

SUPERDRIVE INVESTMENTS (RF) LIMITED (“the Company” or “Superdrive”)

KING IV APPLICATION REGISTER

The Company has been incorporated as a ring-fenced, bankruptcy remote, special purpose vehicle (“SPV”) to conduct a Securitisation Scheme as approved by the South African Reserve Bank. It has no staff and the Company’s management, administration and financial functions are outsourced to the Servicer and Administrator in terms of a Servicing Agreement and Administration Agreement respectively, and as provided for in terms of other Transaction Documents.

	Principle	Summary of Recommended Practices
		Governance outcome: Ethical culture
1)	<i>Ethical leadership</i> The governing body should lead ethically and effectively.	<ul style="list-style-type: none">▪ The board actively cultivates and exhibits collectively and individually, characteristics of integrity, competence, responsibility, accountability, fairness and transparency.▪ Board members offer leadership that results in the achievement of strategy and outcomes over time.
2)	<i>Organisation values, ethics and culture</i> The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	<ul style="list-style-type: none">▪ The board sets the direction for ethics in the Company.▪ The Social and Ethics Committee assists the board in fulfilling its statutory and ethical obligations.
3)	<i>Responsible corporate citizenship</i> The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<ul style="list-style-type: none">▪ 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.▪ The Social and Ethics Committee was established as of 1 January 2017. It has approved Terms of Reference and notes that it is a special purpose vehicle with a limited mandate and no employees.

		Governance outcome: Performance and value creation
4)	<p>Strategy, implementation and performance</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>	<ul style="list-style-type: none"> ▪ The board steers and sets the direction, purpose and strategy of the Company. ▪ The board, with the assistance of its committees, sets objectives, reviews key risks and evaluates performance against the background of economic environmental and social issues relevant to the Company. ▪ The board oversees that there is an ongoing assessment and response to any negative consequences for the economy, society and environment by the Company using its six capitals. ▪ The board is vigilant regarding the Company's general viability, reliance and effect on its capitals, solvency and liquidity and its going concern status.
5)	<p>Reports and disclosure</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>	<ul style="list-style-type: none"> ▪ The board sets the direction, approach and conduct for the Company's reporting. ▪ The board, with the assistance of the Audit Committee, approves the reporting frameworks to be used. ▪ The board, with the assistance of the Audit Committee, oversees that the various reports are compliant with legal reporting requirements and meets the reasonable and legitimate needs of material stakeholders. ▪ The board oversees publication and access by stakeholders of the King Code disclosure requirements, annual reports, financial statements and other external reports on the BMW website or other appropriate platform/media.
		Governance outcome: Adequate and effective control – governing structures and delegation
6)	<p>Role of the governing body</p> <p>The governing body should serve as the focal point and custodian of the corporate governance in the organisation.</p>	<ul style="list-style-type: none"> ▪ The board exercises its leadership role and has a Board Charter. The Social and Ethics Committee has Terms of Reference which include adherence to strong governance codes. ▪ The board is satisfied that it has fulfilled its responsibilities in accordance with the Memorandum of Incorporation and the Companies Act No 71 of 2008.

<p>7)</p>	<p>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><i>Composition of the governing body</i></p> <ul style="list-style-type: none"> ▪ The board considers an appropriate size for itself, with reference to the optimal mix of knowledge, skills, experience, diversity, independence (i.e. executive, nonexecutive and independent non-executive members), sufficiency in numbers for its committees, quorum requirements, regulatory requirements and diversity targets. ▪ The board comprises four directors, the majority are non-executive directors, most of whom are independent. ▪ Due to the securitisation status of the board, there is no CEO and no other executives on the board. <p><i>Nomination, Election and Appointment of members to the governing body</i></p> <ul style="list-style-type: none"> ▪ The board approves nominations and ensures that the process for nomination, election and appointment to the board and its committees is formal and transparent. ▪ The board considers the collective attributes and diversity needed, as well as whether the candidate is ‘fit and proper’ prior to potential director nomination. ▪ The board receives ongoing professional development as required. <p><i>Independence and conflicts</i></p> <ul style="list-style-type: none"> ▪ Directors table their declaration of all interests and related parties at every board meeting. ▪ The Chairman is an independent non-executive director. <p><i>Chairman of the governing body</i></p> <ul style="list-style-type: none"> ▪ The Chairman of the board is an independent non-executive director. There is no lead independent non-executive director. ▪ The Chairman of the board is not allowed to be the Chairman or a member of the Audit Committee, or Chairman of the Social and Ethics Committee.
<p>8)</p>	<p>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</p>	<p><i>General</i></p> <ul style="list-style-type: none"> • Each Committee has Terms of Reference which have been approved by the board. • The board ensures that the composition, roles and responsibilities of committees are complimentary and that there is no undue reliance or dominance by any individual member.

	<p>with balance of power and the effective discharge of its duties.</p>	<ul style="list-style-type: none"> • Each committee has a minimum of three members and sufficient capability and capacity to function effectively. • Any director may attend any committee meeting as an observer and representatives of the Servicer and Administrator may attend by standing or ad-hoc invitation, as approved by the Chairman of that Committee. • The board applies its mind to the information and results provided to it by its committees as delegation to a committee does not discharge the board of its accountability. <p><i>Audit Committee</i></p> <ul style="list-style-type: none"> • The board has established an Audit Committee that provides independent oversight of the assurance functions and on the integrity of the annual financial statements and other external reports. • The Audit Committee's functions are limited due to the management being outsourced. The Audit Committee exercises oversight in respect of financial reporting risks, internal financial controls, fraud as it relates to financial reporting and IT as it relates to financial reporting. All other risks are addressed through the Servicer and Administrator's structures and reported thereon to the Audit Committee. • The Audit Committee oversees risks that may affect the integrity of external reports. • Members of the Audit Committee have the necessary financial literacy, skills and experience, and all members are independent non-executive directors of the Company. • The Chairman of the Audit Committee is an independent non-executive chairman. • The Audit Committee meets annually with external auditors without management. <p><i>Committee responsible for nominations of members of the governing body</i></p> <ul style="list-style-type: none"> • Due to the small size of the board and the securitised status of the Company, the nominations and appointments process for new directors is addressed by the board. <p><i>Committee responsible for risk governance</i></p> <ul style="list-style-type: none"> • The Servicer and Administrator takes responsibility for oversight of risk governance through its structures other than financial risks which falls within the ambit of the Audit Committee.
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9)	<p><i>Performance evaluations</i></p> <p>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>	<ul style="list-style-type: none"> The board implemented a performance evaluation process for itself, its committees, its Chairman and individual directors and members of committees. These evaluations occur every two years.
10)	<p><i>Delegation to management</i></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><i>CEO appointment and role</i></p> <ul style="list-style-type: none"> As the day-to-day affairs of the Company are outsourced to the Servicer and Administrator, there is no CEO. <p><i>Delegation</i></p> <ul style="list-style-type: none"> The board reserves certain powers and matters to itself and sets those powers and matters to be delegated to the Servicer and Administrator. The board oversees that the outsourced Servicer and Administrator functions are led by a competent and appropriately authorised individual and are adequately resourced.

		<p><i>Professional corporate governance services to the governing body</i></p> <ul style="list-style-type: none"> ▪ The board ensures that it has access to professional and independent guidance on legal and corporate governance matters and for the functioning of it and its committees. ▪ The board approves the appointment of the Company Secretary, contract, remuneration and necessary qualities and ensures that this function has the requisite authority. ▪ The Company Secretary has access to and reports to the board via the Chairman for statutory and board matters and to an appropriate executive within the BMW group on other matters.
		Governance outcome: Adequate and effective control – governance functional areas
11)	<p><i>Risk and opportunity governance</i></p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<ul style="list-style-type: none"> ▪ 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. ▪ 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). ▪ The board delegates oversight of risk management to the Audit Committee and implementation to the Servicer and Administrator, which reports back to the board on its activities. ▪ The board, with the assistance from 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 Company). ▪ The board receives periodic, independent assurance on the effectiveness of risk management.
12)	<p><i>Technology and information governance</i></p> <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<ul style="list-style-type: none"> ▪ The board, with the assistance of the Audit Committee, sets the approach and approves the policy for technology and information governance (including the adoption of appropriate frameworks and standards) insofar as it impacts financial reporting. ▪ The board delegates to the Servicer and Administrator effective technology and information implementation. ▪ The board, through the Audit Committee, oversees the results of the Servicer and Administrator's implementation of technology and information insofar as it relates to financial reporting.

		<ul style="list-style-type: none"> ▪ The board, through the Audit Committee, receives periodic, independent assurance on the effectiveness of the technology and information, including outsourcing insofar as it impacts financial reporting.
13)	<p>Compliance governance</p> <p>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>	<ul style="list-style-type: none"> ▪ The board directs the governance of compliance to laws, adopted non-binding rules, codes and standards. ▪ The Servicer and Administrator, through its governance structures, approves a policy that directs compliance. ▪ The board delegates to the Servicer and Administrator, the responsibility for implementing compliance management. ▪ The board, with the assistance of the Audit Committee, oversees compliance management so that it is understood, relates holistically and is responsive to changes and developments following continuous monitoring of the regulatory environment.
14)	<p>Remuneration governance</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 short, medium and long term.</p>	<p><i>Remuneration policy</i></p> <ul style="list-style-type: none"> ▪ As the board has no employees and directors' remuneration is expensed, there is no need for a remuneration policy or remuneration report.
15)	<p>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><i>Combined assurance</i></p> <ul style="list-style-type: none"> ▪ The board directs assurance services and functions and delegates to the Audit Committee and the Servicer and Administrator's governance structures, oversight to ensure an effective internal control environment, integrity of information for management decision making and external reporting. ▪ The board ensures that a combined assurance model is applied that covers the significant risks and material matters through a combination of the Servicer and Administrator's functions, risk and compliance functions, internal auditors, other assurance providers and regulatory inspectors.

		<ul style="list-style-type: none"> ▪ The board, with its committees, assesses the output of the combined assurance and forms their own opinion on the integrity of information and reports and effectiveness of the control environment. <p><i>Assurance of external reports</i></p> <ul style="list-style-type: none"> ▪ The board 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 and specifications for evaluating the contents of the report. ▪ The board, with the assistance of the Audit Committee, 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><i>Internal audit</i></p> <ul style="list-style-type: none"> ▪ The Servicer and Administrator’s governance structures directs the internal audit and delegates oversight to the Issuer’s Audit Committee. ▪ The Servicer and Administrator’s structures monitor that internal audit follows a risk-based plan, reviews the risk profile regularly and adapts the plan accordingly. ▪ The Servicer and Administrator’s structures ensure that the internal audit makes an annual statement on the effectiveness of the governance, risk management and controls.
		<p>Governance outcome: Trust, good reputation and legitimacy</p>
16)	<p>Stakeholders</p> <p>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><i>Stakeholders relationships</i></p> <ul style="list-style-type: none"> ▪ The board directs the stakeholder approach and approves policies to this effect. ▪ The board manages key stakeholder relationships in consultation with the Servicer and Administrator. ▪ The board oversees the management of stakeholder relationships including the methodology for identification of material stakeholders, management of stakeholder risk, formal mechanisms for engagement and communication, and measurement of the quality of the stakeholder engagement.

		<p><i>Shareholder relationships</i></p> <ul style="list-style-type: none"> ▪ The Company has one shareholder and has proactive shareholder engagements. <p><i>Relationships within a group of companies</i></p> <ul style="list-style-type: none"> ▪ The Company is not part of an active group of companies.
17)	<p><i>Responsibility of shareholders</i></p> <p>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 to the Company.</p>

TMF Corporate Services (South Africa) (Pty) Ltd
22 April 2021