

1. Corporate Governance Statement

Our commitment to corporate governance

Irongate Property Fund I and Irongate Property Fund II (together, the **Fund**)* are two managed investment schemes the units in which, it is proposed, will be stapled together. Irongate Property Fund I is currently listed on the Johannesburg Stock Exchange (**JSE**) and the Australian Securities Exchange (**ASX**). As set out in the Explanatory Memorandum and Notice of Meeting issued by the responsible entity of the Fund on 20 October 2020 (**Explanatory Memorandum**), it is proposed that Irongate Property Fund II be listed on the JSE and ASX with its units stapled to the units in Irongate Property Fund I. As such, the Fund will be dual primary listed on the ASX and the JSE and will need to comply with the ASX Listing Rules, the listing requirements of the JSE (**JSE Listings Requirements**), the *Corporate Governance Principles and Recommendations (4th Edition)* published in February 2019 by the ASX Corporate Governance Council, (**ASX Corporate Governance Principles**) and the King IV Code principles (**King IV**) which outline the corporate governance guidelines that apply to all JSE listed entities.

The Responsible Entity is Irongate Funds Management Limited (**RE**). The RE's role is defined by the Fund's constitution (**Constitution**), the Corporations Act 2001 (Cwth) (**Corporations Act**), the Corporations Regulations 2001 (Cwth) (**Corporations Regulations**) and the general law.

The board of directors of the RE (**Board**) recognises the importance of corporate governance in achieving the investment objectives of the Fund and discharging its responsibilities to all stakeholders of the Fund. The governance framework, as summarised in this Corporate Governance Statement, has been designed to ensure that the Fund is effectively managed, the statutory obligations are met, and that a culture of corporate integrity is reinforced.

Due consideration has been given to the ASX Corporate Governance Principles and any departure from these ASX Corporate Governance Principles is noted below. Due consideration has also been given to King IV.

This Corporate Governance Statement provides a summary of the key governance practices in place and (unless stated otherwise) for the Fund against both the ASX Corporate Governance Principles and King IV.

The RE's key corporate policies can be found on its website www.iapf.com.au.

PART A – ASX CORPORATE GOVERNANCE PRINCIPLES

Principle	Comments
Principle 1 – Lay solid foundations for management and oversight	
ASX Corporate Governance Principle 1.1 – A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Those functions and responsibilities reserved to the Board are set out in the Board Charter, which is available to view at www.iapf.com.au and which complies with ASX Corporate Governance Principle 1.1. Subject to appropriate Board oversight of the Fund, those RE executives and senior managers that have responsibility for the business activities of the Fund have delegated authority to make decisions in respect of the day to day management of the Fund and its assets. This includes appointment of advisers, approvals of asset business plans, budgets, capital expenditure and hedging (within approved hedging policy).
ASX Corporate Governance Principle 1.2 – A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election as a director; and (b) provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Such checks as the Board considers appropriate in the circumstances are made before appointing a person as a Director. In considering the appointment of a new Director appointment, the Nomination and Remuneration Committee may engage the services of an external executive search firm to identify suitable candidates for consideration. They may also carry out appropriate reference and background checks. At the time a candidate's nomination for election is being put forward for approval by unitholders at an Annual General Meeting, all material information in the RE's possession that the Board considers relevant to the candidate's election as a Director will be provided to unitholders in the relevant notice of meeting.

* The RE will be changing its name to 'Irongate Funds Management Limited' on 30 November 2020, and the Fund will be changing its name to 'Irongate Property Fund I' and 'Irongate Property Fund II' on 7 December 2020. This Corporate Governance Statement uses the updated names of the RE and Fund.

<p>ASX Corporate Governance Principle 1.3 – A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The current non-executive Directors have each signed a letter setting out the terms of their appointment. The letter covers, among other matters:</p> <ul style="list-style-type: none"> - the roles and responsibilities of the Board and each of its Committees; - expectations of the time commitment to be made by Directors in serving on the Board and its Committees, and of their participation in an annual review of the Board, its Committees and individual Directors; - requirements with respect to the disclosure of Directors' interests; - the confidentiality of all non-public information obtained during the Director's appointment; - the fees payable to the Directors; and - other key policies that Directors are required to comply with, such as the Personal Account Dealing and Trading Policy. <p>Any new director will sign a letter on similar terms.</p> <p>The CEO and each of the executives who report to him will have service contracts setting out their responsibilities, conditions of service and termination entitlements.</p> <p>The RE will have processes in place to evaluate the performance of senior executives. Each senior executive, including the CEO, will be subject to key performance indicators and objectives in line with continued delivery of the Fund's strategy and operational requirements.</p> <p>The performance evaluation of the CEO will be handled by the chairman and considered by the Board. Assessment and monitoring of the performance of other senior executives will be handled by the CEO who reports on those matters to the chairman and the Nomination and Remuneration Committee. Performance evaluations of the CEO and other senior executives will be conducted annually.</p>
<p>ASX Recommendation 1.4 – The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Lucy Spenceley has been appointed as company secretary and is accountable to the RE as the responsible entity of the Fund.</p>
<p>ASX Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy (b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally and <p>(c) disclose in relation to each reporting period:</p> <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce 	<p>The RE has a Diversity Policy which has been implemented to comply with the JSE Listings Requirements and King IV acknowledging the unique nature of the Fund in a South African context. The Diversity Policy also complies with the ASX Corporate Governance Principles. A copy of the Diversity Policy is available at www.iapf.com.au.</p> <p>The Board has set a target of 30% for female representation across each of the Board, senior executives and staff to be achieved on an ongoing basis. Currently, female representation is as follows:</p> <ul style="list-style-type: none"> • 40% of the Board are female; • 33% of the executive team are female; and • 23% of all staff are female.

<p>(including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	
<p>ASX Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, for each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.</p>	<p>The Board and individual directors will have their overall performance reviewed annually in order to identify areas for improvement in the discharge of individual director’s and the Board’s functions on an annual basis. Each of the Board’s Committees will review their performance annually or whenever there are major changes to the Committee structure.</p> <p>This review will be undertaken by the chairman and, if so determined by the Board, an independent service provider. The performance review of the chairman will be carried out by the lead independent director.</p>
<p>ASX Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Board will regularly monitor the performance of senior executives and the implementation of strategy against measurable and qualitative indicators. The performance of the CEO will be evaluated and assessed by the Board each year.</p> <p>The CEO will conduct performance reviews of senior executives (key management personnel) by comparing performance against agreed measures, examining the effectiveness and quality of performance of the individual, both as a divisional leader and in their individual capacity, and assessing whether various expectations of stakeholders have been met.</p>
<p>Principle 2: Structure the Board to add value</p>	
<p>ASX Recommendation 2.1 – The Board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <p>(i) Has at least three members, a majority of whom are independent directors and;</p> <p>(ii) Is chaired by an independent director and disclose:</p> <p>(iii) The charter of the committee;</p> <p>(iv) The members of the committee; and</p> <p>(v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Nomination and Remuneration Committee will be a standing committee of the Board. The Nomination and Remuneration Committee will have at least three members, a majority of whom are independent non-executive directors of the Board. and will be chaired by the Chairman of the Board who is an independent non-executive director.</p> <p>The Nomination and Remuneration Committee Charter is available at www.iapf.com.au.</p> <p>The Nomination Committee will meet at least four times per year.</p>
<p>ASX Recommendation 2.2 – A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The Board will approve a board skills matrix which sets out the skills of the Board. All Directors (including the CEO) will be assessed against the skills matrix. The Board skills matrix will continue to develop as the Fund’s strategy develops. All areas of the skills matrix will be represented on the Board.</p>

<p>ASX Recommendation 2.3 – A listed entity should disclose:</p> <p>(a) the names of the directors considered by the Board to be independent directors; and</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Board considers that a director is independent if they are independent of management and free of any interest, position, association or relationship that might influence, or could reasonably be perceived to influence, in a material respect their capacity to bring an independent judgment to bear on issues to the Board and to act in the best interests of the Fund and its unitholders generally. The Board evaluates the materiality of any interests or relationships that could be perceived to compromise independence on a case by case basis, having regard to the circumstances of each director.</p> <p>The Board is comprised of one executive director and four non-executive directors. Three of the non-executive directors are independent directors. Richard Longes is Chair of the Board and is an independent non-executive director.</p> <p>Directors are expected to be meticulous in their disclosure of any material personal or family contract or relationship. Directors must also strictly adhere to constraints on their participation and voting in relation to matters in which they may have an interest.</p> <p>The Board regularly assesses whether directors are independent, and each director is required to provide information relative to this assessment.</p> <p>Details of directors and their length of service, experience and qualifications can be found on section 5.2 of the Explanatory Memorandum.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The majority of the Board comprises non-executive directors and the majority of non-executive directors (three out of four non-executive directors) are independent.</p>
<p>ASX Recommendation 2.5 – The Chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chair of the RE is Richard Longes. He is independent and is not the same person as the CEO.</p>
<p>ASX Recommendation 2.6 – A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Board has established an orientation program to familiarise incoming directors with the Fund's operations, senior executives and its business environment, and to inform them of their fiduciary duties and responsibilities. There will also be an annual review undertaken as to whether further professional development opportunities should be provided. Directors will be able to raise any areas in which they wish to receive additional training at any time.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p>	
<p>ASX recommendation 3.1 - A listed entity should articulate and disclose its values</p>	<p>The Board is developing a statement of values and will charge the senior executive team with the responsibility of inculcating those values across the RE. The statement of values will be disclosed in the annual report.</p>
<p>ASX recommendation 3.2 – A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>The RE has established a Code of Conduct (Code) which applies to the Fund and is periodically reviewed and endorsed by the Board.</p> <p>The Board is informed of any material breaches of the Code.</p>

<p>ASX Recommendation 3.3 - A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy,</p>	<p>The RE's Whistleblower Policy can be found at www.iapf.com.au.</p> <p>All disclosures received under the Whistleblower Policy are reported to the Audit and Risk Committee with details of investigations completed.</p>
<p>ASX Recommendation 3.4 - A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>A copy of the RE's anti-bribery and corruption policy can be found at www.iapf.com.au. The Board is informed of any material breaches of that policy.</p>
<p>Principle 4: Safeguard integrity in corporate reporting</p>	
<p>Audit Committee</p> <p>ASX Recommendation 4.1 – The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit and Risk Committee (ARC) to oversee the quality and integrity of accounting, audit, financial and risk management practices for the Fund. The ARC is comprised of three independent non-executive directors and is chaired by Sally Herman, who is not the chairman of the Board.</p> <p>A copy of the ARC charter is available at www.iapf.com.au. The ARC members all have an appropriate level of financial and property industry expertise. Information on ARC members can be found on section 5.6.4 of the Explanatory Memorandum. The Fund will disclose in its annual report the number of times the ARC met in each financial year and the individual attendances of ARC members at those meetings.</p>
<p>ASX Recommendation 4.2 – The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The chairperson of the ARC receives a management representation letter from the CEO and CFO for the Fund that the Fund's financial statements are founded on a sound system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks. This declaration is supported by a review and sign-off process from senior managers working on the Fund on the key items that make up the risk management and control systems.</p>
<p>ASX Recommendation 4.3 – A listed entity should disclose its process to verify the</p>	<p>The Board has appointed both KPMG Australia and KPMG South Africa (KPMG) as the external auditor of the Fund and</p>

<p>integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor..</p>	<p>are responsible for conducting an external audit of the half year and full year financial reports. KPMG is expected to carry out its responsibilities in accordance with Australian and South African law and audit firm policy in respect of partner rotation. To the extent that the Fund issues interim accounts, these are issued with a review opinion from KPMG.</p>
<p>Principle 5: Make timely and balanced disclosure</p>	
<p>ASX Recommendation 5.1 – A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.</p>	<p>The Board has adopted a Disclosure Policy which summarises the internal processes to ensure compliance with ASX Listing Rules, the JSE Listings Requirements, South African law and Australian law in respect of continuous disclosure.</p> <p>The Disclosure Policy is available to view at www.iapf.com.au.</p>
<p>ASX Recommendation 5.2 - A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>The Company Secretary is required to provide copies of all material market announcements promptly after they have been made to each director.</p>
<p>ASX Recommendation 5.3 - A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>The RE will ensure that any new and substantive presentation given in relation to the Fund is uploaded to the ASX Market Announcement Platform ahead of the presentation.</p>
<p>Principle 6: Respect the rights of security holders</p>	
<p>ASX Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The RE provides information to unitholders, including:</p> <ul style="list-style-type: none"> • the right for unitholders to receive annual and half yearly reports and updates which keep them informed of the Fund's performance and operations; • posting any ASX and JSE announcements it makes on behalf of the Fund on the Fund's website at www.iapf.com.au as soon as they have been released on the ASX and on SENS; and • through the maintenance of a comprehensive investor relations component on the Fund's website, including a facility for unitholders to direct queries to the RE. <p>Trusts such as the Fund are not required by law to hold an AGM, however, the Fund does hold an AGM.</p>
<p>ASX Recommendation 6.2 – A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>The RE will provide clear and effective communications with stakeholders on matters affecting the Fund, in accordance with the Disclosure Policy.</p>
<p>ASX Recommendation 6.3 – A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>The Fund will hold an AGM. Each AGM will cover formal business, but also provide unitholders with an opportunity to be updated on the activities of the RE and the Fund, and to ask questions of the Board and management of the Fund. The external auditor of the Fund will also attend each AGM to answer questions on the audited accounts of the Fund.</p> <p>Notices of meeting and explanatory memoranda for unitholder resolutions will be provided to unitholders in accordance with the Constitution and the Corporations Act, and will be accessible on the Fund's website, as well as being lodged with ASX.</p> <p>Unitholders who are not able to attend an AGM are able to vote by proxy.</p>

<p>ASX Recommendation 6.4 – A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>The RE ensures that all substantive resolutions are decided on a poll to enfranchise all security holders, not just those who attend a meeting in person.</p>
<p>ASX Recommendation 6.5 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Fund is committed to providing unitholders with timely communications regarding matters that impact or have the potential to influence the investment performance of the Fund. The Fund understands its regulatory requirements in respect to continuous disclosure and various other legal obligations as a consequence of its listing on the ASX.</p> <p>A website has been established at www.iapf.com.au to assist unitholders in obtaining current and historic information in respect to their investment, or prospective investment, in the Fund.</p> <p>All relevant ASX announcements, reports, results presentations and other media announcements are logged on this website for review by current and prospective unitholders.</p> <p>Unitholders are able to elect to receive communications from, and send communications to, the entity and its security registry electronically.</p>
<p>Principle 7: Recognise and Manage Risk</p>	
<p>ASX Recommendation 7.1 – The board of a listed entity should:</p> <p>(a) have a risk committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees to satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> <p>ASX Recommendation 7.2 – The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board has established an Audit and Risk Committee, the composition of which is determined in accordance with the Committee Charter (published on the Fund's website at www.iapf.com.au), which includes the following requirements:</p> <ul style="list-style-type: none"> • the Committee will have at least three members; • all members of the Committee will be non-executive Directors, a majority of whom are independent; and • the Committee Chairman cannot also be the Chairman of the Board. <p>The Audit and Risk Committee complies with each of those requirements.</p> <p>The Explanatory Memorandum identifies the current members of the Committee and their qualifications and experience.</p>
<p>ASX Recommendation 7.3 – A listed entity should:</p> <p>(a) disclose if it has an internal audit function, how the function is structured and what role it performs; or</p>	<p>The RE does not have an internal audit function. The Audit and Risk Committee is responsible for establishing, reviewing and monitoring the process of risk management. Management are responsible for the implementation of risk management and internal control</p>

<p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>processes on a continual basis and are subject to the oversight of the Audit and Risk Committee.</p>
<p>ASX Recommendation 7.4 – A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The RE is committed to playing a leading role in achieving a sustainable future. The ARC oversees and reports on sustainability issues, relevant to the Fund although the Fund has no material exposure to environmental or social risks.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>	
<p>ASX Recommendation 8.1 – The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose the fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has established a nomination and remuneration committee in 2020 even though, as an externally managed fund this was not required under the ASX principles. On and from implementation, this committee will continue as the Nomination and Remuneration Committee (“Committee”) and will continue to consider and make recommendations to the Board on, among other things, remuneration policies applicable to Board members and senior management.</p> <p>The composition of the Nomination and Remuneration Committee is determined in accordance with the Committee Charter (published on the Fund’s website at www.iapf.com.au), which includes the following requirements:</p> <ul style="list-style-type: none"> • the Committee will continue to have at least three members; • all members of the Committee will be non-executive Directors and a majority of them will be independent Directors; and • the Committee Chairman will be an independent Director. <p>The members of the Committee are Richard Longes (as chair), Sally Herman, Stephen Koseff and Georgina Lynch.</p>
<p>ASX Recommendation 8.2 – A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The RE clearly distinguishes the structure of Non-Executive Directors’ remuneration from that of Executive Directors and senior executives.</p> <p>The Nomination and Remuneration Committee will review the remuneration of senior executives and Non-Executive Directors every year.</p> <p>The Committee will engage an independent remuneration consultant in relation to executive remuneration and market rates to assist it in making recommendations to the Board for remuneration practices and the structure of Non-Executive Directors’ remuneration and the remuneration of senior executives.</p> <p>The remuneration of senior executives (who are key management personnel), including the Chief Executive Officer, will have the following remuneration components:</p> <ul style="list-style-type: none"> • base salary; • statutory entitlements (including superannuation and long service leave, as applicable); • a discretionary bonus; and • a long-term incentive (subject to performance thresholds). <p>Remuneration for Non-Executive Directors is fixed. Board and Committee fee rates are reviewed by the Nomination and Remuneration Committee and approved by the Board.</p>

	<p>The constitution of the Responsible Entity also provides that its shareholder(s) may fix a limit on the remuneration payable to the Directors. This limit has currently been fixed at \$1,000,000 per annum for the Non-Executive Directors. Going forward, any proposed increases to the Non-Executive Director fee cap must be approved by unitholders at AGM.</p>
<p>ASX Recommendation 8.3 – A listed entity which has an equity based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Personal Account Dealing Trading Policy prohibits key management personnel from:</p> <ul style="list-style-type: none"> • entering into margin lending arrangements in relation to the Fund's securities; and • enter into transactions or arrangements with anyone which could have the effect of limiting the exposure of the person to risk relating to an element of the person's remuneration that: <ul style="list-style-type: none"> - has not vested in the person; - has vested in the person but remains subject to a holding lock; or • dealing at any time in financial products over or in respect of the Fund's securities, except as permitted by law or by the policy. The Personal Account Dealing and Trading Policy is subject to annual review by the Board and has been lodged with the ASX. <p>The Personal Account Dealing and Trading Policy is available to view at www.iapf.com.au.</p>

Part B - King IV Code principles

King IV must be applied by all JSE listed entities in respect of financial years commencing on or after 1 April 2017.

King IV reflects the significant regulatory and corporate governance changes that have been seen locally in the South African market and internationally.

The Board is committed to the continued application and monitoring of the principles prescribed by King IV and recognises it sets the tone for the management of the Fund through transparent and ethical leadership. King IV is applied to the extent applicable, whilst acknowledging the unique nature of the Fund in a South African context. The Board will continue to analyse the Fund's practices to further support and apply the various principles and outcomes in terms of King IV.

The below table sets out the 16 applicable principles of King IV and explains the application of these principles to the Fund.

Leadership, Ethics and Corporate Citizenship	
<p>PRINCIPLE 1: The governing body should lead ethically and effectively.</p> <p>PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>The Board is committed to cultivating a strong ethical culture. This is applied through the Code of Conduct, which guide and hold management and the directors responsible for their conduct.</p> <p>The Board Charter also sets the tone for the Board in terms of ethical leadership with the following key objectives noted:</p> <ul style="list-style-type: none"> • approve the strategy of the RE and the Fund; • act as a focal point for, and custodian of, corporate governance; • provide effective and ethical leadership; • ensure the RE and the Fund are responsible corporate citizens; • be responsible for the high-level review of risk, including that of information and technology; and

	<ul style="list-style-type: none"> • ensure that the RE and the Fund comply with all the applicable laws and adhere to non-binding rules and standards. <p>The Board has a standing agenda item at board meetings at least bi-annually to address ethics, social impact and good corporate citizenship in the conduct of its business. These matters are also part of the Charter of the ARC.</p>
Strategy, Performance and Reporting	
<p>PRINCIPAL 4:</p> <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>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>	<p>The Board and management set the strategy of the Fund through a focused annual strategy session and continued dialogue and review of success throughout the year.</p> <p>The Board ensures that there are robust processes in place to make sure that meaningful and timely reporting is provided to investors, enabling informed assessment and investment decisions based on accurate and transparent information provided.</p> <p>The Fund's annual report goes through a thorough review process by the Board and its ARC before being published.</p>
Governing Structures and Delegation	
<p>PRINCIPLE 6:</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>PRINCIPLE 7:</p> <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>PRINCIPLE 8:</p> <p>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.</p> <p>PRINCIPLE 9:</p> <p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p> <p>PRINCIPLE 10:</p> <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 Board's commitment to good corporate governance is applied through its Board Charter which adheres to the principles set out in King IV, the JSE Listings Requirements, the ASX Listing Rules and the Corporations Act. The Board Charter does this by setting the tone for conduct, details the Board's role and objectives along with a clear description of the delegation framework.</p> <p>The composition of the Board and the ARC reflects a wide range of expertise and knowledge, the composition of both is contemplated in more detail in Part A. Both the Board and the ARC are committed to adherence of their responsibilities as set out in their respective charters.</p> <p>The RE has a Diversity Policy which has been implemented to comply with the JSE Listings Requirements and King IV acknowledging the unique nature of the Fund in a South African context. The Diversity Policy also complies with the ASX Corporate Governance Principles.</p> <p>The performance of the Board, its ARC and that of the company secretary are reviewed annually to ensure continued effectiveness and in the case of the company secretary that they continue to have an arm's length relationship with the Board.</p>
Governance Functional Areas	
<p>PRINCIPLE 11:</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The Board is responsible for the overall governance of risk. This is delegated to the ARC and management who have in place mitigation processes and controls and a comprehensive risk register which is reviewed quarterly.</p>

<p>PRINCIPLE 12:</p> <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</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> <p>PRINCIPLE 14:</p> <p>The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p> <p>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 ARC reports quarterly to the Board on the risk status of the Fund. The management of information and technology is provided by the manager.</p> <p>The Board is committed to complying with any laws that the RE or the Fund is required to comply with from time to time. There were no material or repeated regulatory penalties, sanctions or fines for contravention of, or non-compliance with, statutory obligations imposed on the RE or the Fund. The Board has established a Nomination and Remuneration Committee to consider and make recommendations to the Board on, among other things, remuneration policies applicable to Board members and senior management to ensure that they are remunerated fairly, responsibly and transparently.</p> <p>Representation from external audit, management and compliance at the ARC enables an effective internal control environment to support the integrity of information used for internal decision-making and support the integrity of external reports. A combined assurance framework includes both coverage of significant risks and reporting of any issues raised relating these risks.</p>
Stakeholder Relations	
<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 Board is committed to providing meaningful and transparent communication to stakeholders.</p> <p>The Fund has a website (www.iapf.com.au) where all financial reports, business updates and other information relevant to stakeholders are made available to ensure that stakeholders are kept abreast with the Fund's developments.</p>

Director Appointment Rights

While directors of the RE are not technically subject to the approval of unitholders, the Board has provided an undertaking to securityholders that whilst it remains ASX listed and internally managed all directors, other than the Chief Executive Officer, will stand for election by Unitholders. If a nominated director fails to receive a majority vote, that director will cease to be appointed to the Board of the RE.

The RE directors, other than the Chief Executive Officer, will hold office for three years following his or her first appointment (or, if appointed by the Board between Annual General Meetings, from the date of the Annual General Meeting after the initial appointment).

