

## BAYPORT SECURITISATION (RF) LIMITED KING IV APPLICATION REGISTER

### INTRODUCTION

Bayport Securitisation (RF) Limited (“BaySec” or the “Issuer”) is an insolvency remote entity operating in accordance with the requirements of the Securitisation Regulations and its Transaction Documents. It has no employees and no administrative infrastructure of its own. BaySec’s board of directors is responsible and accountable for its financial risk management and governance. The day-to-day management of the Issuer is the responsibility of Bayport Financial Services 2010 (Pty) Limited (“BFS” or “the Manager”) through the authority granted to it by the BaySec board in terms of a Management Agreement. Accordingly, the Manager fulfils many of the requirements detailed in this King IV application register whilst the Issuer oversees these deliverables.

Principle	Application
<b>Governance outcome: Ethical culture</b>	
1) <b><i>Ethical leadership</i></b> <i>The governing body should lead ethically and effectively.</i>	<p>The board acts in good faith and in the best interests of the Issuer. The board actively cultivates and exhibits collectively and individually, characteristics of integrity, competence, responsibility, accountability, fairness and transparency.</p> <p>The leadership results in the achievement of strategy and outcomes over time.</p> <p>Board members ensure that they have sufficient working knowledge of the Issuer, its industry, laws, rules, codes and standards applicable to the Issuer.</p> <p>The board assumes, under guidance of the Transaction Documents, collective responsibility for steering and setting the direction of the Issuer, overseeing and monitoring the implementation and execution of its mandate, whilst retaining accountability.</p> <p>The board adopts a stakeholder-inclusive approach in the execution of its governance role and responsibilities.</p> <p>Board members are transparent in the manner in which they exercise their governance role and responsibilities.</p>

Principle	Application
<p>2) <b>Organisation values, ethics and culture</b>  The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Issuer confirms that the Manger has a Code of Ethics to which the Manager’s management team and employees are required to adhere. The Code of Ethics promotes and enforces ethical business practices.</p> <p>The board provides effective and responsible leadership based on an ethical foundation by directing strategy through the Manager in support of a sustainable business. The board delegates to the Manager to take account of the short and long-term impacts of its business activities on society, the environment and material stakeholders. The Issuer exercises oversight of the management of ethics with assistance from the social and ethics committee.</p> <p>The board and its committees assume responsibility for ensuring the ethical behaviour of the Issuer, compliance with laws, regulations and the Issuer’s policies.</p> <p>The social and ethics committee is tasked by the board with the oversight of the Issuer’s ethical practices and reports back to the board on its activities.</p> <p>The Manager has appointed an external service provider, providing group wide anonymous whistle blowing services and has a Whistleblowing policy. The Manager’s employees are trained in this regard. Findings emanating from whistle blowing feedback are dealt with by the appropriate forum.</p>
<p>3) <b>Responsible corporate citizenship</b>  The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<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 Issuer’s purpose, strategy and conduct. The social and ethics committee of the Issuer receives reports from the Manager detailing the Manager’s corporate citizenship initiatives.</p> <p>The Issuer has established its own Social and Ethics committee with approved Terms of Reference. The Manager has developed and implemented a plan that complies with its statutory obligations.</p>

Principle	Application
<b>Governance outcome: Performance and value creation</b>	
<p>4) <b><i>Strategy, implementation and performance</i></b>  The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>The board recognises that strategy, risk, performance and sustainability are inextricably linked.</p> <p>The board oversees the Issuer's and the Manager's alignment of the strategic objectives, vision and mission with performance and sustainability considerations. The Manager implements policies and operational plans to give effect to the approved strategy.</p> <p>The board oversees and continually assesses and responsibly responds to any negative consequences of its activities and outputs on the triple context in which it operates and the capitals which it uses and affects.</p> <p>The board is cognisant of its reliance and effects on the six capitals, its solvency and liquidity and its status as a going concern, the implementation of which is outsourced to the Manager.</p>
<p>5) <b><i>Reports and disclosure</i></b>  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>While the Issuer does not prepare integrated reports, the board and the audit committee ensure the integrity of all its formal financial reporting. Sustainability matters are outsourced to the Manager.</p> <p>The board sets the direction, approach and conduct for the Issuer's reporting.</p> <p>The board approves the reporting frameworks to be used.</p> <p>The board oversees that the various reports are compliant with legal reporting requirements and that they meet the reasonable and legitimate needs of material stakeholders.</p> <p>The board, with the assistance of the audit committee, ensures the integrity of external reports.</p> <p>The board oversees publication and access by stakeholders to corporate governance disclosures required in terms of King IV, financial statements and other external reports through publication on BFS's website and other appropriate platforms.</p>

Principle	Application
<b>Governance outcome: Adequate and effective control – governing structures and delegation</b>	
<p>6) <b><i>Role of the governing body</i></b>  The governing body should serve as the focal point and custodian of the corporate governance in the organisation.</p>	<p>The board exercises its leadership role through the exercise of its statutory and fiduciary duties towards the Issuer. The board also exercises care, skill and diligence in the management of the Issuer’s affairs.</p> <p>Directors are encouraged to procure independent advice where necessary, at the Issuer’s cost, for the proper execution of their duties and responsibilities.</p> <p>The role, responsibilities and procedural conduct of the board are documented in the company’s MOI and the Companies Act.</p> <p>The governing body is satisfied that it has fulfilled its responsibilities in accordance with the MOI and the Companies Act.</p>
<p>7) <b><i>Composition of the governing body</i></b>  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><b><i>Composition of the governing body</i></b>  The board directs and approves the process for appointing directors. In reaching a decision, the board considers an appropriate size for itself, with reference to the optimal mix of knowledge, skills, experience, diversity, independence (i.e. non-executive and independent non-executive directors), sufficiency in numbers for its committees, quorum and regulatory requirements.</p> <p>All board members are non-executive directors, most of whom are independent.</p> <p>The board maintains a register of nominated officers to act on its behalf, and formally delegates authority to the chief executive officer of the Manager, as and when required.</p> <p>The board is cognisant of the need to promote diversity in its membership inclusive of age, culture, race, gender and fields of expertise.</p> <p><b><i>Nomination, Election and Appointment of directors to the board</i></b>  The board considers refreshing the composition of the board periodically to ensure its effectiveness.</p> <p>Directors obtain ongoing professional development as appropriate.</p>

Principle	Application
	<p><b><i>Independence and conflicts</i></b>  Directors disclose their personal financial interests in terms of Section 75 of the Companies Act at every board meeting.</p> <p>Directors are categorised as non-executive directors or independent non-executive directors, if when judged by a reasonable and informed third-party they would conclude that there are no factors which could cause undue influence or biased decision-making.</p> <p>The Issuer confirms that no directors have served on the board in excess of nine years.</p> <p><b><i>Chairman of the board</i></b>  The board elects an independent non-executive director as Chairman.</p> <p>The Chairman of the board may not be appointed as the Chairman of the Audit Committee or Chairman of the Social and Ethics Committee.</p> <p>The board will ensure succession planning for the Chairman.</p>
<p>8) <b><i>Committees of the governing body</i></b>  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>The board delegates certain functions to the Audit Committee and the Social and Ethics committee.</p> <p>Formal Terms of Reference for the board committees have been approved by the board and are reviewed by the committees annually.</p> <p>The composition, roles and responsibilities of the committees are complimentary, not fragmented or duplicated and there is no undue reliance or dominance by any individual member.</p> <p>Each committee has a minimum of three members and sufficient capability and capacity to function effectively.</p> <p>Any director may attend any committee meeting as an observer.</p>

Principle	Application
	<p>The board applies its mind to the information and results provided to it by its committees as it is cognisant that delegation to a committee does not discharge the board of its accountability.</p> <p><b>Remuneration</b> The Issuer does not have any employees or executive directors. The non-executive directors' fees are expensed as they are paid to a juristic person. Accordingly, there is no function for a remuneration committee.</p> <p><b>Audit Committee</b> The Audit Committee provides independent oversight of the assurance functions and on the integrity of the annual financial statements and other external reports.</p> <p>The board, with the assistance of the Audit Committee, approves the annual financial statements and risks relating to combined assurance, financial reporting, fraud and IT risks as well as internal financial controls. Other risks are delegated to the Manager's structures.</p> <p>The board is comfortable that the Audit Committee members have the necessary financial literacy, skills and experience, and that all members are independent non-executive directors of the board.</p> <p>The Chairman of the Audit Committee is an independent non-executive Chairman.</p> <p>The Audit Committee meets annually with the external auditors without management.</p> <p>The Audit Committee assesses the independence of the external auditor, significant annual financial statement matters and how these are addressed, views on the quality of the external audit, effectiveness of the chief audit executive and internal audit; effectiveness of the design and implementation of internal financial controls and on combined assurance and the effectiveness thereof.</p> <p><b>Social and ethics committee</b> The Issuer has established a Social and Ethics Committee which oversees and reports on organisational ethics and corporate citizenship. As this is a securitised vehicle, not all statutory responsibilities as set out in Regulation 43 to the Companies Act are applicable.</p>

Principle	Application
	The Social and Ethics Committee comprises directors only, with a majority being non-executive directors of the board.
<p>9) <b>Performance evaluations</b> The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.</p>	The board plans to implement an annual board evaluation process
<p>10) <b>Delegation to management</b> 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>Due to the securitised status of the Issuer, there is no CEO. Accordingly, there is no CEO succession planning.</p> <p>The Issuer’s affairs are managed by the Manager in terms of the Management Agreement, however, the board reserves certain powers and matters to itself and sets those powers and matters to be delegated to the Manager.</p> <p><b>Professional corporate governance services to the governing body</b> The board has access to professional and independent guidance on legal and corporate governance matters and for its functioning and that of its committees.</p> <p>The board has appointed an admitted attorney as company secretary, who has the required skills and expertise to guide the board on matters of governance. The company secretary is assisted by an experienced committee secretary.</p>

Principle	Application
<b>Governance outcome: Adequate and effective control – governance functional areas</b>	
<p>11) <b><i>Risk and opportunity governance</i></b>  The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>Due to the securitised status of the Issuer, the Issuer’s risk responsibility is limited to financial risk management. However, the Issuer fulfils its risk and opportunity responsibilities through its relationship with the Manager, which implements and executes effective risk management and reports back to the board on its activities</p> <p>The Audit Committee satisfies itself that the following risks have been appropriately addressed:</p> <ul style="list-style-type: none"> <li>• Financial reporting risks;</li> <li>• Internal financial controls;</li> <li>• Fraud risks relating to financial reporting</li> <li>• IT risks relating to financial reporting</li> </ul> <p>The Audit Committee oversees financial risk management, (including assessment of risks and opportunities in relation to the triple context and the use of the six capitals, achievement of objectives, dependency on resources as well as the risk responses, business continuity and culture of the Issuer).</p> <p>The Audit Committee oversees the assurance activities to ensure that they are carried out in a coordinated manner.</p>
<p>12) <b><i>Technology and information governance</i></b>  The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>The board is cognisant of the importance, relevance and inherent risks in technology and information governance. However, due to the securitised status of the Issuer, this function is implemented by the Manager.</p> <p>The Audit Committee satisfies itself that technology and information governance risk are appropriately addressed.</p> <p>The Audit Committee oversees the results of the Manager’s implementation (including integration, business resilience, monitoring for responsiveness to cyber security and social media risks, third-party and outsourced service provider risks, value delivered from technology investments and projects, disposal of obsolete technology and information, ethical and responsible use and compliance with laws).</p>

Principle	Application
<p>13) <b>Compliance governance</b> The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.</p>	<p>The board has overall accountability for managing risks relating to compliance. A compliance report is tabled at every board meeting.</p> <p>The board and its Audit Committee consider extensive reports relating to the Issuer's regulatory and legal responsibilities. These reports are informed by the Manager's executive: legal and compliance function, internal audit, external audit, and external legal counsel.</p> <p>The board has delegated the responsibility to the Manager to approve and implement policy that directs compliance. The Manager oversees compliance management so that it is understood, relates holistically, is adhered to and is responsive to changes and developments following continuous monitoring of the regulatory environment.</p>
<p>14) <b>Remuneration governance</b> 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 short, medium and long term.</p>	<p>Due to the Issuer's securitised status, it has no employees and no administrative infrastructure. Accordingly, this principle is not applicable. Remuneration for directors is paid to a juristic person and is disclosed in the annual report as an expense.</p>
<p>15) <b>Assurance</b> 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><b>Combined Assurance</b> The board of the Issuer, with the assistance of the Audit Committee, is responsible for assurance by setting the direction concerning the arrangements for assurance services and functions.</p> <p>The board, with the assistance of the Audit Committee and the Manager, ensures that a combined assurance model is applied that covers the significant financial risks and material matters</p> <p>The Audit Committee, with the assistance of the Manager, assesses the output of the combined assurance and forms its own opinion on the integrity of the information and reports and effectiveness of the control environment.</p>

Principle	Application
	<p><b>Assurance of external reports</b></p> <p>The Audit Committee, with the assistance of the Manager, directs how assurance of external reports should be done, taking account of legal requirements as well as whether assurance is provided over the underlying data or the process of preparing and reporting or both, suitability of the assurance, specifications for evaluating the contents of the report.</p> <p>The Audit Committee, with the assistance of the Manager, satisfies itself as to the effectiveness of the combined assurance approach as a basis for making its statements on the integrity of external reports.</p> <p>The board discloses in external reports the type of assurance applied, including the nature, scope and extent of assurance on the report, and a statement on the integrity of the report and basis for the statement.</p> <p><b>Internal audit</b></p> <p>The board, with the assistance of the Audit Committee and the Manager, reviews the internal audit processes and reports received from the Manager.</p> <p>The board, with the assistance of the Audit Committee, ensures that internal audit makes an annual statement on the effectiveness of governance, risk management and controls.</p>
<p><b>Governance outcome: Trust, good reputation and legitimacy</b></p>	
<p>16) <b>Stakeholders</b>  In the execution of its governance roles 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><b>Stakeholders relationships</b></p> <p>The Issuer directs the stakeholder approach and approves policies to this effect.</p> <p>Stakeholder relationships are managed by the board and/or the Manager as the context requires.</p> <p>The board oversees the management of stakeholder relationships including the methodology for identification, material stakeholders, management of stakeholder risks, formal mechanisms for engagement and communication, and measurement of the quality of stakeholder engagement.</p> <p>The Issuer engages its stakeholders on multiple levels allowing the board and the Manager to manage issues dynamically, effectively and timeously and to mitigate the likelihood of reputational risk.</p>

Principle	Application
	<p>Interactions between the different stakeholders (including shareholder/s, regulators and funders) are managed by the board and/or the Manager as the context requires.</p> <p>The board, through constructive engagement, strives to achieve an appropriate balance between the interests of all stakeholders, ultimately ensuring the advancement of the best interests of the Issuer.</p> <p>The Issuer follows a stakeholder inclusive approach with the aim of stimulating appropriate dialogue with its stakeholders.</p> <p>The Issuer provides complete, timely, relevant, accurate, honest and accessible information to stakeholders.</p> <p><b>Shareholder relationships</b> All shareholders are treated equally, except where necessary to protect the interests of the shareholders of those classes of shares that have a priority ranking.</p> <p><b>Relationships within a group of companies</b> The Issuer is not part of an active group of companies.</p>
<p>17) <b>Responsibility of shareholders</b> 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.</p>	<p>This principle is not applicable.</p>