



This report outlines Spear's remuneration policy which encapsulates short-, medium- and long-term incentive programmes and how the policy will be implemented.

## BACKGROUND STATEMENT

It is with great pleasure that we present the remuneration report for the year ended 28 February 2021. Accordingly, this report consists of three sections, namely the background statement (chairman's letter), the remuneration policy and the implementation report.

Given Spear's alignment with the King IV™, Spear continued to improve its remuneration policy by reviewing its short- and long-term incentives and the guaranteed packages of employees aimed at attracting and retaining motivated, high-calibre and appropriately skilled real-estate-focused executives whilst ensuring that the remuneration was fair, responsible and transparent.

### CONTEXT AND IMPACT OF THE COVID-19 PANDEMIC

Despite it being a tumultuous year full of economic uncertainty as the Covid-19 pandemic took its toll on the world and specifically the South African economy and market and following the relaxation of the levels 4 and 5 lockdown regulations under the Disaster Management Act, Spear continued to perform within the high-road scenario against the delivery of its strategic short-, medium- and long-term targets whilst ensuring shareholder returns. This high-road scenario was approved by the board in May 2020 as part of Spear's endeavours in managing the impact of Covid-19 on Spear. The detail on Spear's financial performance is set out on pages 70 to 111 of this report.

Given the impact of the Covid-19-induced national lockdowns on Spear's business, performance and share price, various elements of remuneration were affected and revised to mitigate the impact thereof on the business during the financial year. These related to employee retrenchments and a reduction in non-executive directors' fees and the total guaranteed packages ("TGP") of executives and employees. The detail on the above is set out in the implementation report on pages 45 to 48 of this report.

### KEY AREAS OF FOCUS DURING THE 2021 FINANCIAL YEAR

The key focus areas and activities of the remuneration committee in the 2021 financial year are summarised as follows:

- The implementation of Spear's remuneration policy was reviewed to ensure that the set objectives had been achieved whilst considering the impact of the Covid-19-induced national lockdowns, which resulted in various elements of remuneration being affected and revised
- Increases in the guaranteed packages for executives and senior management were considered and approved. An independent benchmarking exercise was conducted on the remuneration of the executives
- The aggregate pay mix for executive directors, including long-term incentives ("LTI") and short-term incentives ("STI") was reviewed to ensure that it meets the group's needs and strategic objectives. The rules, targets and allocation of STI to the executives were reviewed adopting a prudent approach and no discretionary STI payments were made because of the impact of Covid-19
- The fifth allocation of awards in terms of the Conditional Share Plan ("CSP") was approved and made during the 2021 financial year
- Spear's incentive schemes, and the vesting schedules, were reviewed to ensure that they continue to contribute to shareholder value and are administered in terms of the plan rules
- The non-executive directors' fees for the 2021/22 financial year were considered and approved and is to be tabled at the 2021 annual general meeting ("AGM"). An independent benchmarking exercise was conducted on the non-executive directors' fees
- The succession plan for the key positions in the group was reviewed in line with best practice and the long-term business strategy
- A malus and clawback policy was considered and approved. In terms of the provisions of this policy, Spear has the right to apply malus (the forfeiture or reduction of allocation/s that are yet to vest) or clawback (the recoupment of the value of allocation/s that have already vested), in respect of any participant on the occurrence of one or more of a trigger event as outlined in the policy
- Shareholder feedback and engagements were conducted following the 2020 AGM in terms of insufficient votes being ascertained in favour of the implementation report for 2020.

### INDEPENDENT EXTERNAL ADVICE

Independent external advice was sought from PricewaterhouseCoopers on benchmarking the remuneration of both the executive and non-executive directors and the required disclosures in the remuneration report, remuneration policy and implementation report. The committee was satisfied that these advisors were independent and objective. The recommendations emanating from the benchmarking exercises conducted by PricewaterhouseCoopers will be implemented during the 2022 financial year.

### FUTURE AREAS OF FOCUS

Future areas of focus are to ensure that appropriate external benchmarking exercises are performed every three years to ensure that Spear has an effective and appropriate remuneration policy and pay composition for both its executive and non-executive directors as well as ensuring that

adequate disclosures were included in the remuneration report, remuneration policy and implementation report to balance the needs, interests and expectations of material stakeholders.

Covid-19 will continue to have an adverse impact on the South African economy in 2021 and beyond. As the situation is dynamic, the remuneration policy may be reviewed or changed at short notice during the year. Furthermore, a standalone internal remuneration policy, which sets out the details on the remuneration practices and processes in Spear, will be implemented in the 2022 financial year.

### SHAREHOLDER ENGAGEMENT AND NON-BINDING ADVISORY VOTE

The voting results at the AGM held on 24 July 2020 had a slight increase in votes in favour of the non-binding advisory vote on the remuneration policy for 2021 and a significant decrease in the votes in favour of the implementation report for 2020 as follows:

	Against 2020 AGM	Total votes as a % of issued shares 2020 AGM	Against 2019 AGM	Total votes as a % of issued shares 2019 AGM
Remuneration policy	2.15%	73.60%	3.13%	93.74%
Implementation report	32.46%	73.60%	0.52%	93.74%

The below table illustrates both the active and reactive engagements conducted with shareholders on Spear's remuneration policy and the implementation thereof during the 2021 financial year.

Type of engagement	Shareholder feedback
Proactive engagements	Prior to the 2020 AGM, the executives had engaged with shareholders who had requested that more transparency on the STI and LTI components be included in the report. This has subsequently been included in the report.
Reactive engagements	Following the 2020 AGM, shareholders were invited to engage with the company on 6 August 2020 or forward their concerns/questions on the implementation of the remuneration policy for 2020. No feedback was received from the shareholders.

Both Spear's remuneration policy for 2022 and its implementation report for 2021 will be presented to shareholders for separate non-binding advisory votes at the upcoming AGM being held on 23 July 2021. In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report at the AGM, Spear will engage with the dissenting shareholders.

As chairman of the remuneration committee, my fellow committee members and I consider the Spear remuneration policy to be aligned with and supportive of the long-term

business strategy of Spear. We look forward to receiving your support for both the remuneration policy and the implementation report on the remuneration policy at the forthcoming AGM.

**Jalaloodien Ebrahim Allie**  
Chair: Remuneration committee

17 June 2021



## REMUNERATION REPORT (CONTINUED)

### REMUNERATION POLICY

#### REMUNERATION PHILOSOPHY

Spear continues to adopt a high-performance culture aimed at ensuring that the total rewards package for its employees is appropriate at all levels and aligned with the short-, medium- and long-term strategic objectives of Spear.

Spear is committed to being compliant with best practice in the areas of remuneration in which remuneration packages and incentives are regularly evaluated against market surveys to ensure the attraction and retention of vital talent.

#### REMUNERATION GOVERNANCE

The remuneration committee is responsible for overseeing and recommending to the board for approval the reward philosophy, policy, remuneration mix and the implementation thereof. The remuneration committee is a subcommittee of the board and operates under a terms of reference which the board reviews annually. Furthermore, Spear has adopted a standalone remuneration policy which sets out the details on the internal remuneration practice and processes for implementation in the 2022 financial year.

The CEO and CFO attend the remuneration committee meetings by invitation only. They do not participate in the voting process nor are they involved when matters relating to their own remuneration are discussed.

The remuneration committee had engaged with independent advisors and stakeholders to ensure that the remuneration philosophy, policy, strategy, and practices are aligned with best practice and the strategic imperatives of Spear. Detail on the duties and responsibilities of the remuneration committee, composition of its members and the attendance record of meetings is set out on pages 27 to 29 in the corporate governance report.

#### FAIR AND RESPONSIBLE REMUNERATION

##### INTERNAL WAGE GAP

Spear is mindful of the pay gap ratio in comparison to highly skilled executives and therefore it is the ethos of Spear to take into regard a fair and reasonable approach to executive remuneration with collective regard given to Spear's performance, the individual's performance as well as the relevant benchmarks used to arrive at any decision.

Spear is committed to ensuring that the remuneration strategy is fair and responsible at all levels and achieves a sustainable balance between the TGP, STI and LTI whilst further ensuring good governance principles and any prescribed minimum pay rates are applied in this regard.

As a measure of pay gap, the remuneration committee monitors the ratio between the chief executive officer's TGP and the average employee's TGP. The ratio for the 2021 financial year increased to 11.2% from 7.67%. The increase in the ratio was due to the CEO undertaking a payroll reduction of 30% for three months to assist in mitigating the impact of Covid-19 on Spear.

#### Benchmarking and pay composition

At Spear, we continue to benchmark, monitor, and review our remuneration policy to ensure we apply the right pay mix and remunerate our employees competitively by conducting a comparative peer analysis utilising industry- and country-specific benchmarks. Spear has taken the policy decision to perform external benchmarking exercises every three years.

In the 2021 financial year, an external benchmarking exercise was conducted by PricewaterhouseCoopers on the total remuneration of the executives, which included TGP, STI and LTI. This was conducted against a selected peer group consisting of companies of a similar size in a similar sector from the median comparator group whilst taking into account individual elements of total remuneration. It was identified that the executives were positioned below the 25<sup>th</sup> percentile based on total remuneration.

In accordance with Spear's remuneration strategy, the remuneration committee applies inflationary adjustments to all categories of employees. The remuneration committee has the ongoing delegated authority to review and adjust remuneration in the event of the committee concluding that any remuneration did not benchmark to market.

#### Equal pay for equal value

Spear takes proactive steps to identify and progressively address any unjustifiable differences in remuneration paid to employees at the same level and with equal experience. To this effect, benchmarking exercises are conducted internally as well as externally every three years.

### REMUNERATION ELEMENTS AND DESIGN PRINCIPLES

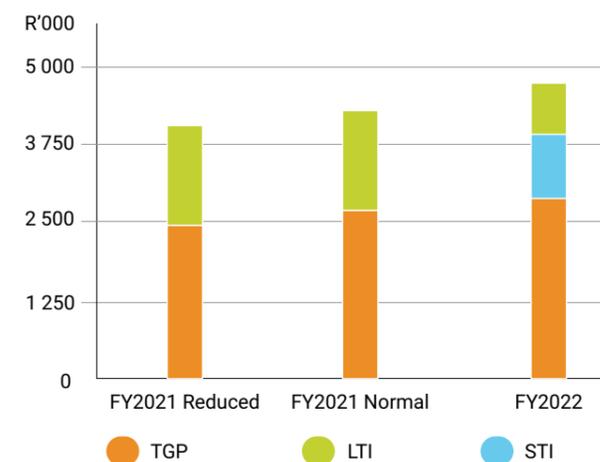
The remuneration policy follows the best practice of combining guaranteed packages with benefits, STIs and LTIs that align with the achievement of Spear's objectives. LTIs are awarded to executives and employees at the remuneration committee's discretion on an annual basis.

The remuneration mix of the executives is balanced between TGP with benefits, STI and LTI. To encourage retention and align the executives' interests with shareholders, variable pay is weighted more heavily with respect to STI and LTI. The STI component is calculated using the on-target distribution per share as measured against the annual budget set by the board, performance against peer group and the achievement of personal goals. The maximum STI is 120% of TGP for the CEO and 105% of TGP for the CFO.

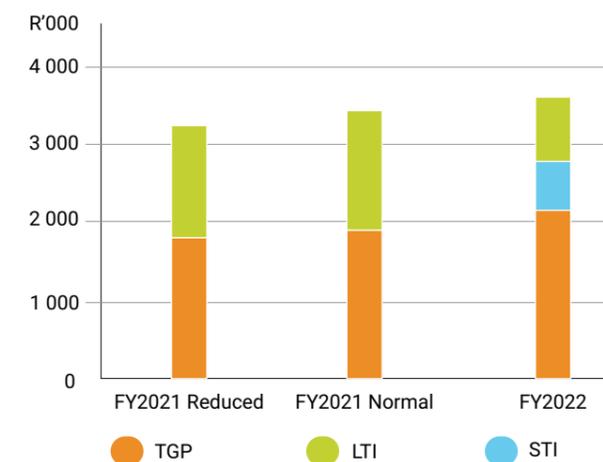
Following the outcome of the benchmark exercise conducted on executive remuneration during the 2021 financial year, Spear has approved a 10.95% aggregate increase in TGP for its executives for the 2022 financial year. The TGP remains well below the benchmark average and collective understanding exists that a conservative market catch-up approach must be adopted in the 2023 financial year.

The below graphs illustrate the potential remuneration in Rand value, which can be earned by the executives at minimum, on-target and maximum company performance in the 2022 financial year. This had been compared to the 2021 financial year in which the remuneration of the executives was reduced to mitigate the impact of Covid-19 on Spear.

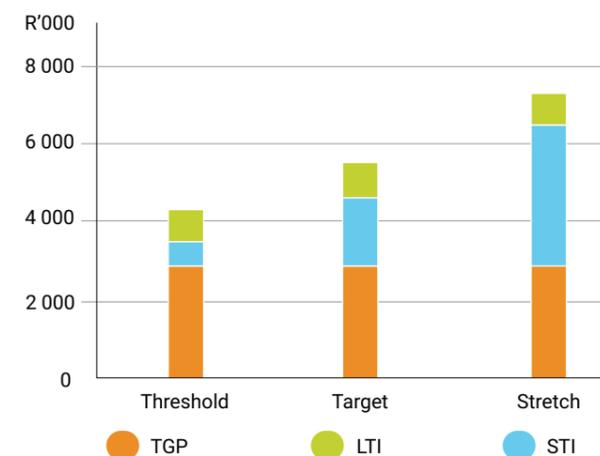
#### CHIEF EXECUTIVE OFFICER



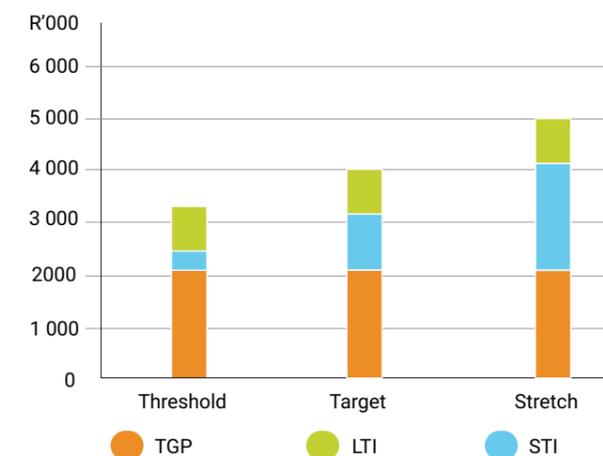
#### CHIEF FINANCIAL OFFICER



#### CHIEF EXECUTIVE OFFICER: FY2022



#### CHIEF FINANCIAL OFFICER: FY2022





## REMUNERATION REPORT (CONTINUED)

### SPEAR'S ORGANISATIONAL-WIDE REMUNERATION FRAMEWORK

Spear's remuneration framework is designed to attract and retain high-quality talent whilst at the same time motivating performance that drives value creation. The Spear remuneration framework and remuneration mix in respect of its employees are as follows:

#### Remuneration framework

Guaranteed pay		Variable pay
Basic pay	Benefits	Incentives
Cash salary including a discretionary 13 <sup>th</sup> cheque and bonus for employees (excluding the executives)	Benefits include travel benefit, cellphone benefit, assistance with studies and retirement scheme	LTI scheme based on individual and company performance

Spear has approved a 7.56% aggregate increase in total guaranteed pay for its employees for the 2022 financial year.

### COMPONENTS OF REMUNERATION FOR EXECUTIVE DIRECTORS

The table below sets out an overview of the components of remuneration that apply to executives.

Element	Purpose	Performance period and measures	Option and delivery
Total guaranteed pay <i>Includes fixed salary and benefits (e.g. travel benefit, cellphone benefit and retirement scheme)</i>	To compensate executives for time and competence at a market-related rate, taking into consideration individual performance and contribution	Reviewed annually and based on individual performance	Delivered to the executive as a cash salary and a mix of compulsory and/or discretionary benefits such as retirement scheme, petrol benefit and cellphone benefit
STI	To create a high-performance culture through a cash bonus linked to performance against contracted deliverables	Performance is evaluated annually against distribution per share as measured against the annual budget, personal KPIs and performance against peers	Payable in cash after release of audited results in respect of the previous financial year
LTI	To attract, retain and reward executives who perform well and to reinforce key alignment between the executives' interests and shareholder interests	Performance conditions are inherent in the award, which is based on distribution per share growth (70%) and net asset value per share growth (30%) being achieved	An annual award of rights is made, entitling an individual to shares. Vesting occurs every 4th year except for the first tranche that will vest over three years and four months



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### EXECUTIVE CONTRACTS AND TERMINATION OF EMPLOYMENT CONDITIONS

There are currently no obligations in the executives' employment contracts which give rise to balloon payments or accelerated vesting of LTIs on termination of employment or office other than the TGP for the period and leave pay due to them. Furthermore, it is policy that Spear's executives have employment contracts which may be terminated by the executives with a notice period of three months.

The table below illustrates Spear's termination of employment conditions:

	Reason for termination	Treatment of STI and unvested LTI awards
STI	Fault termination	STI awards are subject to the participants remaining in the employ of Spear. In the event of termination, no STI is payable
STI	No-fault termination	STI awards are subject to the participants remaining in the employ of Spear. In the event of termination, a pro rata portion of the STI is payable at the discretion of the remuneration committee
LTI	Fault termination	Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour, or fraudulent conduct or because of abscondment, will forfeit all awards which have not vested
LTI	No-fault termination	Unvested awards will vest on date of termination of employment, considering the number of complete months served since the award date to the date of termination over the total number of months in the employment period, and the extent to which any performance conditions have been satisfied. However, a discretion on the part of the remuneration committee could allow a retired participant to continue participation until vesting
LTI	Change in control	In the event of a change of control of Spear occurring before the vesting date of any award, a portion of the award will vest. The remuneration committee has an absolute discretion to accelerate vesting of a portion of awards

### SHORT-TERM INCENTIVES

#### INTRODUCTION

The STI programme provides for a clear alignment of executive strategies designed to ensure that Spear is the benefactor of the highest possible distribution per share in any given period. The STI programme further aims to reward over-performance achieved by the executives of Spear, which is a material informant when determining bonuses.

#### SHORT-TERM INCENTIVE ALLOCATION METHODOLOGY

The remuneration committee sets out the economic targets for the STI on an annual basis, which is refined by the remuneration committee where necessary. The executives participate in the multiplier STI in which the maximum value of the STI payable to an executive is equal to 120% and 105% of the executive's annual TGP for the CEO and CFO respectively. STI is payable in cash after the release of the audited financial statements. The measurement metric for the STI is distribution per share as measured against the annual forecast growth in DIPS and DPS as set out by the board. This aligns with the group's strategy to continuously grow its DIPS and DPS per share. STI awards are independently verified by the group auditors.

STI	= On-target incentive	x Personal modifier	x Financial modifier
CEO	40% of TGP	0% – 150%	100% – 200%
CFO	35% of TGP	0% – 150%	100% – 200%

The above table illustrates how the bonus pool is calculated based on the on-target incentive and financial modifier at each performance level. The approach results in zero STI if the personal modifier is 0%.

STI payments can never dilute the group DIPS and DPS to shareholders below the growth forecast that was set by the board. Linear vesting is applied between all levels of measurement criteria.



## REMUNERATION REPORT (CONTINUED)

### ON-TARGET INCENTIVE

Level of performance	Growth	Vesting
Threshold	Forecast less 3%	50% of on-target TGP
Target	DPS forecast announced	100% of on-target TGP
Stretch	Forecast + 5%	150% of on-target TGP

#### Personal modifier

Personal objectives are agreed to by each executive director each financial year. These objectives are agreed at the beginning of the financial year and assessed at the end of the financial year. This measurement results in a multiplier of 0% – 150%. Examples of the indicators are set out on pages 46 and 47, which were measures for the year ended 28 February 2021, but are not limited to these and are reviewed and adjusted annually and weightings reviewed. The performance conditions used in FY2022 will remain consistent to that used in FY2021.

#### Financial modifier

Annually the remuneration committee will determine an appropriate measurement group to benchmark growth of the group to the average growth of the selected benchmark group. The benchmark group must comprise of South African JSE-listed REITs that are members of the SA REIT Association. This criterion is only applicable if the group achieved its board-determined growth forecast for an on-target incentive. This is to measure and award out-performance of the group to the benchmarked group of companies.

		Threshold %	Target %	Stretch %
Spear growth exceeds average growth of benchmark	From	0	5	10
	To	5	10	15
Vesting of on-target TGP (%)		100	100 – 150	150 – 200

### LONG-TERM INCENTIVES

#### INTRODUCTION

The LTI programme is part of a maximum performance and comprehensive skills retention strategy to ensure that targets are achieved, and human capital preservation is maintained within Spear.

#### CONDITIONAL SHARE PLAN

As part of the LTI programme, a CSP was introduced and approved at a special general meeting of shareholders held on 26 January 2018. The CSP was designed to:

- Attract, retain and reward members of the executive and senior management team
- Provide an opportunity for executives and senior management to share in the success of Spear

- Continuously incentivise executives and senior management to deliver on the key strategic objectives set by Spear over the long term
- Reinforce key alignment between the executives, senior management and Spear shareholders.

#### LONG-TERM INCENTIVE ALLOCATION METHODOLOGY

A tranche-based award system was adopted whereby, on an annual basis, participants are awarded a number of conditional shares. This allows the executives and employees the opportunity to share in the success of Spear over the long term. The below table illustrated the tranches that have been awarded. The allocation levels as percentage of TGP is that of a maximum of 100% for FY2022.

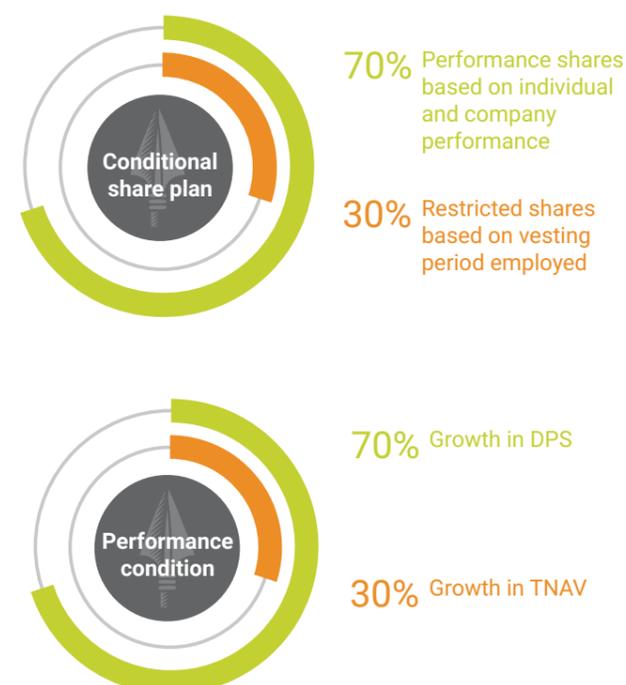
CSP awards	Date of award
Award 1	1 March 2018
Award 2	1 July 2018
Award 3	1 July 2019
Award 4	1 July 2020
Award 5	To be awarded on 1 July 2021

The aggregate number of shares which may be settled may not exceed 5% of the number of issued shares and 1% per individual. On 1 July 2021, a total of 8 100 000 conditional shares would have been awarded. Given that the threshold of awards as contained in the CSP has been reached, Spear is in the process of extending its current CSP for approval by the shareholders. Detail on the aggregate price per conditional share awarded is included on page 48 of the implementation report.

#### SETTLEMENT METHOD

The settlement method in accordance with the CSP rules are flexible in order to allow for settlement by way of a market purchase of shares or the use of existing shares held in treasury or the issue of shares by Spear or cash as a fall-back provision.

#### THE PERFORMANCE CONDITIONS FOR THE LTI AWARDS ARE DIVIDED AS FOLLOWS:



### VESTING AND PERFORMANCE PERIOD

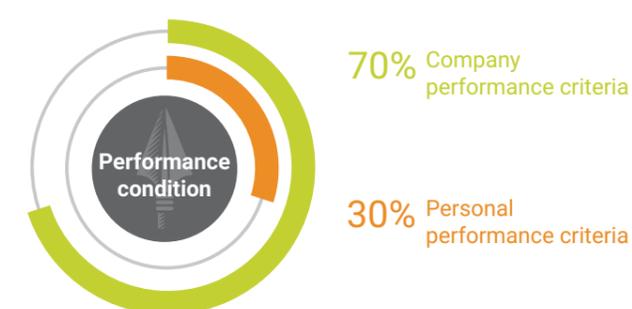
The performance period for the vesting of the conditional shares is staggered over four years in respect of which the performance conditions are to be satisfied, provided that the performance period in relation to performance conditions which apply to the first tranche of CSPs awarded, be three years and four months.

The vesting of the restricted shares is subject to the fulfilment of the condition of continued employment with the group for the duration of the period of four years, commencing on the date of award, and performance shares will be subject to the fulfilment of both the pre-determined performance conditions to be satisfied over the performance period and the employment condition over the four financial periods during the performance period.

#### LTI PERFORMANCE CONDITIONS

The performance conditions contain both financial and non-financial performance measures, including weightings and targets at threshold.

#### THE PERFORMANCE CONDITIONS OF THE PERFORMANCE SHARES FOR ALL AWARDS ARE DIVIDED AS FOLLOWS:





## REMUNERATION REPORT (CONTINUED)

The extent and nature of performance conditions applicable to the CSP are approved by the remuneration committee annually taking into account the business environment. After the four-year performance period, the remuneration committee assesses the performance and the number of shares awarded to each participant, which is then adjusted in line with the performance conditions. The LTI awards are independently verified by the group auditors.

### RISK ADJUSTMENTS

In line with Spear's policy, clawback will be implemented on STI payments post payment at the discretion of the company. The events giving rise to clawback include fraud and misconduct. The clawback period runs for five years after the STI payment was made. In terms of LTI and in the event of a fault termination, participants will forfeit all awards which have not vested.

### NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors do not have employment contracts and do not receive any benefits associated with permanent employment and do not qualify for any STI or LTI. Their fees as directors consist of a fixed fee for services as a director and an additional attendance fee for duties on committees. The Chairman of the board is paid a higher fee to reflect the complexity and amount of preparation required by him.

During the 2021 financial year and in response to feedback received from shareholders, the non-executive directors' fees were benchmarked against the market for companies of a similar size in a similar sector. This was conducted against companies of a similar size in a similar sector from the median comparator group. It was determined that board member fees were positioned within the tolerance band at the 50th percentile and all sub-committee fees were positioned below the tolerance band and were below the 25th percentile and average respectively.

The proposed fees for 2021/22 are detailed below and will be submitted for approval by the shareholders at Spear's AGM to be held on 23 July 2021.

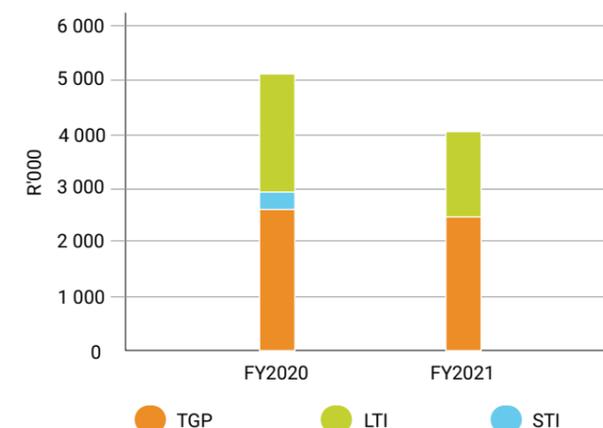
2021/2022	Annual base fee	Attendance fee per meeting
Chairman of the board	633 360	
Deputy Chairman	622 440	
Board member	273 000	
Chairman of audit and risk committee		8 000
Member of audit and risk Committee		6 000
Chairman of other sub-committee		8 000
Member of other sub-committee		5 000

Based on the meetings set for the period, the total fees payable in the coming period will amount to R2 972 800 excluding VAT.

## IMPLEMENTATION REPORT

Spear's remuneration committee is satisfied that Spear complied with its remuneration policy during FY2021. The executives' total reward package is aligned towards the longer-

### CHIEF EXECUTIVE OFFICER



### TOTAL GUARANTEED PACKAGE

In FY2021, annual salary increases for all staff levels excluding executives were based on various factors ranging from Spear's profits, average CPI and market-related salary indicators. The total guaranteed package ("TGP") for all staff levels excluding executives aggregated to 4.63%.

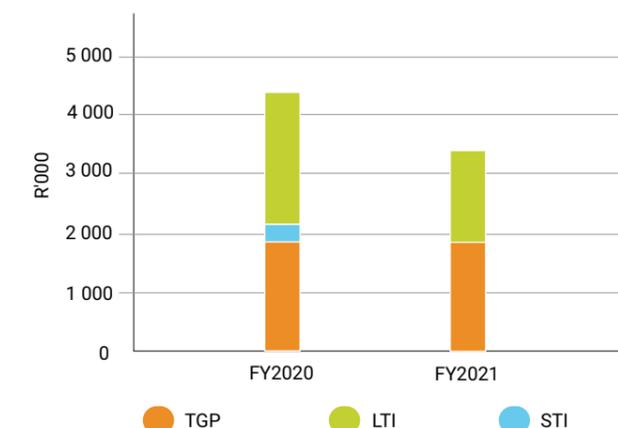
To mitigate the impact of the Covid-19-induced national lockdown on Spear, temporary salary adjustments were made and the TGPs of employees were reduced between 10% and 15% and the executives' TGPs were reduced by between 15% and 30% from end-May 2020 to end-July 2020. In addition, a total of seven employees were retrenched.

The TGP increase for the executives was that of 4.37% following an internal benchmarking exercise that was conducted. In the latter part of the financial year, an additional independent benchmarking exercise was conducted by PricewaterhouseCoopers on the total remuneration of the executives which included TGP, STI and LTI against companies of a similar size in a similar sector from the median comparator

Director	2020 Annual fees R'000	2021 Annual fees R'000
A Varachhia	490	471
MN Flax	285	463
JE Allie	274	241
BL Goldberg	274	230
N Kjellström-Matseke	262	241
RL Phillips (Dr.)	230	210
CS McCarthy	240	210

term performance of Spear. The below graphs illustrate the remuneration (in Rand value), earned by the executives and which includes TGP, STI and LTI for the executives for FY2020 and FY2021.

### CHIEF FINANCIAL OFFICER



group. It was identified that the executives were positioned below the 25th percentile and a conservative market catch-up approach was adopted for implementation in FY2022 and FY2023.

### NON-EXECUTIVE DIRECTORS' FEES

Given the impact of the national lockdown on Spear's business, the non-executive directors' fees were reduced by 50% as from end-March 2020 to end-August 2020.

During FY2021, an independent benchmarking exercise was conducted on the non-executive directors' fees against companies of a similar size in a similar sector from the median comparator group. It was determined that non-executive directors' fees were positioned within the tolerance band at the 50th percentile and that all sub-committee fees were positioned below the tolerance band and were below the 25th percentile and average, respectively.

The below table illustrates the remuneration paid to non-executive directors during FY2020 and FY2021 year.



## REMUNERATION REPORT (CONTINUED)

### STI PERFORMANCE OUTCOMES AND AWARDS IN FY2021

Due to the impact of Covid-19 on the South African economy and Spear, the remuneration committee considered it prudent not to award STI payments to executives in FY2021.

### LTI PERFORMANCE OUTCOMES AND AWARDS IN FY2021

A long-term incentive programme in the form of a Conditional Share Plan ("CSP") was introduced and approved at a general meeting of the shareholders held on 26 January 2018. No shares vested in FY2021.

### LTI PERFORMANCE CONDITIONS AND OUTCOMES

During FY2021, the performance conditions relating to the company's performance criteria were amended from rewards

based on collections to revenue billed where prior years it were based on DPS and NAV growth. This was due to the impact of Covid-19 on the South African economy and Spear and in this environment growth in DPS and TNAV were not deemed as appropriate measurement tools. This amendment only applied to FY2021.

The below tables illustrate the outcome of the remuneration committee's evaluation of the personal performance conditions of the executives attached to the 2018 awards for which the performance period ended on 28 February 2021 on vesting will only occur on 1 July 2021. The target of the executives is 100% from the available 150% over the performance period.

	CEO		CFO		Comment
	Maximum %	Result %	Maximum %	Result %	
<b>Business growth and continuity</b>					
<ul style="list-style-type: none"> <li>Maintain income generation base and continuity</li> <li>Asset base growth</li> </ul>	25	25	25	25	<ul style="list-style-type: none"> <li>Consistently operated within high-road scenario with 97% collections of billings</li> <li>Increased property portfolio value from R4.2 billion to R4.5 billion from 2020 to 2021</li> </ul>
<b>Operational metrics</b>					
<ul style="list-style-type: none"> <li>SA REIT expense ratio</li> <li>Vacancy ratio and tenant retention</li> <li>Arrears management</li> </ul>	20	15	25	15	<ul style="list-style-type: none"> <li>Maintained property expense below 40%</li> <li>Vacancy ratio has increased to 6.16%</li> <li>Arrears was maintained at 3.48% of gross revenue billed</li> </ul>
<b>Leadership cohesion, staff management and company culture</b>					
<ul style="list-style-type: none"> <li>Ensuring fully committed and motivated team</li> <li>Maintain minimal staff turnover</li> <li>Adherence to the agreed company values</li> </ul>	25	15	25	10	<ul style="list-style-type: none"> <li>Staff remained motivated with excellent results and productivity during difficult pandemic</li> <li>Seven staff members were retrenched due to the impact of Covid-19 and the subsequent lockdown regulations</li> <li>Continued to promote from within with two internal promotions during the year</li> </ul>

	CEO		CFO		Comment
	Maximum %	Result %	Maximum %	Result %	
<b>Financial management</b>					
<ul style="list-style-type: none"> <li>Maintain LTV within target range</li> <li>Extend debt expiry profile</li> <li>Improve interest rate margins</li> </ul>	0	0	25	20	<ul style="list-style-type: none"> <li>LTV increased due to devaluation and acquisition but within range of board</li> <li>Extended debt maturity profile</li> <li>Improved all-in interest margin post refinancing of debt</li> </ul>
<b>Stakeholder management</b>					
<ul style="list-style-type: none"> <li>Effective and efficient functioning communication with stakeholders</li> <li>Managing major shareholder interactions</li> <li>Media and market engagement</li> </ul>	25	25	5	5	<ul style="list-style-type: none"> <li>Continued engagement with shareholders with positive feedback</li> <li>Successfully implemented DRIP</li> <li>Financial results enjoyed positive media coverage</li> </ul>
<b>Engagement with debt holders</b>					
<ul style="list-style-type: none"> <li>Ongoing negotiations with third-party lenders</li> <li>Diversify sources of funding and minimising funding costs</li> </ul>	10	10	20	20	<ul style="list-style-type: none"> <li>Successfully refinanced R1.3 billion in debt with lower margins</li> </ul>
<b>Implementation of acquisitions</b>					
<ul style="list-style-type: none"> <li>Leading due diligence on all transactions together with investment committee</li> <li>Engaging with market and identifying opportunities</li> <li>Overseeing and implementing all acquisitions seamlessly</li> </ul>	25	20	15	10	<ul style="list-style-type: none"> <li>Conducted extensive due diligences on all major transactions</li> <li>Acquired two high-yielding assets during financial year of R385 million</li> </ul>
<b>Innovation</b>					
Increase of non-GLA revenue streams	20	20	10	10	<ul style="list-style-type: none"> <li>Successfully expanded eight additional solar systems generating non-GLA and non-budgeted income</li> </ul>
<b>Aggregate result</b>	150	130	150	115	



## REMUNERATION REPORT (CONTINUED)

The table below illustrates the outcome of the company's performance conditions attached to the 2018 performance awards, for which the performance period ended on 28 February 2021 and vesting will occur in July 2021.

	Weighting %	Threshold (30% vesting) %	Target (100% vesting) %	Actual performance %	Actual vesting (% of performance shares) %
Growth in DPS for FY +1	23	8	10	10.09	100
Growth in TNAV for FY + 1	10	3	5	4.74	94.8
Growth in DPS for FY +2	33	4	6	6.06	100
Collections in billed revenue FY +3	34	61	91 – 100	97	100

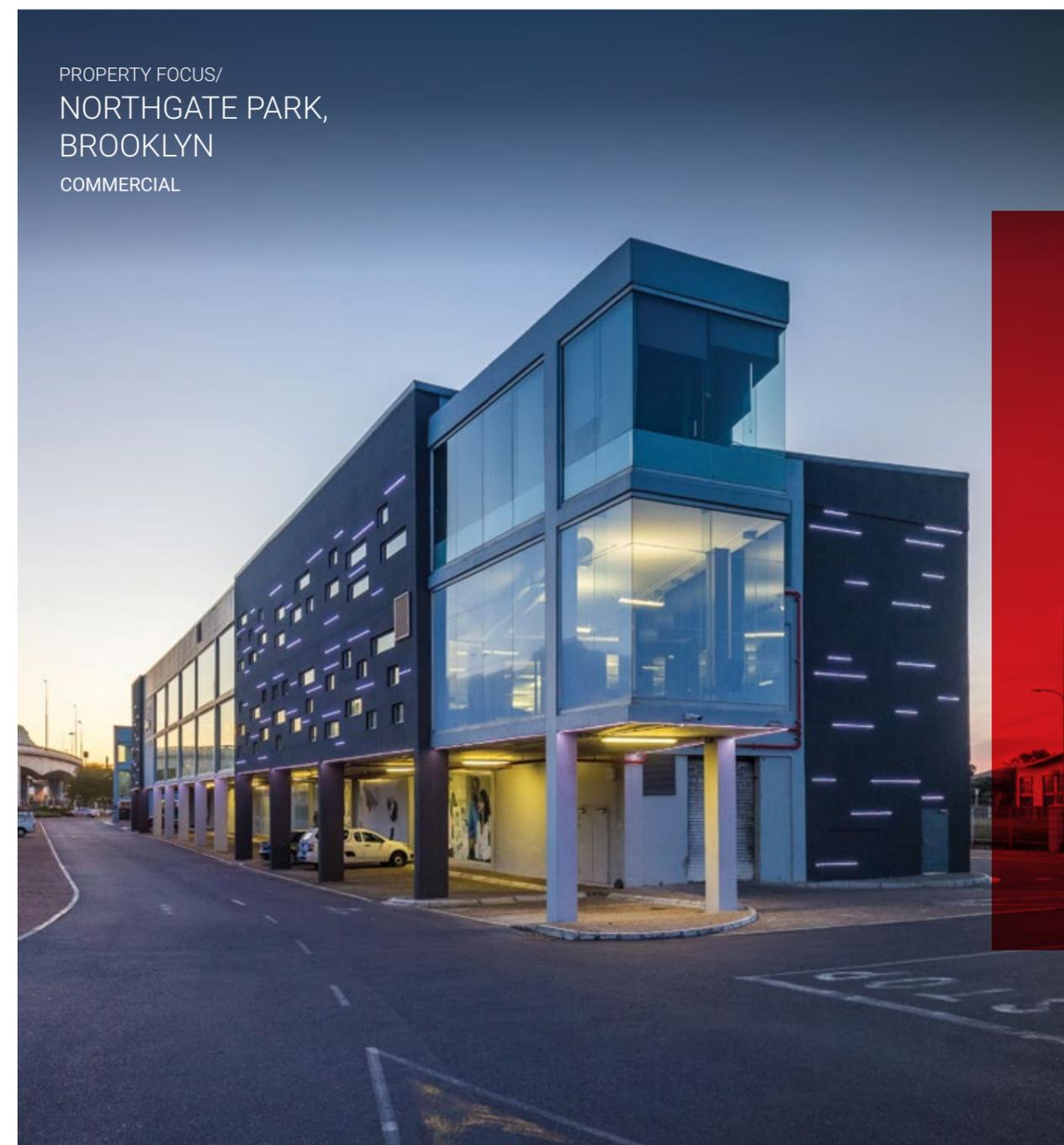
Note: Linear vesting takes place between threshold, target and stretch performance

### LTI AWARDS

The table below illustrates both the vested and unvested shares awarded to the executives. No shares vested in FY2021.

Director	Date of award	Vesting date	On-target grant	Estimated award at vesting date	Option issue price*	Closing number of unvested instruments	Indicative value
QM Rossi	03/01/2018	06/30/2021	400 000	398 981	8.04	400 000	3 207 807
	07/01/2018	06/30/2022	400 000	356 930	7.28	400 000	2 598 450
	07/01/2019	06/30/2023	400 000	365 682	7.04	400 000	2 576 020
	07/01/2020	06/30/2024	252 000	252 000	4.49	252 000	1 130 493
C Barnard	03/01/2018	06/30/2021	400 000	398 981	8.04	400 000	3 207 807
	07/01/2018	06/30/2022	400 000	356 930	7.28	400 000	2 598 450
	07/01/2019	06/30/2023	400 000	365 682	7.04	400 000	2 576 020
	07/01/2020	06/30/2024	252 000	252 000	4.49	252 000	1 130 493

\*Issue price references the issue price as calculated using the Black-Scholes valuation model using input on award date and not current market issue price.



326 000  
VALUE (R'000)

16 956  
GLA (M<sup>2</sup>)

7.32  
TOTAL VALUE (%)

19 226  
VALUATION (R/M<sup>2</sup>)