



TUHF URBAN FINANCE (RF) LIMITED KING IV™ DISCLOSURE

ABOUT TUHF URBAN FINANCE RF LIMITED

TUHF Urban Finance (RF) Limited (The Issuer or Company) is a securitisation vehicle of mortgage loans originated by TUHF Limited. The issuer is an insolvency remote entity operating in accordance with the requirements of the Transaction Documents, with no employees and no administrative infrastructure of its own. However, the issuer's affairs are administered by TUHF Limited.

APPLICATION OF THE KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA™ (King IV™)

TUHF Urban Finance's Board realises that through good governance, an ethical culture, good performance, effective control, accountability, and legitimacy are achieved. For the period ended 31 March 2022, the Board of the Company delegated to the Administrator and the Company Secretary the implementation, as disclosed herein, of the applicable principles of good corporate governance provided for under King IV.

KING IV APPLICATION PROCESS

The Board embraces King IV in keeping its commitments to good governance and broader stakeholder interests. Although the management of the affairs of the Company is delegated to the Administrator Company, the Board accepts its responsibility for considering and applying King IV principles. Consequently, it is satisfied that the Company has made every effort to comply, in all material aspects, with these principles having regard to its present size, nature, and complexity.

The Board will continually review where relevant, given the specific focus of the Company and its purpose, and update the Company's governance policies and procedures to adhere to the Companies Act, Debt Listing Requirements of the Johannesburg Stock Exchange, King IV, and best practice. The best practice is achieved through the engagement of, and having legal opinions from, corporate attorneys that are leaders in their field.

DISCLOSURE ON APPLICATION OF THE PRINCIPLES AND RECOMMENDED PRACTICES

APPLICATION OF PRINCIPLE 1 - LEADERSHIP, ETHICS, AND CORPORATE CITIZENSHIP

The board should lead ethically and effectively.

The Board recognises its responsibility to exercise effective leadership by always adhering to its fiduciary duties, collectively and individually, as the directors of the Company.

The Board possesses the necessary skills and competence and acts ethically when discharging its responsibilities and control of the Company.

The powers of the Board are detailed in the Memorandum of Incorporation (MOI) with due regard to the general ring-fencing provisions insofar as they apply to the Company.

The Board is committed to ensuring that the Company's purpose is executed by its Administrator Company based on an ethical foundation that supports ethical and sustainable business in the best interest of TUHF Urban Finance and all its stakeholders.

In managing the relationship between the Administrator Company, management, and stakeholders, the Board takes all necessary measures to promote sound corporate governance principles as recommended in King IV.



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The Board is fully committed to the governance principles of responsibility, accountability, fairness, and transparency. It leads the business and acts as custodian of the Company's values and ethics.

APPLICATION OF PRINCIPLE 2 - ORGANISATIONAL ETHICS

The board should govern the ethics of the company in a way that supports the establishment of an ethical culture.

The Board exercises ongoing oversight responsibility for setting and reporting on the Company's ethical values, principles of conducting ethical business practices, and for TUHF Urban Finance to be and be seen as a responsible corporate citizen.

The responsibility is delegated to the Administrator Company and the Social and Ethics Committee will continually monitor the governance of ethics to ensure that the structure is managed as intended.

APPLICATION OF PRINCIPLE 3 - RESPONSIBLE CORPORATE CITIZENSHIP.

The board should ensure that the Company is and is seen to be a responsible corporate citizen.

The Board acknowledges its responsibility to the Company and the society in which it operates to ensure that TUHF Urban Finance is a responsible corporate citizen.

Aligned with this responsibility, the purpose of the Company is clearly defined and developed. The Company actively engages all its stakeholders and appreciates that being a responsible corporate citizen entails being responsive to stakeholders, being values-driven, and delivering in accordance with the expectation of all its stakeholders to enable it to measure its impact as a responsible corporate citizen.

The Audit Committee assures financial information using internal and external assurance providers.

APPLICATION OF PRINCIPLE 4 - STRATEGY AND PERFORMANCE

The board should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process

The Company has a specific objective in terms of the MOI, the Board ensures that the objectives of the company are implemented by the Administrator Company, and the Board ensures, through responsible oversight, that it is at all times aligned to the Company's transaction objectives.

APPLICATION OF PRINCIPLE 5 - REPORTING

The board should ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short, medium, and long-term prospects.

The Company recognises that its sustainability depends on transparent and full disclosure and the Board, through the Audit Committee, introduces formal assurance processes regarding the Annual Financial Statements and other external corporate reports which include reports required by the JSE.

The Company's Debt Sponsor drafts SENS announcements for review by the Administrator Company. Investor reports are prepared quarterly and reviewed by the Facility Agent.

The Audit Committee oversees corporate governance disclosures on behalf of and for recommendation to the Board and ensures that the TUHF Urban Finance Annual Financial Statements, as well as any other relevant information to stakeholders, are published on the Company's website, and through other media, as is appropriate.

APPLICATION OF PRINCIPLE 6 - GOVERNING STRUCTURES AND DELEGATION

The Board has adopted the MOI, the Board Charter, and other supporting transaction documents that define governance responsibilities, roles, membership requirements, and procedures for the conducting of Board matters.



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The Board should serve as the focal point and custodian of Corporate Governance in the company.

Through its Audit Committee, the Board oversees the implementation of relevant governance practices.

During the year, the Board met four times and is satisfied that it fulfilled its primary role and responsibilities in relation to corporate governance in accordance with its mandate.

The Board leads by embedding sound corporate governance values in managing its responsibilities, and in its relationship with management and other stakeholders.

APPLICATION OF PRINCIPLE 7 - COMPOSITION OF THE BOARD

The board should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.

The Board conforms to the MOI which guides the composition of the Board, specific requirements insofar as they relate to the election of members to the Board, and the measure of independence required to discharge governance roles and responsibilities objectively and effectively.

The majority of Board members are non-executive directors, the majority of whom are independent.

The categorisation of the independent directors as independent is done by applying the Companies Act and the King IV independence indicators and recommended practices.

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity, and independence.

APPLICATION OF PRINCIPLE 8 - COMMITTEES OF THE BOARD

The board 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 MOI requires the Board to delegate specific responsibilities to Board committees without abdicating from its responsibilities.

The Board is aware that committees play an important role in enhancing high standards of governance and achieving corporate governance throughout TUHF Urban Finance.

Current committees of the Board include the Audit Committee and the Social and Ethics Committee comprised solely of independent non-executive directors.

The Audit Committee is free to enlist independent professional advice and it has drawn up formal terms of reference for this committee.

The report of the Audit Committee is contained in the Annual Financial Statements of the Company.

APPLICATION OF PRINCIPLE 9 – EVALUATIONS OF THE PERFORMANCE OF THE BOARD

The board should ensure that the evaluation of its own performance and that of its committees, its chair, and its members support continued improvement in its performance and effectiveness.

The Board has assumed the responsibility for the evaluation of its own performance and that of its committees, chairperson, and individual members.

During the year, the Board conducted an evaluation that was concluded in May 2021. The next Board evaluation will be conducted in 2023.



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APPLICATION OF PRINCIPLE 10 - APPOINTMENT AND DELEGATION TO MANAGEMENT The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	<p>Given that the Company does not employ any personnel, there is no delegation to management. The Administrator Company performs specific functions as determined in the Transaction Documents of the Company.</p> <p>A back-up Servicer has been contracted in the Transaction Documents to specifically cater for the appointment of the back-up Servicer in the event that the Servicer is liquidated, placed under business rescue, or ceases to carry on its principal operations. The company is an insolvency remote entity operating in accordance with the requirements of the Commercial Paper Regulations and the Transaction Documents, with no employees and no administrative infrastructure of its own.</p>
APPLICATION OF PRINCIPLE 11 - RISK GOVERNANCE The board should govern risk in a way that supports the Company in setting and achieving its strategic objectives.	<p>The Board has delegated the risk management and governance functions to the Administrator Company. This is reviewed from time to time by the internal and external auditors.</p>
APPLICATION OF PRINCIPLE 12 - TECHNOLOGY AND INFORMATION GOVERNANCE The board should govern IT in a way that supports the Company setting and achieving its strategic objectives.	<p>Information and technology management and governance capacity and awareness are supported by the Board and delegated to the Administrator Company, and this is also reviewed, from time to time, by the internal and external auditors</p>
APPLICATION OF PRINCIPLE 13 - COMPLIANCE GOVERNANCE The board should govern compliance with applicable laws and adopted non-binding rules, and standards in a way that supports the Company being ethical and a good corporate citizen	<p>The Board has ultimate responsibility and accountability for the management and governance of compliance. The Board monitors the Company's compliance with statutory requirements, accounting standards, and Board-imposed regulations.</p> <p>The function has been delegated to the Administrator Company which ensures compliance management is effective, and reporting is comprehensive.</p>
APPLICATION OF PRINCIPLE 14 - REMUNERATION GOVERNANCE The board should ensure 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>The Company does not employ any personnel and is administered by the Administrator Company.</p> <p>The requirements of Principle 14 are therefore not applicable.</p>
APPLICATION OF PRINCIPLE 15 – ASSURANCE The board 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 Company's external reports	<p>The Board, with the support of the Audit Committee, ensures effective assurance services and functions for an adequate and effective control environment and safeguards the integrity of internal and external reports.</p> <p>This is implemented by reviewing the Administrator's internal audit plan and the Board engages, where necessary, directly with both internal and external auditors.</p> <p>It satisfies itself that the quality and integrity of the combined assurance model is effective and sufficiently robust for the Board to be able to place reliance on the</p>



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combined assurance underlying the statements that the Board makes concerning the integrity of its external reports.

APPLICATION OF PRINCIPLE 16 - STAKEHOLDERS

In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the Company over time.

The Board recognises its stakeholders, and continuously and purposefully interacting with them is critical to the sustainability of the Company.

The Board appreciates and understands that it needs to create value for its shareholders whilst being responsive to the needs and interests of the Company's material stakeholders which include, among others:

- Service providers; and
- Investors.

**Principle 17
Responsibility of Institutional investors**

This Principle applies to the Board of Institutional Investors and does not apply to the Company.