

| Chapter   | Principle      | Principle Description   | Applied / Partially Applied / Not Applied | How the principle is applied   |
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| Chapter 1 | Principle 1.1  | The Board provides effective leadership based on ethical foundation   | Applied                                   | The board of STANLIB REIT Fund Managers Proprietary Limited (RF) ("the Manager" or "the board") considers ethical leadership and sound corporate governance practices to be a critical element in delivering sustainable growth for stakeholders. In conducting the affairs of Liberty Two Degrees, the board endorses the principles of fairness, responsibility, transparency and accountability advocated by King III.                                    |
| Chapter 1 | Principle 1.2  | The Board ensures that the company is and is seen to be a responsible corporate citizen   | Applied                                   | A formally appointed social and ethics committee of the board has been constituted to assist the board with social and ethics related matters.   |
| Chapter 1 | Principle 1.3  | The Board ensures that the company ethics are managed effectively   | Applied                                   | The social and ethics committee will monitor Liberty Two Degrees' ethics and endeavour to ensure that such ethics pervade the culture of the company.  |
| Chapter 2 | Principle 2.1  | The board acts as the focal point for and custodian of corporate governance   | Applied                                   | The board considers sound corporate governance practises to be a critical element in delivering sustainable growth. The board recognises that it is the ultimate custodian of corporate governance.  |
| Chapter 2 | Principle 2.2  | The Boards appreciates that the strategy, risk, performance and sustainability are inseparable  | Applied                                   | The directors of the Manager subscribe to the principle that they have accountability to unitholders and an obligation to all stakeholders (including unitholders), to ensure that Liberty Two Degrees' resources are utilised to ensure its continuing viability. The board appreciates that strategy, risk, performance and sustainability are inseparable.  |
| Chapter 2 | Principle 2.3  | The Board provides for effective leadership based on ethical foundation<br><b>SAME AS PRINCIPLE 1.1 - CHAPTER 1</b>   | Applied                                   | Please refer to principle 1.1 above.   |
| Chapter 2 | Principle 2.4  | The Board ensures that the company is and is seen as a responsible corporate citizen<br><b>SAME AS PRINCIPLE 1.2 - CHAPTER 1</b>  | Applied                                   | Please refer to principle 1.2 above.   |
| Chapter 2 | Principle 2.5  | The Boards Ensures that the company's ethics are managed effectively<br><b>SAME AS PRINCIPLE 1.3 - CHAPTER 1</b>  | Applied                                   | Please refer to principle 1.3 above.   |
| Chapter 2 | Principle 2.6  | The Board ensures that the company has an effective and independent audit committee<br><b>SAME AS PRINCIPLE 3.1 - CHAPTER 3</b>   | Applied                                   | The Liberty Two Degrees audit and risk committee is integral to Liberty Two Degrees' risk management process. The committee consists of a majority of independent non-executive directors. The CEO and CFO as well as representatives of the external auditors attend the meeting by invitation. All the members have the necessary skills and experience required. The committee has unrestricted access to independent expert advice should the need arise |
| Chapter 2 | Principle 2.7  | The Board is responsible for the governance of risk<br><br><b>SAME AS PRINCIPLE 4.1 - CHAPTER 4</b>   | Applied                                   | The board oversees the management of risk and has delegated the process to the audit and risk committee. The committee monitors the adequacy and effectiveness of the company's internal and risk management process generally.  |
| Chapter 2 | Principle 2.8  | The Boards is responsible for information technology (IT) governance<br><b>SAME AS PRINCIPLE 5.1 - CHAPTER 5</b>  | Applied                                   | The board is responsible for IT governance. The financial director oversees the information technology function, attends the executive committee meetings and reports to the CEO.  |
| Chapter 2 | Principle 2.9  | The Board ensures that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.<br><b>SAME AS PRINCIPLE 6.1 - CHAPTER 6</b>                     | Applied                                   | Nothing has come to the attention of the board that Liberty Two Degrees has not complied with applicable laws. Liberty Two Degrees strives to maintain abreast of all applicable laws via regular communication with its advisors. The board has adopted a legal compliance policy.  |
| Chapter 2 | Principle 2.10 | The Board ensures that there is an effective risk-based internal audit<br><b>SAME AS PRINCIPLE 7.1 - CHAPTER 7</b>  | Applied                                   | Due to the size of Liberty Two Degrees, the board does not consider it cost effective to maintain a full time internal audit function and the function has been outsourced to Liberty Group Limited by way of a Service Level Agreement.   |
| Chapter 2 | Principle 2.11 | The Board appreciates that stakeholders' perceptions affect the company's reputation<br><b>SAME AS PRINCIPLE 8.1 - CHAPTER 8</b>  | Applied                                   | The board of directors believes that stakeholders perceptions are of critical importance and to this end the board regularly communicates with a cross section of stakeholders in order to gauge perception.   |
| Chapter 2 | Principle 2.12 | The Board ensures the integrity of the Fund's annual/integrated report<br><b>SAME AS PRINCIPLE 9.1 - CHAPTER 9</b>  | Applied                                   | The audit and risk committee will be tasked with reviewing the annual/integrated report and reporting back to the board. Additionally, the board as a whole will be provided with an opportunity to provide feedback on the integrated annual report. Liberty Two Degrees works closely with its advisors prior to the release of its integrated annual report.  |
| Chapter 2 | Principle 2.13 | The Board reports on the effectiveness of the company's internal controls<br><b>SAME AS PRINCIPLES OF CHAPTER 7 &amp; 9</b>   | Applied                                   | The audit and risk committee will report to unitholders on the appropriateness of its system of internal controls in its integrated annual report. The audit and risk committee receive reports on the internal controls of the company well in advance of meetings of the audit and risk committee.   |
| Chapter 2 | Principle 2.14 | The Board and its directors act in the best interests of the company  | Applied                                   | The board of directors individually and collectively understand their fiduciary responsibility to act in the best interests of Liberty Two Degrees and disclosures of interest and director's dealings are reported on in accordance with a policy adopted by the board in this regard.  |
| Chapter 2 | Principle 2.15 | The Board will/has consider/ed business rescue proceedings or other turnaround mechanisms as soon as the company has been/may be financially distressed as defined in the Company's Act, 71 of 2008 | Applied                                   | The board has noted this responsibility and will deal with it in accordance with the provisions of the Companies Act 2008, as amended ("Companies Act"), King III and advice received from advisors should the need arise.   |
| Chapter 2 | Principle 2.16 | The Board has elected a chairman of the board who is an independent non executive director. The CEO of the company does not also fulfill the role of chairman of the Board.                         | Applied                                   | The chairman of the board is an independent non-executive director and his role is separate from that of the CEO.  |
| Chapter 2 | Principle 2.17 | The Board has appointed the Chief Executive Officer and has established a framework for the delegation of authority   | Applied                                   | The board has appointed a CEO and established a framework for the delegation of authority.   |
| Chapter 2 | Principle 2.18 | The Board comprises a balance of power, with a majority of non executive directors. The majority of non executive directors are independent.  | Applied                                   | The approvals framework ensures that there is a clear balance of power between the various board members. The board comprises 2 executive and three independent non-executive directors.   |
| Chapter 2 | Principle 2.19 | Directors are appointed through a formal process  | Applied                                   | Deliberations and appointments of the board are formal and transparent. The board has not as yet appointed a nominations committee and the need in this regard will be assessed by the board on an ongoing basis. The role of nomination committee is undertaken by the board as a whole.  |
| Chapter 2 | Principle 2.20 | The induction of and ongoing training, as well as the development of directors are conducted through a formal process   | Applied                                   | Training is arranged for the board as required.  |
| Chapter 2 | Principle 2.21 | The Board is assisted by a competent, suitably qualified and experienced company secretary.   | Applied                                   | The board is assisted by a suitably qualified company secretary, who has adequate experience, who is not a director of the Manager and who has been empowered to fulfil her duties. The board reviews the company secretary at least annually and the board is satisfied that the company secretary is sufficiently qualified and experienced to execute the required duties.  |

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| Chapter 2 | Principle 2.22 | The evaluation of the Board, its committees and individual directors is performed every year.   | Applied     | The evaluation of the board, its committees and individual directors is performed annually.  |
| Chapter 2 | Principle 2.23 | The Board delegates certain functions to well-structured committees without abdicating from its own responsibilities.                                     | Applied     | The board has delegated certain specific responsibilities to the remuneration committee, the audit and risk committee, the investment committee and the social and ethics committee without abdicating its own responsibilities.   |
| Chapter 2 | Principle 2.24 | A governance framework has been agreed upon between the group and its subsidiary Boards   | Applied     | The holding company and any future subsidiaries will operate as a single corporate group and any future subsidiaries will be required to entrench the holding company governance framework within their day-to-day activities.   |
| Chapter 2 | Principle 2.25 | The company remunerates its directors and executives fairly.  | Applied     | The remuneration committee approves the remuneration policy annually and ensures that Liberty Two Degrees remunerates its directors and executives fairly.   |
| Chapter 2 | Principle 2.26 | The company has disclosed the remuneration of each individual director and prescribed officer.  | Applied     | The directors' remuneration will be disclosed for each individual director in its annual/integrated annual report.   |
| Chapter 2 | Principle 2.27 | The shareholders have approved the company's remuneration policy.   | Not applied | Liberty Two Degrees will include a detailed remuneration report in its integrated report and will engage with investors to the extent that they voice any concerns in this regard. The board is of the view that this is more meaningful than putting a non binding resolution to vote.  |
| Chapter 3 | Principle 3.1  | The Board has ensured that the company has an effective and independent audit committee   | Applied     | The audit and risk committee is integral to Liberty Two Degrees' risk management process. The committee consists of a majority of independent non-executive directors. The CEO and CFO as well as representatives of the external auditors attend the meeting by invitation. All the members have the necessary skills and experience required. The committee has unrestricted access to independent expert advice should the need arise |
| Chapter 3 | Principle 3.2  | Audit committee members are suitably skilled and experienced independent non-executive directors  | Applied     | The audit and risk committee members are suitably skilled and experienced directors. The audit and risk committee consists of independent non-executive directors. As the chairman of the board is a member of the audit and risk committee, his dual role will be approved at every AGM.  |
| Chapter 3 | Principle 3.3  | The audit committee is chaired by an independent non-executive director.  | Applied     | The audit and risk committee is chaired by an independent non-executive director.  |
| Chapter 3 | Principle 3.4  | The audit committee oversees integrated reporting   | Applied     | The audit and risk committee is responsible for ensuring the integrity of the annual/integrated report and recommending it to the board for approval.  |
| Chapter 3 | Principle 3.5  | The audit committee has ensured that a combined assurance model has been applied which provides a coordinated approach to all assurance activities.       | Applied     | The audit and risk committee obtains combined assurance from the external auditors, PwC and management and ensures that the combined assurance received is appropriate to address all significant risks facing Liberty Two Degrees.  |
| Chapter 3 | Principle 3.6  | The audit committee is satisfied with the expertise, resources and experience of the company's finance function.  | Applied     | The audit and risk committee evaluates and reports on the finance function's expertise, resources and experience annually.   |
| Chapter 3 | Principle 3.7  | The audit committee should be responsible for overseeing internal audit   | Applied     | The audit and risk committee continuously monitors the work of the internal auditors in reviewing activities of the group and service providers.   |
| Chapter 3 | Principle 3.8  | The audit committee is an integral component of the risk management process.  | Applied     | As Liberty Two Degrees has a combined audit and risk committee, the risk management process is an integral component of the committee's duties.  |
| Chapter 3 | Principle 3.9  | The audit committee is responsible for the recommending the appointment of the external auditor and overseeing the external audit process.                | Applied     | The audit and risk committee oversees the external audit process and satisfies itself as to the suitability of the external auditors for re-appointment. The audit and risk committee recommends the re-appointment of the auditors to shareholders.   |
| Chapter 3 | Principle 3.10 | The audit committee has reported to the board and the shareholders as to how it has discharged its duties.  | Applied     | The audit and risk committee report is included in the annual/integrated report and the chairman of the audit and risk committee is available at the annual general meeting of shareholders to answer any questions by unitholders. The audit and risk committee chair reports back at each board meeting on the activities, decisions and recommendations of the audit and risk committee.  |
| Chapter 4 | Principle 4.1  | The Board is responsible for the governance of risk.  | Applied     | The board retains ultimate responsibility for the governance of risk. The oversight of the risk management process has been delegated to the audit and risk committee which provides feedback to the board on matters within its mandate.  |
| Chapter 4 | Principle 4.2  | The Board has determined the levels of risk tolerance   | Applied     | The board regularly reviews the risk profile of Liberty Two Degrees so as to ensure that risks are being managed within a tolerable level and steps are taken when necessary to address and mitigate risks.  |
| Chapter 4 | Principle 4.3  | The risk committee and/or audit committee has assisted the Board in carrying out its risk responsibilities.   | Applied     | The board has delegated the oversight of the risk management process, including the levels of tolerance, to the audit and risk committee. The audit and risk committee reports to the board on matters within its mandate.   |
| Chapter 4 | Principle 4.4  | The Board has delegated to management the responsibility to design, implement and monitor the risk management plan.                                       | Applied     | The board has delegated the responsibility to design, implement and monitor the risk management plan to management. Management has compiled a risk management plan and a risk matrix which has been presented to and approved by the audit and risk committee.   |
| Chapter 4 | Principle 4.5  | The Board has ensured that risk assessments are performed on a continual basis.   | Applied     | The board has delegated the oversight of the risk management process, including monitoring of continual risk assessments, to the audit and risk committee. The audit and risk committee reports to the board on matters within its mandate.  |
| Chapter 4 | Principle 4.6  | The Board has ensured that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.                  | Applied     | The audit and risk committee is responsible for ensuring that frameworks and methodologies are implemented to anticipate unpredictable risks as set out in the risk committee charter.   |
| Chapter 4 | Principle 4.7  | The Board has ensured that management has considered and has implemented appropriate risk responses.  | Applied     | Management has compiled a risk management plan and a risk matrix setting out the risks and appropriate risk responses which has been presented to and approved by the audit and risk committee.  |
| Chapter 4 | Principle 4.8  | The Board has ensured the continual risk monitoring by management.  | Applied     | As per the risk committee charter, the audit and risk committee has ensured the continual risk monitoring by management. Management has compiled a risk management plan and a risk matrix setting out the risks and appropriate risk responses which has been presented to and approved by the audit and risk committee.   |
| Chapter 4 | Principle 4.9  | The Board has received assurance regarding the effectiveness of the risk management process.  | Applied     | The board has delegated the oversight of the risk management process, including monitoring of the effectiveness of the risk management process, to the audit and risk committee. The audit and risk committee reports to the board on matters within its mandate.  |
| Chapter 4 | Principle 4.10 | The Board has ensured that there are processes in place which enable complete, timely, relevant, accurate and accessible risk disclosure to stakeholders. | Applied     | The annual/integrated report contains a section disclosing the key risks and risk management.  |
| Chapter 5 | Principle 5.1  | The Board is responsible of information technology (IT) governance.   | Applied     | The board is responsible for IT governance. The financial director oversees the information technology function, attends the executive committee meetings and reports to the CEO.  |
| Chapter 5 | Principle 5.2  | IT has been aligned with the performance and sustainability objectives of the company.  | Applied     | The board discusses IT governance at board meetings and ensures the integration of IT into the performance and sustainability objectives of the company.   |
| Chapter 5 | Principle 5.3  | The Board has delegated to management the responsibility for the implementation of an IT governance framework.  | Applied     | The board is responsible for IT governance. The financial director oversees the information technology function, attends the executive committee meetings and reports to the CEO. The risks and controls over information technology assets and data are considered by the audit and risk committee.   |
| Chapter 5 | Principle 5.4  | The Board monitors and evaluates significant IT investments and expenditure.  | Applied     | Significant IT expenditure and investments are presented to the board.   |
| Chapter 5 | Principle 5.5  | IT is an integral part of the company's risk management plan.   | Applied     | The audit and risk committee assists the board in carrying out its IT responsibilities by ensuring that IT risks are considered and dealt within the risk matrix.  |
| Chapter 5 | Principle 5.6  | The Board ensured that information assets are managed effectively.  | Applied     | The board gives IT and its information assets the necessary importance with regards to the performance and sustainability objectives of the company and ensures that its information assets are managed effectively.   |
| Chapter 5 | Principle 5.7  | A risk committee and audit committee assists the board in carrying out its IT responsibilities.   | Applied     | The audit and risk committee assists the board in carrying out its IT responsibilities by ensuring that IT risks are considered and dealt with in the risk matrix.   |

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| Chapter 6 | Principle 6.1 | The Board ensures that the company complies with applicable laws and considers adherence to non binding rules, codes and standards.                               | Applied     | Nothing has come to the attention of the board that the group has not complied with applicable laws. The group strives to maintain abreast of all applicable laws via regular communication with its advisors. The board has adopted a legal compliance policy.   |
| Chapter 6 | Principle 6.2 | The Board and each individual director have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business. | Applied     | Liberty Two Degrees' legal advisors, sponsor and company secretary advise the company of any changes to the laws and regulations applicable to the company. Training is arranged for the board as required.   |
| Chapter 6 | Principle 6.3 | Compliance risk should form an integral part of the company's risk management process.  | Applied     | Management has compiled a risk management plan and a risk matrix, which includes compliance risk, which has been presented to and approved by the audit and risk committee.   |
| Chapter 6 | Principle 6.4 | The Board should delegate to management the implementation of an effective compliance framework and processes.  | Applied     | The board has delegated to executive management the implementation of an effective compliance framework and processes.  |
| Chapter 7 | Principle 7.1 | The Board should ensure that there is an effective risk based internal audit.   | Applied     | Due to the size of Liberty Two Degrees, the board does not consider it cost effective to maintain a full time internal audit function and the function has been outsourced to Liberty Group Limited by way of a Service Level Agreement.  |
| Chapter 7 | Principle 7.2 | Internal Audit should follow a risk based approach to its plan.   | Applied     | The internal audit plan will be reviewed by the audit and risk committee to ensure that a risk based approach is presented and adhered to in the work done.   |
| Chapter 7 | Principle 7.3 | Internal Audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management.                         | Applied     | The internal auditors will be requested to report on the effectiveness of Liberty Two Degrees' system of internal controls and risk management as part of their reporting requirements to the audit and risk committee.   |
| Chapter 7 | Principle 7.4 | The audit committee should be responsible for overseeing internal audit   | Applied     | The audit and risk committee continuously monitors the work, reports and independence of the internal auditors.   |
| Chapter 7 | Principle 7.5 | Internal audit should be strategically positioned to achieve its objectives.  | Applied     | Due to the size of Liberty Two Degrees, the board does not consider it cost effective to maintain a full time internal audit function and the function has been outsourced to Liberty Group Limited by way of a Service Level Agreement.  |
| Chapter 8 | Principle 8.1 | The Board should appreciate that stakeholders' perceptions affect a company's reputation.   | Applied     | The board of directors believes that stakeholders perceptions are of critical importance and to this end the board regularly communicates with a cross section of stakeholders in order to gauge perception.  |
| Chapter 8 | Principle 8.2 | The Board should delegate to management to proactively deal with stakeholder relationships.   | Applied     | Liberty Two Degrees will have regular dialogue with institutional investors. Financial results, trading updates and announcements will be published in accordance with the JSE Listings Requirements and results announcements, the annual/integrated report and presentations to shareholders and analysts will also be published on the Liberty Two Degrees website. Relationships with tenants, employees and service providers will be equally valued and maintained. |
| Chapter 8 | Principle 8.3 | The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.                       | Applied     | Liberty Two Degrees strives to maintain a balance between the various stakeholders while acting in the best interests of the company.   |
| Chapter 8 | Principle 8.4 | Companies should ensure the equitable treatment of shareholders.  | Applied     | Liberty Two Degrees provides timely and equitable disclosure of information to the market and all shareholders are treated equally in this regard. Information is posted on the Liberty Two Degrees website.  |
| Chapter 8 | Principle 8.5 | Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.                                   | Applied     | Liberty Two Degrees provides timely and equitable disclosure of information to the market and all unit holders are treated equally in this regard. Information is posted on the Liberty Two Degrees website.  |
| Chapter 8 | Principle 8.6 | The Board should ensure that disputes are resolved effectively and expeditiously as possible.   | Applied     | The board ensures that all disputes are resolved effectively and expeditiously.   |
| Chapter 9 | Principle 9.1 | The Board should ensure the integrity of the company's annual/integrated report.  | Applied     | The audit and risk committee are responsible for ensuring the integrity of the annual/integrated report and recommending it to the board for approval.  |
| Chapter 9 | Principle 9.2 | Sustainability reporting and disclosure should be integrated with the company's financial reporting.  | Applied     | The audit and risk committee ensures that sustainability reporting and the financial reporting are consistent and integrated.   |
| Chapter 9 | Principle 9.3 | Sustainability reporting and disclosure should be independently assured.  | Not applied | The audit and risk committee will consider the appropriateness of obtaining independent assurance on the sustainability reporting based on the benefit to stakeholders and the costs of obtaining it.   |