right suppliers that contribute to L2D's corporate procurement and enterprise supplier development; • Deliver sustainable returns and provide timely, transparent, consistent and credible information to shareholders; and • Create societal value and preserve our natural capital. 		
	The governing body should exercise ongoing oversight of stakeholder management and in particular, oversee that it results in the following: c. Management of stakeholder risk as an integral part of organisation-wide risk management.	K IV™ P16 Prac 4.c	Satisfactorily Applied
	<p>Commentary: Stakeholder engagement is an important, continuous process that helps management assess the risks facing the business and determine the material matters that informs the strategy.</p> <p>The governing body should exercise ongoing oversight of stakeholder management and in particular, oversee that it results in the following: d. Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes.</p>	K IV™ P16 Prac 4.d	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	<p>Commentary: The board has adopted communication guidelines that support a responsible communication programme in line with the listing obligations of the JSE:</p> <p>LR3.45 - all announcements are made through SENS in accordance with the Appendix 1 to Section 11 of the listing requirements - all announcements are made in english;</p> <p>LR3.16 - Announcements requiring publication in the press in accordance with the Appendix 1 to Section 11 are published in a widely circulated daily newspaper taking into account the specific composition and demographics of the issuer's stakeholders, in the reasonable opinion of the issuer, in English. Announcements are made available on L2D's website only after the announcement has been released through SENS. Short-form announcements are published in the press, subject to Listings Requirement 3.46 and the full announcement is placed on the L2D's website timeously.</p> <p>L2D actively seeks to engage stakeholders across all available channels, while ensuring that its communications remain true, transparent, timeous and appropriate to varying stakeholder needs.</p>		
	<p>The governing body should exercise ongoing oversight of stakeholder management and in particular, oversee that it results in the following: e. Measurement of the quality of material stakeholder relationships, and appropriately responding to the outcomes</p> <p>Commentary: The gap between stakeholder perceptions and the performance of the company is managed and measured to enhance or protect the company's reputation. The company continuously monitors the effect any decision implemented would have on the company's reputation.</p> <p>A stakeholder engagement report is included in the integrated report.</p>	K IV™ P16 Prac 4.e	Satisfactorily Applied
	<p>The following should be disclosed in relation to stakeholder relationships: a. An overview of the arrangements for governing and managing stakeholders relationships.</p>	K IV™ P16 Prac 5.a	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	<p>Commentary: In line with S 26(1) and S26(2) of the Act, L2D acknowledges that any person who holds or has a beneficial interest in any securities issued by L2D has access to specific information as mentioned in S24(3)(b)(c) including directors registers, reports presented at annual general meetings, annual financial statements, as mentioned in section 24(3)(c)(i) and (ii); the notices and minutes of annual meetings, and communications mentioned in section 24(3)(d) and (e) as well as the securities register.</p> <p>L2D further acknowledges that a person who is not a beneficial shareholder as contemplated in S26(1) has a right to inspect or copy the securities register and/or the register of directors of a company, upon payment of an amount not exceeding the prescribed maximum fee for any such inspection.</p>		
	The following should be disclosed in relation to stakeholder relationships: b. Key areas of focus during the reporting period.	K IV™ P16 Prac 5.b	Satisfactorily Applied
	<p>Commentary: The key focus areas are transparency, accuracy, timeous, inclusive, appropriate and constructive.</p>		
	The following should be disclosed in relation to stakeholder relationships: c. Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.	K IV™ P16 Prac 5.c	Satisfactorily Applied
	<p>Commentary: The actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed are disclosed in the stakeholder management report in the integrated report.</p>		
	The following should be disclosed in relation to stakeholder relationships: d. Future areas of focus.	K IV™ P16 Prac 5.d	Satisfactorily Applied
<p>Commentary: Future focus areas are disclosed in the stakeholder management report in the integrated report.</p>			
The board should oversee that the company encourages proactive engagement with shareholders, including engagement at the annual general meeting (AGM) of the company.	K IV™ P16 Prac 6	Satisfactorily Applied	

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	Commentary: The board encourages shareholders to attend the annual general meetings and ordinary general meetings of the Company.		
	In line with S 61(7) HCI convenes an annual general meeting every calendar year, but not more than 15 months after the previous annual general meeting;		
	The notice of meeting is distributed to shareholders in accordance with S62 of the Act; the notice of meeting is reviewed by the sponsors prior to distribution to shareholders;		
	In line with S30(3), the annual financial statements, as approved by the board, are presented to the shareholders at the annual general meeting.		
	Investor relations communication is actively managed which includes investor road shows and site visits for shareholders.		
	All directors should be available at the AGM to respond to shareholders' queries on how the board executed its governance duties.	K IV™ P16 Prac 7	Satisfactorily Applied
	Commentary: The chief executive, financial director, chairman and chairmen of the audit and risk committee as well as the social, ethics and transformation committees are available to answer shareholder's queries at the annual general meeting, although they may be in attendance by video conference.		
	The board should ensure that the designated partner of the external audit firm attends the AGM.	K IV™ P16 Prac 8	Satisfactorily Applied
	Commentary: The external audit partner attends the annual general meetings.		
	The board should ensure that shareholders are equitably treated, and that the interests of minority shareholders are adequately protected.	K IV™ P16 Prac 9	Satisfactorily Applied

King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	<p>Commentary: The information policy governs the dissemination of information to shareholders to ensure equal treatment of shareholders. All results and relevant information are disseminated via SENS and placed on the company's website. All shareholders are invited to attend the general meetings of the company. Shareholders that attend the general meetings may be privy to more detailed information as the chairman and the chief executive generally answer questions raised in greater detail.</p>		
	<p>The minutes of the AGMs of listed companies should be made publicly available</p>	K IV™ P16 Prac 10	Satisfactorily Applied
	<p>Commentary: The minutes of the annual general meeting and ordinary general meetings are available on request. All voting results from the meetings are disseminated on SENS within 24 hours of the meeting having taken place.</p>		
	<p>The board of the holding company should assume responsibility for governance across the group by setting the direction for how the relationships and exercise of power within the group should be approached and conducted.</p>	K IV™ P16 Prac 11	Satisfactorily Applied
	<p>Commentary: The board of the company assumes responsibility for governance across the group. The directors of L2D serve on the board of the subsidiaries. Minutes of subsidiary board meeting and written resolutions are included in L2D's board papers.</p>		
	<p>In accordance with S66(1), the business and affairs of L2D are under the direction fo the board, which has the authority to exercise all powers and perform any of the functions of the company, to the extent that it is permissible in terms of the Act and the MOI.</p>		
	<p>The board should approve a group governance framework that articulates and gives effect to its direction on relationships and the exercise of authority across the group.</p>	K IV™ P16 Prac 12	Satisfactorily Applied
	<p>Commentary: The governance framework applies to the group including the two subsidiaries.</p>		



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

<p>Principle 16</p> <p>The adoption and implementation of the policies, structures and procedures of the holding company is a matter for consideration and approval by the board of the subsidiary company as a separate legal entity. The board of the holding company should therefore ensure that the boards of its subsidiaries are included in the development of the group governance framework.</p> <p>Commentary: All policies, processes, procedures and frameworks applies across the L2D Group including its two subsidiaries.</p>	<p>K IV™ P16 Prac 13</p>	<p>Satisfactorily Applied</p>
<p>The board of the holding company should ensure that the group governance framework does not conflict with the memoranda of incorporation, delegations of authority, shareholder agreements, board charters, board committee terms of reference, and related policies and agreements within the group.</p> <p>Commentary: There are no conflicts with legislative requirements, standards codes or policies in place as they all apply the group, with the exception of Stanlib REIT Fund Managers that has to comply with the CISCA until such time as it is wound up.</p>	<p>K IV™ P16 Prac 14</p>	<p>Satisfactorily Applied</p>
<p>The board of the holding company should ensure that the group governance framework recognises each subsidiary within the group as a separate and independent juristic person to whom its directors owe fiduciary duties.</p>	<p>K IV™ P16 Prac 15</p>	<p>Satisfactorily Applied</p>

King IV™ Register at 21 Aug 2023
Liberty Two Degrees Limited
Run Date: 8/21/2023 1:46:03 PM
Registration Number: 2018/388906/06

Principle 16	<p>Commentary: The holding company, L2D, recognises and respects the fiduciary duty of the director who represents the holding company on the board of the subsidiary to that subsidiary.</p> <p>In accordance with S 76(2)(a)(i) all L2D directors sitting on the board of directors of subsidiary companies acknowledge that they cannot utilise any information obtained while acting in the capacity of a director on the board of the subsidiary for personal gain, or for any other person. Information obtained may only be used in the interest of that company and its subsidiary companies.</p> <p>Notwithstanding the above, executive directors that sit on the board of a subsidiary company have a duty of immediate disclosure of information [S 76(2)] to disclose information to the board of L2D, at the earliest practicable opportunity, if he reasonably believes that it is material to the company unless he is bound by a legal or ethical obligation of confidentiality.</p>		
	<p>The board of the holding company should ensure that the group governance framework addresses governance matters as is appropriate for the group, including the following: c. The extent to which governance and operational policies of the holding company have been adopted by subsidiary companies in the group.</p> <p>Commentary: All policies apply across the L2D Group.</p> <p>L2D has adopted some Liberty policies after making changes and adapting them to the business.</p>	K IV™ P16 Prac 16.c	Satisfactorily Applied
	<p>The board of the holding company should ensure that the group governance framework addresses governance matters as is appropriate for the group, including the following: d. Engagement by the holding company with the board of a subsidiary company before the holding company exercises its rights to elect directors to the board of the subsidiary.</p> <p>Commentary: Liberty, as the majority shareholder of L2D, exercises its rights to elect directors to the board of L2D but consultation takes place by Liberty with the L2D board prior to nominating a shareholder representative director.</p>	K IV™ P16 Prac 16.d	Satisfactorily Applied



King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06

Principle 16	<p>The board of the holding company should ensure that the group governance framework addresses governance matters as is appropriate for the group, including the following: e. Arrangements to address the risk of breaching legal duty in relation to the use of information obtained while acting as director of one company in the group for the purposes of another company in the group.</p> <p>Commentary: The governance framework and structure of the group limits the risk of breaching legal duty in relation to the use of information obtained while acting as director of one company in the group for the purposes of another company in the group.</p>	K IV™ P16 Prac 16.e	Satisfactorily Applied
	<p>The board of the holding company should ensure that the agreed group governance framework is implemented across the group.</p> <p>Commentary: The governance framework is implemented across the group.</p>	K IV™ P16 Prac 17	Satisfactorily Applied
	<p>The holding company should disclose an overview of the group governance framework that is implemented across the group.</p> <p>Commentary: L2D discloses an overview of the group governance framework in the integrated and ESG reports.</p>	K IV™ P16 Prac 18	Satisfactorily Applied
	<p>The subsidiary company should disclose what responsibilities it has delegated to board committees of the holding company and the extent to which it has adopted the policies and procedures of the holding company</p> <p>Commentary: The subsidiaries of L2D does not delegate any responsibility to board committees and has adopted all the policies and procedures of L2D.</p>	K IV™ P16 Prac 19	Satisfactorily Applied



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King IV™ Register at 21 Aug 2023

Liberty Two Degrees Limited

Run Date: 8/21/2023 1:46:03 PM

Registration Number: 2018/388906/06