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KING CODE III COMPLIANCE STATEMENT

Infrastructure Finance Corporation Limited (“INCA” or the “Company”) supports the “Code of Corporate Practices and Conduct” as recommended by the “King III Report on Corporate Governance for South Africa 2009” (“King III”).

In this report, the application of King III within the Company, as required by the JSE Limited debt listings requirements, is recorded, as well as the reasons for not applying certain recommended principles. INCA remains committed to complying with King III as far as practically possible and appropriate for its size and stage of development.

The extent of INCA’s compliance with the 75 corporate governance principles as recommended in King III is reported on the register below:

NO	KING III PRINCIPLE	STATUS
CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.1	<i>The board of directors (“Board”) should provide effective leadership based on an ethical foundation.</i>	<i>Applied</i>
1.2	<i>The Board should ensure that the Company is a responsible corporate citizen.</i>	<i>Applied</i>
1.3	<i>The Board should ensure the effective management of the Company ethics.</i>	<i>Applied</i>
CHAPTER 2: BOARD AND DIRECTORS		
2.1	<i>The Board should act as the focal point for and custodian of, corporate governance.</i>	<i>Applied</i>
2.2	<i>The Board should appreciate that strategy, risk, performance and sustainability are inseparable.</i>	<i>Applied</i>
2.3	<i>The Board should provide effective leadership based on an ethical foundation.</i>	<i>Applied</i>
2.4	<i>The Board should ensure that the Company is a responsible corporate citizen.</i>	<i>Applied</i>
2.5	<i>The Board should ensure the effective management of the Company ethics.</i>	<i>Applied</i>
2.6	<i>The Board should ensure that the Company has an effective and independent audit committee.</i>	<i>Applied</i>
2.7	<i>The Board should be responsible for the governance of risk.</i>	<i>Applied</i>
2.8	<i>The Board should be responsible for information technology (“IT”) governance.</i>	<i>Applied</i>
2.9	<i>The Board should ensure that the Company complies with applicable laws and considers adherence to</i>	<i>Applied</i>



	<i>non-binding rules, codes and standards.</i>	
2.10	<i>The Board should ensure that there is an effective risk-based internal audit.</i>	<i>Note 1</i>
2.11	<i>The Board should appreciate that stakeholders' perceptions affect the Company's reputation.</i>	<i>Applied</i>
2.12	<i>The Board should ensure the integrity of the Company's integrated report.</i>	<i>Applied</i>
2.13	<i>The Board should report on the effectiveness of the Company's system of internal controls.</i>	<i>Applied</i>
2.14	<i>The Board and its directors should act in the best interests of the Company.</i>	<i>Applied</i>
2.15	<i>The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Companies Act, No. 71 of 2008, as amended (the "Act").</i>	<i>Applied</i>
2.16	<i>The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the Company should not also fulfill the role of chairman of the Board.</i>	<i>Applied</i>
2.17	<i>The Board should appoint the chief executive officer and establish a framework for the delegation of authority.</i>	<i>Applied</i>
2.18	<i>The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.</i>	<i>Note 2</i>
2.19	<i>Directors should be appointed through a formal process.</i>	<i>Applied</i>
2.20	<i>The induction of and ongoing training and development of directors should be conducted through formal processes.</i>	<i>Applied</i>
2.21	<i>The Board should be assisted by a competent, suitably qualified and experienced Company Secretary.</i>	<i>Applied</i>
2.22	<i>The evaluation of the Board, its committees and the individual directors should be performed every year.</i>	<i>Applied</i>
2.23	<i>The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.</i>	<i>Applied</i>
2.24	<i>A governance framework should be agreed between the group and its subsidiary boards.</i>	<i>Applied</i>
2.25	<i>Companies should remunerate directors and executives fairly and responsibly.</i>	<i>Applied</i>
2.26	<i>Companies should disclose the remuneration of each individual director and certain senior executives.</i>	<i>Applied</i>
2.27	<i>Shareholders should approve the Company's remuneration policy.</i>	<i>Applied</i>
	CHAPTER 3: AUDIT COMMITTEES	
3.1	<i>The Board should ensure that the Company has an effective and independent audit committee.</i>	<i>Applied</i>
3.2	<i>Audit committee members should be suitably skilled and experienced independent non-executive directors.</i>	<i>Applied</i>
3.3	<i>The audit committee should be chaired by an independent non-executive director.</i>	<i>Applied</i>
3.4	<i>The audit committee should oversee integrated reporting.</i>	<i>Applied</i>
3.5	<i>The audit committee should ensure that a combined assurance model is to provide a coordinated approach to all assurance activities.</i>	<i>Applied</i>
3.6	<i>The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function.</i>	<i>Applied</i>
3.7	<i>The audit committee should be responsible for overseeing of internal audit.</i>	<i>Note 1</i>
3.8	<i>The audit committee should be an integral component of the risk management process.</i>	<i>Applied</i>
3.9	<i>The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.</i>	<i>Applied</i>
3.10	<i>The audit committee should report to the Board and shareholders on how it has discharged its duties.</i>	<i>Applied</i>
	CHAPTER 4: THE GOVERNANCE OF RISK	
4.1	<i>The Board should be responsible for the governance of risk.</i>	<i>Applied</i>
4.2	<i>The Board should determine the levels of risk tolerance.</i>	<i>Applied</i>
4.3	<i>The risk committee or audit committee should assist the Board in carrying out its risk responsibilities.</i>	<i>Applied</i>
4.4	<i>The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.</i>	<i>Applied</i>
4.5	<i>The Board should ensure that risk assessments are performed on a continual basis.</i>	<i>Applied</i>
4.6	<i>The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.</i>	<i>Applied</i>
4.7	<i>The Board should ensure that management considers and implements appropriate risk responses.</i>	<i>Applied</i>
4.8	<i>The Board should ensure continual risk monitoring by management.</i>	<i>Applied</i>
4.9	<i>The Board should receive assurance regarding the effectiveness of the risk management process.</i>	<i>Applied</i>
4.10	<i>The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.</i>	<i>Applied</i>



CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY		
5.1	<i>The Board should be responsible for IT governance.</i>	<i>Applied</i>
5.2	<i>IT should be aligned with the performance and sustainability objectives of the Company.</i>	<i>Applied</i>
5.3	<i>The Board should delegate to management the responsibility for the implementation of an IT governance framework.</i>	<i>Applied</i>
5.4	<i>The Board should monitor and evaluate significant IT investments and expenditure.</i>	<i>Applied</i>
5.5	<i>IT should form an integral part of the Company's risk management.</i>	<i>Applied</i>
5.6	<i>The Board should ensure that information assets are managed effectively.</i>	<i>Applied</i>
5.7	<i>A risk committee and audit committee should assist the Board in carrying out its IT responsibilities.</i>	<i>Applied</i>
CHAPTER 6: COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS		
6.1	<i>The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.</i>	<i>Applied</i>
6.2	<i>The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.</i>	<i>Applied</i>
6.3	<i>Compliance risk should form an integral part of the Company's risk management process.</i>	<i>Applied</i>
6.4	<i>The Board should delegate to management the implementation of an effective compliance framework and processes.</i>	<i>Applied</i>
CHAPTER 7: INTERNAL AUDIT		
7.1	<i>The Board should ensure that there is an effective risk based internal audit.</i>	<i>Note 1</i>
7.2	<i>Internal audit should follow a risk based approach to its plan.</i>	<i>Note 1</i>
7.3	<i>Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.</i>	<i>Note 1</i>
7.4	<i>The audit committee should be responsible for overseeing internal audit.</i>	<i>Note 1</i>
7.5	<i>Internal audit should be strategically positioned to achieve its objectives.</i>	<i>Note 1</i>
CHAPTER 8 : GOVERNING STAKEHOLDER RELATIONSHIPS		
8.1	<i>The Board should appreciate that stakeholders' perceptions affect a company's reputation.</i>	<i>Applied</i>
8.2	<i>The Board should delegate to management to proactively deal with stakeholder relationships.</i>	<i>Applied</i>
8.3	<i>The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.</i>	<i>Applied</i>
8.4	<i>Companies should ensure the equitable treatment of shareholders.</i>	<i>Applied</i>
8.5	<i>Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.</i>	<i>Applied</i>
8.6	<i>The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.</i>	<i>Applied</i>
CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE		
9.1	<i>The Board should ensure the integrity of the Company's integrated report.</i>	<i>Applied</i>
9.2	<i>Sustainability reporting and disclosure should be integrated with the Company's financial reporting.</i>	<i>Note 3</i>
9.3	<i>Sustainability reporting and disclosure should be independently assured.</i>	<i>Note 3</i>

NOTES

- 1 There was no internal audit for the year under review. In mitigation, the Audit, Risk and Compliance committee reviews the external auditor's comment on the fair presentation of the financial statements, the application of accounting policies and the effectiveness of risk management processes, management information systems and other systems of internal control. The Audit, Risk



and Compliance committee makes recommendations to the Board, to address any weaknesses identified. These recommendations are reviewed and approved by the Board, who are responsible for maintaining an effective system of internal control, which provides reasonable assurance of effective and efficient operations and sound financial management.

- 2 Partially applied. The Board consisted of eleven directors as at the date of this register, all non-executive, of which three are independent.
- 3 No sustainability reporting and disclosure were included in the Company's financial reporting or annual report, due to the fact that the company is winding down and no new business is conducted.