

Compliance with King IV

Transsec 5 (RF) Ltd (the “Company”) is, as far as practically possible given the special purpose nature thereof, fully committed to the principles of the Code of Governance Principles set out in the King IV Report (the code). The code advocates an outcome-based approach and defines corporate governance as the exercise of ethical and effective leadership towards achieving the following 4 governance outcomes:

- Ethical leadership;
- Effective control;
- Good performance; and
- Legitimacy

In supporting the code, the directors recognise the need to conduct the affairs of the Company with integrity and accountability.

The Company is a special purpose vehicle and forms part of the SA Taxi Holdings Proprietary Limited group of companies (SA Taxi Holdings Proprietary Limited is hereafter referred to as the “holding Company”). SA Taxi Holdings Proprietary Limited is a subsidiary of Transaction Capital Limited. The Company has no employees and its management is outsourced to SA Taxi Development Finance (Pty) Ltd and TaxiMart (Pty) Ltd which form part of the SA Taxi Holdings Proprietary Limited group of companies. The social and ethics function is carried out by the holding Company, as provided for in section 94(2) and regulation 43(2) of the Companies Act 71 of 2008.

In the context of the above, the directors of the Company are of the opinion that the Company has complied with the principles of King IV for the year under review.

The Company has chosen to disclose the application of the King IV principles, as set out below.

<p>Principle 1: Ethical leadership</p>	<p>The governing body should lead ethically and effectively.</p>	<p>The board of the Company maintains a high level of individual and collective responsibility, accountability, fairness and transparency, which together drive a culture of risk awareness, ethical behaviour and value creation.</p> <p>The Transaction Capital group’s values provide the foundation for effective and ethical leadership, and are the basis for all deliberations, decisions and actions at board level and within every area of the business.</p> <p>Conflicts of interest are managed by the directors disclosing any potential conflicts at the opening of each Board meeting and should there be potential conflicts of interest, directors are prohibited from voting on the matter to be considered.</p>
<p>Principle 2: Organisational ethics</p>	<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 Company is a special purpose vehicle with no employees and all functions are outsourced to its holding Company, except for the external audit function. The services performed by its holding Company are conducted in accordance with Transaction Capital’s ethics charter, as</p>

		<p>governed by their audit, risk and compliance (ARC) committee.</p> <p>Transaction Capital's ethics charter outlines the group's core values of integrity, respect, excellence and innovation. In addition, it describes Transaction Capital's guiding business principles that direct all business dealings within the group, by employees and with other stakeholders. As an ethical roadmap for the group, the ethics charter requires all group operations to conduct business with honesty and integrity, and in accordance with the highest legal and ethical standards.</p>
Principle 3: Responsible corporate citizenship	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<p>The board sets the direction for good corporate citizenship, including compliance with the Constitution, laws, standards and own policies and procedures, as well as congruence with the Company's purpose, strategy and conduct.</p> <p>The functions performed by the Company are also governed by Transaction Capital's social and ethics committee.</p>
Principle 4: Strategy and performance	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>The Company is a special purpose vehicle. The strategy, direction and functions of the Company are prescribed by the programme memorandum, programme agreement, agency agreement and any other ancillary agreements. Any changes to these agreements are approved by the board.</p> <p>The board is vigilant regarding the Company's general viability, reliance and effect on its capitals, solvency and liquidity and its going concern status.</p>
Principle 5: Reporting	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>Based on the recommendation of the Company's audit committee, the board of the Company approves the annual financial statements and any other reports published by the Company, where required.</p> <p>The board oversees publication and access by stakeholders of the King Code disclosure requirements, annual reports, financial statements and other external reports on the holding Company's website or other appropriate platform/media.</p>
Principle 6:	The governing body should serve as the focal point and custodian of	The directors operate in accordance with a detailed charter that specifically deals with the

<p>Primary role and responsibilities of the governing body</p>	<p>corporate governance in the organisation.</p>	<p>roles, responsibilities and accountabilities of the directors. It meets at least three (3) times a year. Through its meetings and interaction with management the directors ensure that applicable principles are implemented and a high level of compliance maintained.</p>
<p>Principle 7: Composition of the governing body</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>The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power, such that no one individual or group can dominate board processes or have unfettered powers of decision-making.</p> <p>The board of directors consists of three (3) Non-Executive Directors. All of the Non-Executive Directors are independent. The Chair is responsible for setting the Board agenda, ensuring that there is sufficient time available for discussion of all items, that information received is accurate, timely and clear to enable directors to perform their duties effectively.</p> <p>The board membership and composition are assessed holistically on a bi-annual basis.</p>
<p>Principle 8: Committees of the governing body</p>	<p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p>	<p>The Company does not have any employees and all its functions have been outsourced to its holding Company, sub-committees therefore exist at a holding Company level. A delegation of authority is in place for board sub-committees of the holding Company. Board sub-committees have terms of reference, which are reviewed periodically. The governance function of the board sub-committees is outlined in the respective approved committee terms of reference.</p> <p>The Board has delegated certain responsibilities, but without abdicating responsibility, to the Audit Committee which has approved terms of reference and conducts formal meetings as required. The terms of reference are reviewed annually and approved by the Board.</p> <p>The Audit Committee has three (3) members who are independent, non-executive directors of the Board. The chairman is an independent non-executive director. The Committee held two</p>

		meetings during the year and all the members attended the meetings. The Committee met with the external auditors without management, and vice versa, being present to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.
Principle 9: Evaluations of the performance of the governing body	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.	A formal performance evaluation of the Company board and audit committee will be conducted every two years.
Principle 10: Appointment and delegation to management	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>As the day-to-day affairs of the Company are outsourced to the holding Company, there is no CEO.</p> <p>The board reserves certain powers and matters to itself and sets those powers and matters to be delegated to the holding Company.</p> <p>The board oversees that the outsourced functions are led by competent and appropriately authorised individuals and are adequately resourced.</p>
Principle 11: Risk	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	<p>The board sets the approach for risk governance, including opportunities and risks when developing strategy and the potential positive and negative effects of the same risk on the achievement of objectives.</p> <p>The board treats risk as an integral part of decision making and adherence to duties and agrees the risks it is prepared to take (i.e. risk appetite and risk tolerance levels).</p> <p>The board delegates oversight of risk management to the Audit Committee and implementation to the holding Company, which reports back to the board on its activities.</p> <p>The board, with the assistance from the Audit Committee, oversees financial risk management.</p> <p>The board receives periodic, independent assurance on the effectiveness of risk management.</p>

<p>Principle 12: Technology and information</p>	<p>The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The Company is a special purpose vehicle. The Company does not have employees and all its functions (including technology and information related activities) have been outsourced to the holding Company. The governance regarding technology and information is therefore performed by the holding Company and is delegated to the technology and information committee.</p> <p>The internal audit function within the holding Company also addresses technology and information related priorities in their annual audit plan.</p>
<p>Principle 13: Compliance</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>The board receives legislative and compliance updates from time to time and is responsible for ensuring that the Company complies with applicable laws, considers adhering to non-binding rules, codes and standards.</p> <p>The holding Company compliance officer monitors compliance with applicable laws and also considers non-binding codes, rules and standards, assesses the impact and recommends a suitable course of action to the board. The board take responsibility for deciding whether to follow the recommendations of the compliance officer.</p> <p>The Company received no fines or penalties for noncompliance during 2019/20 financial year.</p>
<p>Principle 14: Remuneration</p>	<p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.</p>	<p>The Company has no employees and does not remunerate its directors individually. Directors fees are, however, paid to TMF Corporate Services (South Africa) Proprietary Limited for the fiduciary services rendered.</p>
<p>Principle 15: Assurance</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 Company is a special purpose vehicle. The Company does not have employees and all its functions have been outsourced the holding Company. The services performed by the holding Company are governed by Transaction Capital Limited's ARC committee.</p>
<p>Principle 16: Stakeholders</p>	<p>In the execution of its governance role and responsibilities, the</p>	<p>The Company is a special purpose vehicle. The Company does not have employees and all its</p>

	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.	functions have been outsourced to the holding Company. Stakeholder engagement is therefore the responsibility of the holding Company. Stakeholder engagement (along with other social and ethical related matters) is reported on at the holding Company's board meetings.
Principle 17: Institutional investors	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	The Company is not an institutional investor and hence this principle is not applicable.