ACCELERATE

# Remuneration Policy

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|---|---|
| **Policy custodian** | Remuneration Committee |
| **Key purpose of policy** | To set out the Company's philosophy and practices governing the organisation-wide remuneration of all employees. |
| **Reason for review** | Scheduled review |
| **Key changes** | None |

**Policy review and approval**

| **Date** | **Version** | **Reviewer** | **Approved** |
|---|---|---|---|
| 25 June 2021 | V1 | Remuneration Committee | Board |
| 21 June 2023 | VI (no changes) | Remuneration Committee | Board |
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# 1 Definition of Terms

For the purpose of this document, the table below provides a list of terms and the respective definitions applied.

| Term | Definition |
|---|---|
| Board | The Board of the Company, from time to time. |
| Committee | The Company's remuneration committee, from time to time. |
| Company | Accelerate Property Fund Limited or "Accelerate" or "Fund". |
| Consumer Price Index (CPI) | An index which measures changes in the price level of consumer goods and services purchased by households (The inflation rate). |
| CSP | Conditional Share Plan |
| Employee | A person employed by Accelerate in terms of a contract of employment. |
| External equity | The perceived fairness in pay relative to what other employers are paying for the same type of job in the external market. |
| Group | The Company and its subsidiary/ies from time to time, and the expression "member of the Group" shall be construed accordingly. |
| Internal equity | The perceived equity (or fairness/impartiality) of a remuneration system within a company. |
| LTI | Long-term incentive. |
| NED | Non-executive director |
| Policy | The Accelerate remuneration policy, as set out within this document, as amended from time to time. |
| Remuneration mix | The relationship between the fixed and the variable remuneration. |
| STI | Short-term incentive. |
| TGP | Total Guaranteed Package |
| Variable remuneration | Remuneration that is dependent on discretion, performance or some pre-determined and agreed results achieved. |

## 2 Scope and application

This Policy applies to all permanent Employees of the Company and governs the organisation-wide remuneration.

## 3 Remuneration philosophy, principles and objectives

The Company is listed on the JSE Limited, formed for the purpose of investing in direct real estate with the business objectives of income generation and capital growth. A key component of success in the industry lies in aligning the Company's business and people strategies. Accelerate recognises the importance of investing in its people and strives to ensure that the Company remains competitive in the market and retains and incentivises key people required to deliver its business strategy. The Company is managed by a professional and committed management team with:

- Extensive corporate, property and financial experience;
- Proven deal-making ability;
- The ability to successfully manage a strong, profitable and growing portfolio;
- A reputation in the industry for their ability to achieve the most out of property assets in order to maximise value; and
- Intricate knowledge of the property portfolio.

The reward philosophy consists of a set of beliefs which underpin the remuneration strategy of the Company; it governs reward policies and provides the foundation for the guiding principles which determine how reward processes operate. Accelerate is committed to transparent and understandable policies which emphasise superior individual and team performance and drive growth in distributions and share price which is sustainable over the long term, and aligned with the business strategy.

The objective of the Accelerate remuneration policy is to support an entrepreneurial spirit, through the attraction, motivation, retention and investment in a high standard of Employees who have the experience and ability to drive the performance of the Company. This spirit will further be promoted through the development of policies which support this culture. The commitment to high levels of performance is driven by the close alignment of Employee's remuneration with the objectives of the business strategy. The role of internal equity within the group is important as well as external competitiveness and best practice policies are followed to ensure the alignment between remuneration paid and shareholders' interest.

The following principles form the foundation of Accelerate's remuneration philosophy and policy, and represent the Company's remuneration approach, providing guidance for the basis upon which Employees are rewarded, namely:

- Remuneration policies should align closely and transparently with the agreed Company strategy and be reviewed regularly in light of changes in the business strategy;
- Remuneration structures will be designed to promote the growth phase of the business in the short and medium term but will also promote long term sustainability.
- Remuneration structures should be designed so as to not expose shareholders to unreasonable financial risk;
- The remuneration structures should encourage that employees act in the best interests of the Company in delivering the business strategy.
- Total rewards are set at levels that are competitive within the relevant market and will consist of TGP, STI and LTI;
- Remuneration policies should be considered in light of their affordability to the Company, with particular consideration paid to the aggregate impact of Employees' remuneration on the finances of the Company, its capital and investment needs, and distributions to shareholders;
- Remuneration policies should promote risk management and not encourage behaviour which is contrary to the Company's risk management strategy and which may drive excessively risky behaviour;
- Remuneration policies should be transparent and easy to understand and apply;
- Through the use of effective performance management in Accelerate aims to assist and support Employees in optimising their performance in their current roles and in supporting Employees' on-going development and growth.
- Remuneration policies should be equitable, striking a balance between internal and external equity;
- Guaranteed remuneration should be aligned to the job requirements and competence of each individual employee;

- Variable Remuneration should be strongly linked to performance and the deliverance of the business strategy and shareholders' interests, resulting in sustainable long-term benefits to the Company. Remuneration should be delivered in the form of a balanced pay-mix, which comprises the following components:
    - a basic cash salary; and
    - variable remuneration (STI and LTI).
- Compliance with all applicable laws and regulatory codes.
- In consultation and collaboration with the Social and Ethics committee, consideration of ESG and how Accelerate's remuneration structures can meet the changing ESG requirements

## 4 The Remuneration Committee and its role

The Board carries the ultimate responsibility for the governance of the Policy. The Committee was established by the Board as a subcommittee with delegated authority in accordance with the Committee Charter which is reviewed by the Board on an annual basis. The Committee sets the Company remuneration policy and the directors' remuneration. According to its terms of reference, the Committee's mandate includes the following elements as it relates to remuneration:

- Scrutinise all employee benefit arrangements including pensions, benefits in kind and other financial arrangements to ensure these are justified, correctly valued and suitably disclosed;
- Review the provisions of executive employment contracts;
- Ensure alignment of the remuneration and human resources strategies and policies with the group's business strategy, needs and the desired culture;
- Determine the group's general policy on executive directors and senior management remuneration to ensure fair and responsible remuneration practices;
- Review and measure annual incentives for the executive and senior management team against individual and corporate performance targets, both financial and sustainability related, which targets must be reviewed annually to remain appropriate;
- Consider all elements of the remuneration of the chief executive and executive directors;
- Regularly review incentive schemes to ensure their continued contribution to shareholder value, guarding against unjustified windfalls and inappropriate gains from the operation of share-based incentives;

- Determine any grants to executive directors, other senior Employees and directors and senior management made in terms of the company's LTI scheme.

## 5 Fair and responsible remuneration

Accelerate is committed to remunerating employees fairly and responsibly and the Committee gives due consideration to the principle of fair and responsible remuneration in line with best practice, bearing in mind the Group's strategic objectives.

In setting and administering its remuneration policy, the Company is also committed to observing its obligations in terms of the Employment Equity Act 55 of 1998 (as amended) ("the Employment Equity Act") and the Regulations in terms thereof, specifically the principle of Equal Pay for work of Equal Value.

When considering the principle of fair and responsible remuneration, the Committee will take into account the following realities:

- remuneration requirements for each skill level and employment type may differ insofar as the differentiation is fair and responsible;

- unified job structures are required within the Group in order to effectively determine the existence and reasons for differentiation in remuneration; and

- certain ethical and moral considerations stemming from a societal imbalance may weigh in on the necessity to adjust remuneration levels.

The Committee may make recommendations to and assist the Board in taking the following actions:

- investigating and assessing the internal pay disparities within the Group;
- examining the underlying reasons for pay disparities, if any; and
- conducting an assessment of pay conditions between employees at the same level / same job, in line with the principle of equal pay for work of equal value.

In striving to be a responsible corporate citizen, the Group continuously considers initiatives to nurture the principle of fair and responsible remuneration and improve the employment conditions of all employees within the Group. The Group reserves the right to adopt progressive measures to address identified pay disparities, as may be deemed necessary from time to time.

# 6 Remuneration overview and processes

## 6.1 Benchmarking and position in the market

The Company believes that its remuneration policy plays an essential, vital role in realising business strategy and therefore should be competitive in the markets in which the Group operates.

To ensure that the Company remains competitive in the markets in which it operates, all elements of remuneration are subject to regular reviews against relevant market and peer data. Reviews are performed to benchmark the Group's remuneration against an appropriate peer group of comparable companies. Benchmarking is undertaken by an external remuneration consultant and, to ensure that the Group is able to attract and retain executives (having evolved from a family-owned and operated business to a corporate entity operating in a difficult environment) and key talent in a competitive job market, remuneration will be positioned between the median to upper quartile of the market for executives to attract the skills needed by Accelerate. For other employees, remuneration is linked to market-related positioning and is assessed and adjusted as becomes necessary. This positioning may be amended from time to time, as required to align with the Group's strategies. Currently the Company utilises PwC for these purposes.

When determining an appropriate comparator group, JSE listed companies in the Real Estate sector, with executives operating at similar levels to those of the Company, were utilised.

The comparator group that has been selected is detailed below and will be reviewed from time to time.

| Comparator group | |
|---|---|
| **Arrowhead Prop. Ltd.** | Attacq Ltd. |
| **Dipula Income Fund** | Emira Property Fund Ltd. |
| **Equites Property Fund Ltd.** | Exemplar REITail Ltd. |
| **Heriot REIT Ltd.** | Hyprop Investments Ltd. |
| **Liberty Two Degrees Ltd.** | Rebosis Property Fund Ltd. |
| **S.A. Corporate Real Estate Ltd.** | StorAge Property REIT Ltd. |
| **Vukile Property Fund Ltd.** | |

### 6.2 New Appointments

The remuneration of new appointments should be positioned appropriately according to the relative size and complexity of the role by benchmarking against similar positions in the market.

### 6.3 Annual reviews

The annual review process assesses employee remuneration in relation to the market, as well as performance of the company, so that necessary adjustments can be made in line with the remuneration policy, where warranted. The annual review commences in March and any rate changes become effective on 1 July.

### 6.4 Annual increases

Accelerate considers numerous factors when determining an appropriate annual increase, including performance, the consumer price index (CPI), affordability, the company's financial position, market movements, the employee population's market position and the necessity to retain top talent.

The increases are conducted in accordance with the following guidelines:

- Cost of living adjustments, insofar as applicable, consider the current CPI and other factors such as external environment and market pressures;
- Market adjustment and/or parity increases seek to address internal inequalities within the company by awarding additional remuneration to Employees who perform well but are remunerated below market; and
- The desire to reward and retain top talent in an environment of scarce skills. The overall strategic aim of the retention of critical and scarce skills is to attract and retain staff in key roles in order to sustain the future success of the business. The risk of losing scarce and critical may necessitate that special remuneration treatment be applied. This could result in certain job positions having special policy statements and pay ranges that may differ from the general pay policy in order to attract and retain the scarce and critical skills.

## 7 Elements of Remuneration

Accelerate offers the following elements of remuneration

| | **Element** | **Overview** | **Participants** |
|---|---|---|---|
| Guaranteed remuneration | TGP | This includes base pay and all other benefits. | All employees of the Company. |
| Variable remuneration | 13th cheque and/or 14th cheque | As and when Accelerate performs, a discretionary bonus may be provided. | Employees who do not participate in the STI and LTI scheme |

| | | | |
|---|---|---|---|
| | STI | Bottom up additive based on the achievement of business and personal performance, set out in a balanced scorecard. | Senior employees of Accelerate including selected employees of property management companies who predominantly perform management services for Accelerate. |
| | 2018 CSP | • CSP, equity settled through the use of either treasury shares, issuing of shares or through the market purchase of shares.<br>• Awards of both Retention Shares and Performance Shares | Senior employees of Accelerate including selected employees of property management companies who predominantly perform management services for Accelerate. |
| | 2021 CSP | • CSP, equity settled through the use of only market purchase of shares by a third party.<br>• Awards of both Retention Shares and Performance Shares | Senior employees of Accelerate including selected employees of property management companies who predominantly perform management services for Accelerate. |

## 7.1 Guaranteed remuneration and benefits

Accelerate follows a TGP approach to structure remuneration for all Employees in which all benefits, both compulsory and additional benefits are convertible to cash. The Company currently does not offer any other benefits other than life cover to executive directors and the TGP is the total benefit to the individual, as well as the total cost to the organisation.

Guaranteed remuneration reflects the employee's role and job worth within Accelerate and is payable for doing the expected day-to-day job requirements and forms the basis of the Company's ability to attract and retain the required skills.

## 7.2 Variable Remuneration

Accelerate endeavours to ensure that there is a strong link between strategic objectives and remuneration policies and practices. Performance-related remuneration (variable remuneration) is designed to encourage and reward superior performance and to align the interests of Employees with those of shareholders as well as that of the company. To achieve this outcome, Accelerate has two plans to reward performance in the short- and long-term:

- The Short-Term Incentive plan, a bottom-up additive structure, the main purpose of which is the creation of a performance culture and the reward of Employees for achieving strong annual results against pre-determined targets; and

- The Long-Term Incentive Plan, a CSP the main purpose of is to attract, retain and reward eligible participants through the annual award of shares. It will provide selected employees, as identified in the LTI rules, with the opportunity to share in the success of the Company and to be incentivised to deliver the business strategy for Accelerate over the long-term. This will provide critical alignment between key Employees and shareholders.

### 7..2.1 Short-term incentive

#### 7..2.1.1 Purpose and principles of the STI

The Accelerate STI plan's main purpose is to align the interests of eligible Employees with those of shareholders in the short-term. The STI also serves to attract talent to key positions by means of appropriate and competitive remuneration.

The applicable principles, as set out more extensively in the Short-Term Incentive rules, are as follows:

- The annual STI is calculated on an 'additive' basis, which means that outcomes are calculated based on personal and business performance factors determined with reference to achievement against a balanced scorecard.

- The on-target percentage will be dependent on the employee's role/s and responsibilities within the Group. Allocation levels are expressed as a percentage of each employees' annual TGP, determined by the Committee from time to time, informed by prevailing market trends and set out in an annexure to the STI rules.

- As with an employee's STI earning potential, the weightings of the applicable business and personal performance factor conditions vary according job level Performance conditions for employees in higher job levels (with a higher level of line of sight and influence in the company), such as executives, are more heavily weighted towards company performance, rather than personal performance, whereas lower level employees have a greater weighting for personal performance and commensurately smaller weighting for business performance;

- Individual STIs are limited to a maximum of 1.25 times TGP;

- Performance conditions are reviewed annually to ensure that they remain relevant;

- For the purposes of risk management and to ensure the adequate liquidity of the company, a free cash flow condition is applied before any calculated STIs are paid out in a given year;

- Each performance measure has a vesting level assigned, ranging between 75% for threshold performance, up to 125% for stretch performance; and

- There are appropriate provisions in place to adjust STIs in the event of an employee's termination of employment, that is, forfeiture (in the case of resignation or dismissal) or pro-rating (in the case of a termination deemed to be 'no fault').

- Payment of STIs will take place no later than 30 (thirty) days after the Committee has confirmed that the free cash flow condition has been fulfilled, per the STI rules.

#### 7..2.1.2 On-target percentages

The following on-target percentages, aligned to market benchmarks, will be applicable in determining the STI quantum.

| Job Level | On-Target Percentage (as % of TGP) |
|---|---|
| CEO | 85% |
| COO | 85% |
| CFO/Treasury | 75% |
| Property Asset Management | 70% |
| CIO | 70% |
| All other employees who are invited to participate will be done on a case to case basis. | |

#### 7..2.1.3 Calculation of STI

The following formula is applied in calculation of an employee's STI:

***STI = (TGP x on-target %) x [(personal performance factor x weighting %) + (business performance factor x weighting %)]***

#### 7..2.1.4 Balanced scorecard

The STI will be calculated based on the achievement against company and personal performance determined with reference to a balanced scorecard based on both quantitative (financial, operational, strategic and risk) and qualitative performance conditions with the Business Performance Factor, Personal Performance Factor and underlying Performance Conditions carrying a weighting based on the job level of each employee. The performance conditions may be amended to align with Group strategy from time to time.

The performance conditions applicable for each year will be updated on an annual basis as provided for in Annexure A.

### 7..2.2 Long-term incentive

#### 7..2.2.1 Purpose and principles of the LTI

The CSP structure, as amended and approved by shareholders in 2018 will remain in place, until 1 April 2022, wherein all in flight LTI awards will have either vested or lapsed. From 1 April 2021, subject to Board approval, Accelerate plans to introduce a new CSP structure with the same key features of the 2018 CSP, with the following key changes being made:

- Awards will be settled through the market purchase of shares;
- Awards are subject to malus and clawback

A summary of the key features of the CSP are set out below, with the full details set out in a separate set of rules including the provisions applicable to termination of employment.

| | |
|---|---|
| **Structure** | Two types of awards may be made under the CSP<br>1. Retention Shares – only subject to continued employment (retention awards are used sparingly and on rare occasion, and predominantly to lower level employees); and<br>2. Performance Shares – subject to the achievement of the performance conditions and continued employment |
| **Instrument** | Participants receive a conditional right to Accelerate shares. Participants are not entitled to any shareholder rights (dividends or voting rights) prior to settlement. |
| **Purpose** | The purpose of the CSP is to deliver Accelerate shares in the company to Executives and Senior Management to align their interests with those of shareholders |

| | |
|---|---|
| | and other stakeholders with performance measures that are aligned to long-term shareholder value creation. |
| **Participants** | At the Committee's discretion, selected senior Employees of the Company and Accelerate Property Management Company (Pty) Ltd are eligible to participate. |
| **Allocation percentages** | The allocation percentages in determining the quantum of the LTI award are indicated in the table below<br>• CEO:95%<br>• COO: 95%<br>• CFO/Treasury: 85%<br>• Property Asset Management: 75%<br>• CIO: 75%<br>• All other employees who are invited to participate will be done on a case to case basis. |
| **Performance period and vesting** | 3 (three) years, aligned to the Company's financial year-end.<br><br>Each performance measure will have threshold, target and stretch measure attached, resulting in vesting on a sliding scale depending on the level of achievement, further details are disclosed below. |
| **Maximum value of award** | The maximum annual face value of the LTI is awarded based on market benchmarks obtained from independent experts and other factors the Committee considers relevant in terms of the remuneration policy. |
| **Plan limits** | The CSP will be settled only through a market purchase of shares and accordingly, there are no dilution concerns. |

7..2.2.2 Performance conditions and achievement

On an annual basis, the Committee will approve appropriate performance conditions and applicable targets as recommended by Accelerate's management team, for each future award, taking into account the business environment and strategy at the time of making the awards, shareholder feedback, leading market practice and where considered necessary, in consultation with shareholders. These details of the awards will be agreed with the participants in terms of their individual award letters.

The following performance conditions and performance target levels applicable for the relevant financial year are set out in Annexure B

## 8 Malus and Clawback

The Committee, in its discretion, may, in terms of the Company's Malus and Clawback Policy, apply malus and / or clawback mechanisms to STI and LTI awards where a trigger event, as provided for in the policy, has occurred. Malus is applied to reduce awards between the start of a performance period and payment (in the case of an STI) or settlement (in the case of an LTI), whereas clawback is applicable to recoup portions of awards for a period of up to 3 (three) years post-payment or post-settlement, respectively.

Trigger events are set out in the Company's Malus and Clawback Policy and include the following instances:

- the Participant misled any member of the Group and/or the market and/or the shareholders of any member of the Group in relation to the financial performance of any member of the Group;
- the Participant committed any act of fraud or dishonesty or was involved in the falsification or misrepresentation of the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees or to the boards or committees of the boards of any member of the Group or failed to disclose such falsification or misrepresentation when the Participant became aware of same;
- the management accounts, annual financial statements, regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees or to the board or its committees of any member of the Group or of or in respect of any company, business or undertaking in which the Participant worked or works or for which he/she was or is directly or indirectly responsible are found to have been incorrect or misleading and this is likely to result or has resulted in either the

relevant award being granted and/or Vesting over a greater number of Shares than would otherwise have been the case;

- the performance of any company, business or undertaking in which that Participant worked or works or for which he/she was or is directly or indirectly responsible is found by the Board and/or the RemCom to have been misstated or based upon any misrepresentation and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case;
- there is an error in the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees and/or the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the board or its committees of any member of the Group, and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case;
- the Participant acted in a way which damaged, or is likely to damage, the reputation of any member of the Group or the directors of any member of the Group, or has brought, or is likely to bring, any member of the Group or the directors of any member of the Group into disrepute in any way;
- the actions of the Participant amounted to gross misconduct and/or gross incompetence and/or poor performance and/or gross negligence;
- the Participant contributed to and/or was responsible for a failure in the risk management of any member of the Group;
- the Participant committed any other conduct or act of malfeasance which in the reasonable opinion of the Board and/or the RemCom would ordinarily justify the dismissal of the Participant for cause;
- any member of the Group in which that Participant worked or works or for which he/she was or is directly or indirectly responsible: (i) has been the subject of a regulatory investigation as a result of a breach and/or any non-compliance of any or all Applicable Laws; and/or (ii) has breached or not complied with any or all Applicable Laws which has or is likely to result in the Company or any member of the Group suffering loss, reputational damage or other prejudice;
- there is an error or misrepresentation that has an effect on the calculation of any award, the Vesting of any award and/or the Board and/or the RemCom's determination as to whether and to what extent the condition/s for Vesting of the award (as set out in the letter informing a Participant of the award awarded to him/her) have been fulfilled and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case;
- there is the discovery of an event that has led or could lead to the censure by a regulatory authority of any member of the Group in which that Participant worked or works or for which he/she was or is directly or indirectly responsible; and/or

- any other matter which, in the reasonable opinion of the Board and/or the RemCom, is required to be taken into account by any member of the Group to comply with prevailing legal and/or regulatory requirements.

## 9 Non-binding votes on Remuneration Policy and Implementation Report

The Committee is responsible for the annual approval of the Remuneration Policy and the Implementation Report. In line with the principles of King IV™, Accelerate's remuneration policy and implementation report as detailed in the Company's Remuneration Report will be tabled for separate non-binding advisory votes by shareholders annually at the Company's annual general meeting. In the event that either the Remuneration Policy and/or Implementation Report is voted against by 25% or more of the voting rights exercised, the following steps will be taken to facilitate resolution of the dissent:

- Embark on formal engagements with dissenting shareholders regarding their dissenting votes;
- Address legitimate and reasonable objections raised; and
- If required, amend the remuneration policy or clarify and / or adjust the remuneration governance, processes or disclosure.

## 10 Shareholder engagement

The Committee may engage with shareholders using a variety of methods, as may be best suited to the individual shareholder. Manners of engagement may include:

- Emails, telephone calls, video conference calls, one-on-one meetings, investor roadshows and other methods of communication to the relevant contact persons at the shareholders, after the annual general meeting concerned (and throughout the financial year), regarding the reasons for the dissenting votes; and
- Responses to shareholder queries explaining, in more detail, the elements of the remuneration policy that caused concern. Where appropriate, the Board may resolve to amend certain elements of the Remuneration Policy to align the policy to market norms.

## 11 Service Agreements for Executive Management

11.1 All Employees, including executive directors, are required to sign contracts of employment with the Company, which set out the working hours, salary, leave, notice, probation and other relevant arrangements which commence upon employment.

11.2 Contracts of employment for executive directors and senior executives are subject to notice periods of no less than three months.

11.3 APF does not grant sign-on awards to any EDs or other employees upon employment by the Company.

11.4 As far as reasonably possible taking into account each executive's role and responsibilities, employment contracts will be standardised and aligned to market practice.

11.5 Accelerate may make ad hoc sign-on awards to new executives and employees with the key critical skills required to execute the strategy of the business. It is acknowledged that it is sometimes necessary to compensate such employees for the loss of unvested awards due to leaving their previous employment. The awards will be made subject to:

11..5.1 a pre-determined vesting period agreed by the Committee. The award will be subject to forfeiture should the employee leave the Company during the vesting period; and

11..5.2 clawback for a period of [3] years following the vesting of the award. Should the Executive leave the employ of the Company during this period, the Committee has the discretion to clawback his or her vested sign-on awards.

11..5.3 Any sign-on award made to an executive director and/or prescribed officers must be adequately disclosed in the remuneration report of the relevant year.

11.6 Executive directors may not serve as NEDs in other listed companies without the express approval of the board.

## 12 NED fees

12.1 NEDs do not hold contracts of employment with the company and they do not participate in the STI nor LTI.

12.2 NED Fees comprise an aggregate board base fee plus additional fees for membership per Committee. In the Committee's view, the fees paid to NEDs are sufficient to attract board members with the appropriate level of skill and expertise.

12.3 All reasonable expenses incurred by the NED may be claimed and reimbursed, subject to approval by the relevant ED.

12.4 The fees of NEDs are benchmarked and reviewed annually and submitted to shareholders for approval. Proposed increases to the fees will be tabled for approval by shareholders annually, in line with corporate governance and legislative requirements.

12.5 NEDs are subject to election by shareholders at the first annual general meeting following their appointment and thereafter are required to submit to retire in accordance with the Company's Memorandum of Incorporation.

12.6 The appointment of an NED may be terminated without compensation if that director is not re-elected by shareholders or otherwise in accordance with the Company's Memorandum of Incorporation.

## 13 Authorisation and Review

This Policy has been reviewed and approved by the Committee on 9 June 2021 and by the Board on 25 June 2021.

This Policy will be reviewed at least once annually, alternatively earlier should the need arise.

| | |
|---|---|
| AMawela. | 21.06.2023 |
| CHAIRMAN OF THE REMUNERATION COMMITTEE | DATE |
| | 21.06.2023 |
| CHAIRMAN OF THE BOARD | DATE |

## Annexure A: Balanced scorecard in determining performance for STI

**Revision date**: _____________

The performance conditions applicable for 1 April 2022 are set out hereunder, with linear interpolation applying between Threshold, Target and Stretch performance.

| Performance Condition | Weighting | Threshold (75%) | Target (100%) | Stretch (125%) |
|---|---|---|---|---|
| Determination of Business Performance Factor | | | | |
| **Financial metrics:**<br>**30% -40%** | | | | |
| **Total NTAV return (relative): versus prior year**[1] | *CEO:10%*<br>*COO: 10%*<br>*CFO/Treasury:* 20% | 5.4% | 6.1% | 7.2% |
| **Total NTAV return (relative): versus peer index** | *CEO:20%*<br>*COO: 20%*<br>*CFO/Treasury:* 10% | 100.0% | 102.5% | 110.0% |
| **Distributable income growth** | *CEO:10%*<br>*COO: 10%*<br>*CFO/Treasury:* Not applicable | 2 yr CPI | 2 yr. CPI +2% | 2 yr. CPI +3% |
| **Risk/balance sheet management**<br>**5%-30%** | | | | |
| **Hedge ratio (interest rates)** | *CEO:2.5%*<br>*COO: 5%* | Within upper and lower bound of 10% | Within upper and lower bound of 5% | 70.0% |

| | | | | |
|---|---|---|---|---|
| | *CFO/Treasury: 5%* | | | |
| **Loan-to-value ratio** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 5%* | 50.0% | 45.0% | 40.0% |
| **Interest cover ratio** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 5%* | 2.00x | 2.10x | 2.20x |
| **Debt rating** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 5%* | A- | A | A+ |
| **Net Fund expense ratio** | *CEO: 5%*<br>*COO: 5%*<br>*CFO/Treasury: 10%* | 110.0% | 100.0% | 90.0% |
| **Operational performance**<br>**5%-40%** | | | | |
| **Vacancies** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 2.5%* | 8.1% | 7.3% | 6.6% |
| **Tenant arrears and write-offs**[2] | *CEO: 2.5%*<br>*COO: 5%*<br>*CFO/Treasury: 5%* | 110.0% | 100.0% | 90.0% |

| | | | | |
|---|---|---|---|---|
| **Retail trading densities: versus CPI** [3] | *CEO: 2.5%*<br>*COO: 5%*<br>*CFO/Treasury: 5%* | 90.0% | 100.0% | 110.0% |
| **Net property expense: revenue ratio** | *CEO: 2.5%*<br>*COO: 5%*<br>*CFO/Treasury: 7.5%* | 110.0% | 100.0% | 90.0% |
| **Strategic priorities**<br>**5%-50%** | | | | |
| **Development profit** | *CEO: 5%*<br>*COO: 2.5%*<br>*CFO/Treasury: Not applicable* | 90.0% | 100.0% | 110.0% |
| **Development pipeline roll-out: versus plan**[4] | *CEO: 2.5%*<br>*COO: Not applicable*<br>*CFO/Treasury:* Not applicable | 90.0% | 100.0% | 110.0% |
| **Non-core assets disposals: versus plan** [5] | *CEO: 5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 5%* | 80.0% | 90.0% | 100.0% |
| **Non-core asset disposal within price range** | *CEO: 5%*<br>*COO: 2.5%*<br>*CFO/Treasury:* Not applicable | 10% under book value | Book value | Over book value |

| Determination of Personal Performance Factor | | | | |
|---|---|---|---|---|
| **Qualitative metrics (10%-17.5%)** | | | | |
| **Transformation: B-BBEE rating level** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 2.5%* | 7 | 6 | 4 |
| **Sustainability: renewables** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 2.5%* | 60.0% | 80.0% | 100.0% |
| **Compliance and governance** | *CEO: 2.5%*<br>*COO: 2.5%*<br>*CFO/Treasury: 2.5%* | 3 | 4 | 5 |
| **Staff management, leadership and succession** | *CEO: 5%*<br>*COO: 5%*<br>*CFO/Treasury: 2.5%* | 3 | 4 | 5 |
| **Stakeholder management** | *CEO: 5%*<br>*COO: 5%*<br>*CFO/Treasury:5%* | 3 | 4 | 5 |

1. Total net tangible asset value ("NTAV") is the growth in NAV per share plus distributable income and has been based on the most recent year (prior to COVID-19).
2. Discretion will be required in extraordinary circumstances such as COVID-19 where there are material rental credit and concessions granted to tenants.
3. Discretion will be required in extraordinary circumstances such as COVID-19 where trading restrictions were imposed upon retail tenants.

4. Discretion will be required considering the restrictions on the construction industry as a result of nationwide shutdowns.
5. Discretion will be required considering the market conditions that are present due to the COVID-19 pandemic and associated shutdowns.

## Annexure B: Performance conditions applicable to LTI

**Revision date**: ____________

The performance conditions applicable from 1 April 2022 are set out hereunder, with linear interpolation applying between Threshold, Target and Stretch performance.

| LTI KPI matrix | Weighting | Threshold 30% vesting | Target 60% vesting | Stretch 100% vesting |
|---|---|---|---|---|
| Financial performance conditions | | | | |
| **Absolute measures** | | | | |
| Total shareholder return | 15% | Cost of equity over the period | The midpoint between threshold and stretch | Compounded CoE over the PP + 4% |
| Total return | 15% | WACC | WACC + 1% | WACC + 3% |
| Distributable income per share | 15% | CPI + 1 | CPI + 2 | CPI + 3 |
| **Relative measures** | | | | |
| Total shareholder return | 15% | Median of the comparator group | Linear interpolation between Median and Upper quartile | Upper quartile of the comparator group |
| Total return | 15% | Median of the comparator group | Linear interpolation between Median and Upper quartile | Upper quartile of the comparator group |
| Non-financial performance conditions1[1] | | | | |
| Environmental, social and governance (ESG): rating based on scorecard | 15% | 75% | 100% | 125% |
| Risk: rating based on scorecard | 10% | 75% | 100% | 125% |

[1] Detailed scorecards attached.

**APF Remuneration Policy**

**Agreed LTI Measures: Risk and ESG**

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**ESG Scorecard**

Following consultation and agreement with the Chairperson of the Social, Ethics and Transformation Committee, the following ESG scorecard has been agreed.

The ESG component will consist of three performance measures that are measured over a three-year period:

1. B-BBEE Rating (per scorecard)
2. Solar Roll-out (per pipeline)
3. Compliance with governance (rated by Company Secretary and reviewed by PwC or similar)

The total ESG component is for 15% and therefore each item will be 5%.

| ESG Component (3-Year Period) | Average / Cumulative / Ending | Maximum Percentage | Threshold | Target | Stretch |
|---|---|---|---|---|---|
| | | *15%* | *75%* | *100%* | *125%* |
| B-BBEE (rating) | Ending | 2.5% | 6 | 5 | 4 |
| ESG Roll-out Plan (pipeline completed) | Cumulative | 10% | 60% | 80% | 100% |
| Compliance and Governance (rated by Company Secretary and PwC) | Average | 2.5% | 3 | 4 | 5 |

The B-BBEE rating is measured on an ending basis, where Accelerate is rated after three years.

Compliance and governance measures will be measured on an average basis over a three-year period. For example, if Accelerate achieves a compliance and governance rating of 5 in FY, 4 in FY+1 and 3 in FY+2, the average rating for the three-year period will be 4, ie. (5+4+3)/3. This rating will include the ethics matrix developed by the Social, Ethics and Transformation Committee, as a factor for the rating out of 5.

The ESG Roll-out Plan will be developed by the Executive Committee, with oversight by the Social, Ethics and Transformation Committee. This will be measured on a cumulative basis due to development timelines.

**Risk Scorecard**

Following consultation and agreement with the Chairperson of the Audit and Risk Committee, the following risk scorecard has been agreed.

The risk component will consist of four performance measures that are measured over a three-year period:

1. Hedge ratio
2. Loan-to-value ratio
3. Interest cover ratio
4. Debt rating

The total risk component is for 10% and therefore each item will be 2.5%.

| **Risk Component (3-Year Period)** | **Average / Cumulative / Ending** | **Maximum Percentage** | **Threshold** | **Target** | **Stretch** |
|---|---|---|---|---|---|
| | | *10%* | *75%* | *100%* | *125%* |
| Hedge ratio | Ending | 2.5% | Within upper and lower bound of 10% | Within upper and lower bound of 5% | 70% |
| Loan-to-value Ratio | Ending | 2.5% | 45% | 40% | 35% |
| Interest Cover Ratio | Ending | 2.5% | 2.2x | 2.4x | 3x |
| Debt Rating | Ending | 2.5% | A- | A | A+ |

Each item will be measured on an ending basis over a three-year period, where Accelerate is rated after three years in each aspect.