11

REMUNERATION REPORT

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 2022. 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 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 yet another challenging, but much improved year full of economic uncertainty as the Covid-19 pandemic and newly identified variants took its toll on the world and South Africa's economy and market, Spear continued to perform within the guidance announced in May 2021 against the delivery of its strategic short-, medium- and long-term targets whilst ensuring shareholder returns. The detail on Spear's financial performance is set out on pages 56 to 87 of this report.

Key areas of focus during the 2022 financial year

The key focus areas and activities of the remuneration committee in FY2022 are summarised below:

- 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 regulations
- Increases in the guaranteed packages for executives and senior management were considered and approved
- 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. An independent benchmarking exercise was conducted on the aggregate pay mix for executive directors
- The sixth allocation of awards in terms of the Conditional Share Plan ("CSP") was approved and made during FY2022
- A pro rata time-based vesting of two awards for a senior manager was approved on a no-fault basis because of the disposal of DoubleTree by Hilton Hotel
- 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 FY2022/23 were considered and approved and are to be tabled at the 2022 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 provision 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 trigger events as outlined in the policy
- A standalone remuneration policy which sets out the details on the remuneration practices and processes in Spear was considered and approved.

Independent external advice

Independent external advice was sought from PricewaterhouseCoopers on benchmarking the remuneration of both the executive and non-executive directors and the standalone remuneration policy. The committee was satisfied that these advisors were independent and objective. The recommendations emanating from the benchmarking exercises conducted by PricewaterhouseCoopers were implemented during FY2022.

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.

Shareholder engagement and non-binding advisory vote

The voting results at the AGM held on 23 July 2021 had a slight decrease in the number of votes in favour of the non-binding advisory vote on the remuneration policy for 2022 and a significant increase in the number of votes in favour of the implementation report for 2021 as follows:

	Against 2021 AGM	Total votes as a % of issued shares 2021 AGM	Against 2020 AGM	Total votes as a % of issued shares 2020 AGM
Remuneration Policy	**6.78%**	**78.05%**	2.15%	73.60%
Implementation Report	**9.83%**	**78.05%**	32.46%	73.60%

The below table illustrates both the active and reactive engagements conducted with shareholders on Spear's remuneration policy and the implementation thereof during FY2022.

Type of engagement	Shareholder feedback
Proactive engagements	Prior to the 2021 AGM, the executives had engaged with shareholders on the format of the required disclosures in the remuneration report, remuneration policy and implementation report
Reactive engagements	Following the 2021 AGM, no formal shareholder engagement was required as sufficient votes in favour of the implementation report for 2021 and remuneration policy for 2022 had been ascertained at the 2021 AGM

Both Spear's remuneration policy for FY2023 and its implementation report for FY2022 will be presented to shareholders for separate non-binding advisory votes at the upcoming AGM being held on 30 June 2022. 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

20 May 2022

Nampak Liquids, Epping

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 which 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 term 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 FY2022 and beyond.

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 24 and 25 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 total guaranteed package ("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 FY2022 increased to 12.08% from 11.2%. The increase in the ratio was due to the "catch-up" approach on the executives' remuneration over the past three years following the outcomes of the benchmarking exercises conducted as well as the return to normal salaries post the FY2021 pay reduction where the CEO's was the largest.

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 previous 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 25th 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

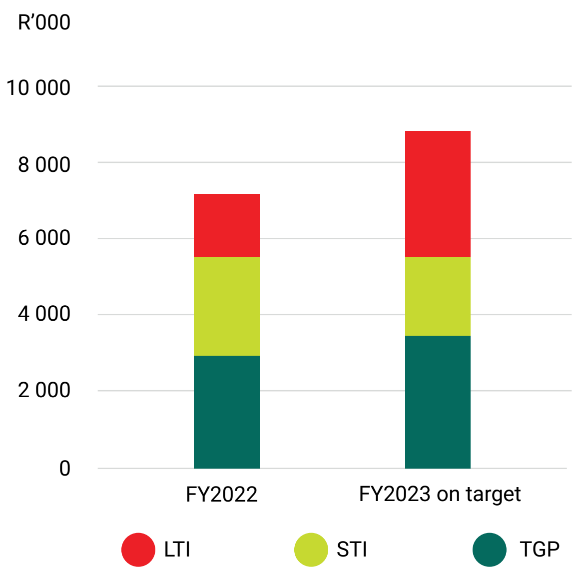
The remuneration policy follows the best practice of combining guaranteed packages with benefits, STIs and LTIs that align with the achievement of Spear's objectives. LTIs are awarded to executives and employees at the remuneration committee's discretion on an annual basis.

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.

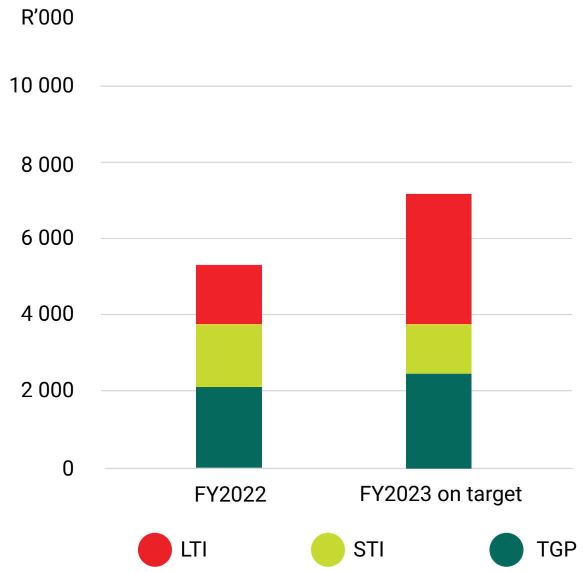
Following the outcome of the internal benchmark exercise conducted on executive remuneration during FY2022, Spear has approved a 16.61% aggregate increase in TGP for its executives for FY2023. The increase aligns the TGP of the CEO to benchmark and the TGP of the CFO still being under the benchmark as determined by PWC. The TGP being under benchmark has been agreed by the committee to be reviewed and collective understanding exists that a conservative market catch-up approach must be adopted in FY2023.

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 FY2023. This had been compared to FY2022.

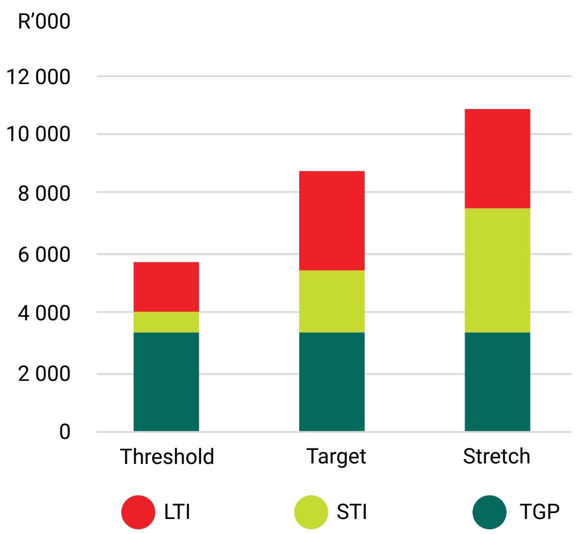
CHIEF EXECUTIVE OFFICER



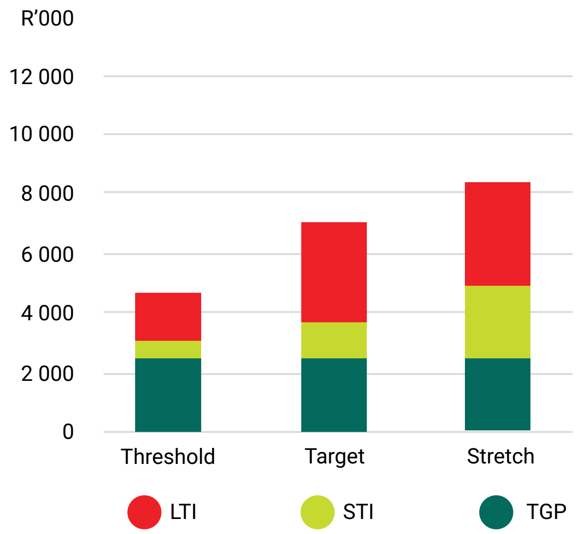
CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER: FY2023



CHIEF FINANCIAL OFFICER: FY2023



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 13th 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 11.67% aggregate increase in total guaranteed pay for its employees for FY2023.

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
TGP *Includes fixed salary and benefits (e.g. travel benefit, cellphone benefit and retirement scheme)*	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 fourth year except for the first tranche that vested over three years and four months

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. Linier vesting is applied between all levels of measurement criteria.

On-target incentive

Level of performance	Growth	Vesting
Threshold	Forecast less 3%	50% of on-target TGP
Target	DIPS lower end forecast announced	100% of on-target TGP
Stretch	DIPS high end 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 40 and 41, which were measures for the year ended 28 February 2022, but are not limited to these and are reviewed and adjusted annually and weightings reviewed. The performance conditions used in FY2023 will remain consistent to that used in FY2022.

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 ("CSP")

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 executives 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 illustrates the tranches that have been awarded. The allocation levels as a percentage of TGP are that of a maximum of 100% for FY2023.

CSP awards	Date of award	Status
Award 1	1 March 2018	Vested
Award 2	1 July 2018	Unvested
Award 3	1 July 2019	Unvested
Award 4	1 July 2020	Unvested
Award 5	1 July 2021	Unvested
Award 6	To be awarded on 1 July 2022	Unvested

The aggregate number of shares which may be net settled may not exceed 5% of the number of issued shares and 1% per individual. On 1 July 2022, a total of 9 779 000 conditional shares would have been awarded with an estimated net settlement of 5 483 851 shares, subject to performance conditions being met. The net settlement provision allows for approximately two more awards to be made under the current CSP.

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.

Vesting and performance period

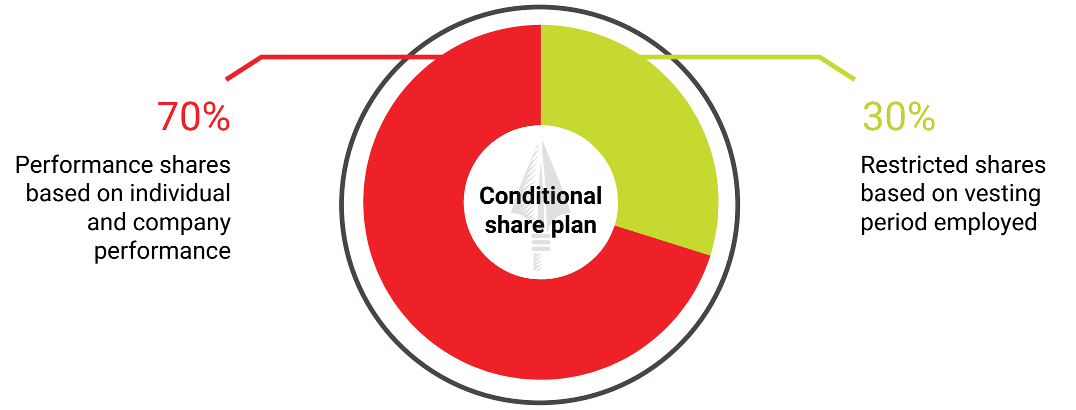
The performance period for the vesting of the conditional shares is staggered over four years in respect of which the performance conditions are to be satisfied, provided that the performance period in relation to performance conditions which apply to the first tranche of CSPs awarded was three years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

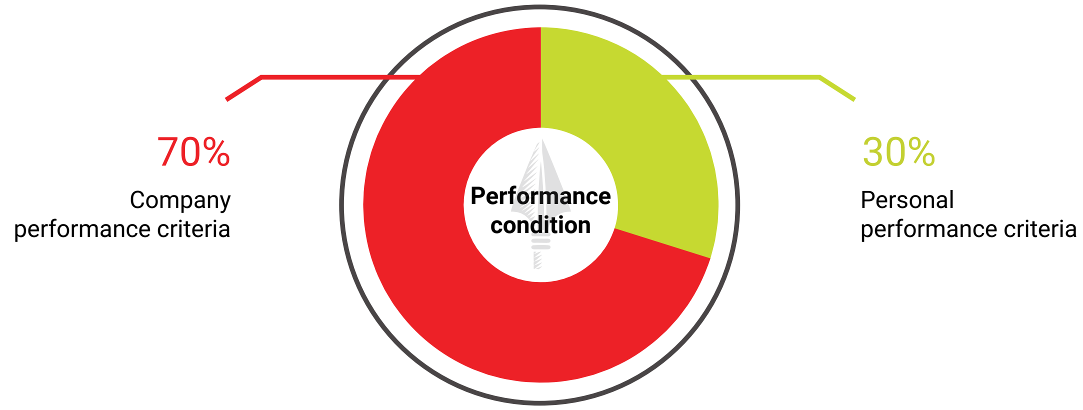
LTI performance conditions

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

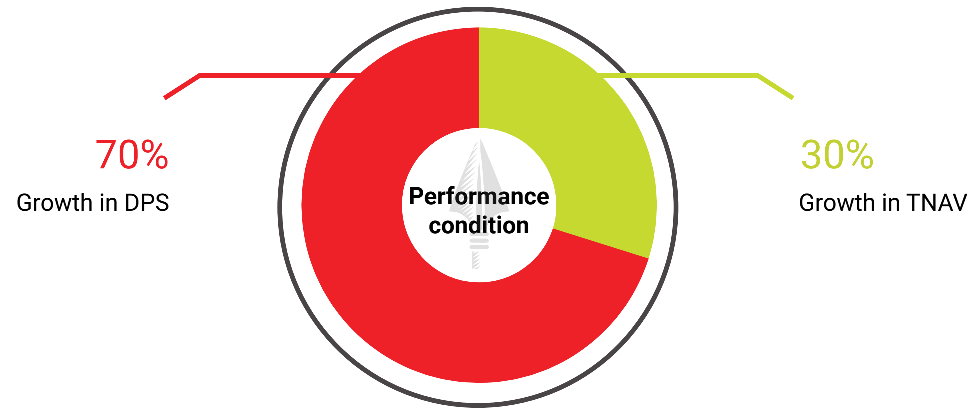
Performance conditions for the LTI awards



Performance conditions of the performance shares for all awards



Performance conditions of the company's performance criteria which are to be achieved during the performance period for each of the four financial periods



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 LTIs 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 they 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 previous 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 2022/23 are detailed below and will be submitted for approval by the shareholders at Spear's AGM to be held on 30 June 2022.

2022/2023	Annual base fee	Attendance fee per meeting
Chairperson of the board	684 029	
Deputy Chairman	672 235	
Board Member	294 840	
Chairperson of audit and risk committee		8 000
Member of audit and risk Committee		6 000
Chairperson of other sub-committee		8 000
Member of other sub-committee		6 000

Based on the meetings set for the period, the total fees payable in the coming period will amount to R3 214 464 excluding VAT.

IMPLEMENTATION REPORT

Spear's remuneration committee is satisfied that Spear complied with its remuneration policy during FY2022. The executives' total reward package is aligned towards the longer-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 FY2021 and FY2022.

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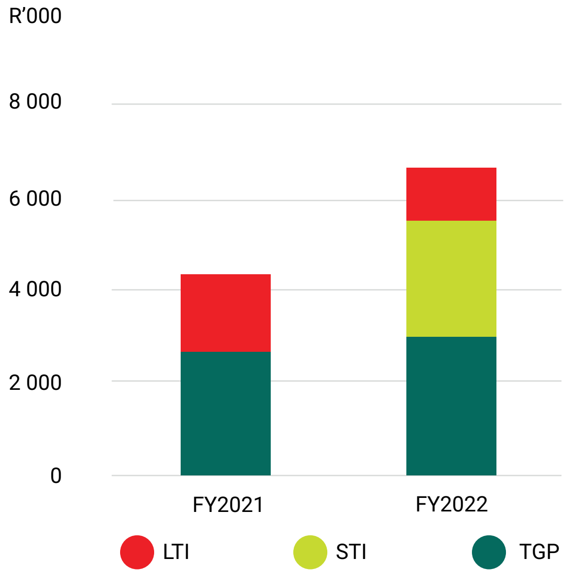

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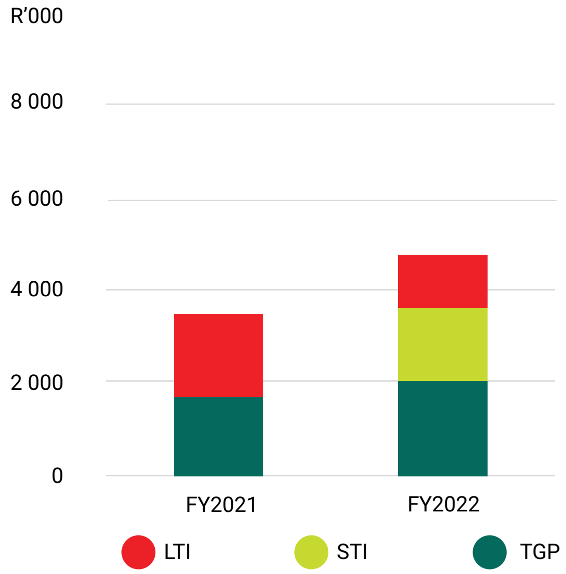

Total guaranteed package

In FY2022, 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 TGP for all staff levels excluding executives increased by 9.76%.

The TGP increase for the executives was that of 10.95% 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 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

During the previous financial year, 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 table below illustrates the remuneration paid to non-executive directors during FY2021 and FY2022.

Director	2022 Annual fees R'000	2021 Annual fees R'000
A Varachhia	618	471
MN Flax	608	463
JE Allie	327	241
BL Goldberg	318	230
N Kjellström-Matseke	328	241
RL Phillips (Dr.)	277	210
SC McCarthy	287	210

STI performance outcomes and awards in FY2022

The below table illustrates how the STI bonus pool was calculated based on the on-target incentive and financial modifier at each performance level.

STI	=	On-target incentive	2022 %	x	Personal modifier	2022 %	x	Financial modifier	2022 %
CEO		40% of TGP	40		0% – 150%	150		100% – 200%	179
CFO		35% of TGP	35		0% – 150%	150		100% – 200%	179

The below table illustrates the STI paid to the executive directors during FY2021 and FY2022. Due to the impact of the Covid-19 pandemic on the South African economy and Spear, the remuneration committee considered it prudent not to award STI payments to executives in FY2021. STI achieved was 107.14 and 93.75% of TGP for the CEO and CFO respectively and was limited to 93.66% and 81.95% for the CEO and CFO respectively.

Director	2022 STI R'000	2021 STI R'000
QM Rossi	2 561	–
C Barnard	1 588	–

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. 797 962 gross and 438 878 net shares vested in FY2022 to executives.

LTI performance conditions and outcomes

The conditional shares are divided into performance shares (70%, based on individual and company performance) and restricted shares (30%, based on vesting period employed). Performance shares are further subject to a company (70%) and personal (30%) performance criteria. The company performance criteria are based on distribution per share growth (70%) and net asset value per share growth (30%) being achieved for each of the four financial periods during the 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.

The tables below 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 2022 on vesting will only occur on 1 July 2022. The target of the executives is 100% from the available 150% over the performance period.

	CEO Maximum %	CEO Result %	CFO Maximum %	CFO Result %	Comment
Business growth and continuity					
• Maintain income generation base and continuity • Asset base growth	25	25	25	25	• Achieved DIPS and DPS forecast • Property portfolio decreased only by 0.4% after disposal of DoubleTree by Hilton Hotel
Operational metrics					
• SA REIT expense ratio • Vacancy ratio and tenant retention • Arrears management	20	20	25	25	• Maintained property expense ratio below 45% • Vacancy ratio has increased to 6.24% • Arrears was maintained at 3.68% of gross revenue billed with revenue increasing 11.19%
Leadership cohesion, staff management and company culture					
• Ensuring fully committed and motivated team • Maintain minimal staff turnover • Adherence to the agreed company values	25	25	25	25	• Staff remained motivated with excellent results and productivity during difficult pandemic • Four new staff members employed during financial year • Continued to promote from within with three internal promotions during the year
Financial management					
• Maintain LTV within target range • Extend debt expiry profile • Improve interest rate margins	0	0	25	25	• LTV reduced to within target range of 38% – 43% • Extended debt maturity profile • Improved all-in interest margin post refinancing of debt
• Effective and efficient communication with stakeholders • Managing major shareholder interactions • Media and market engagement	25	25	5	5	• Continued engagement with shareholders with positive feedback • Financial results enjoyed positive media coverage
Engagement with debtholders					
• Ongoing negotiations with third-party lenders • Diversify sources of funding and minimising funding costs	10	10	20	20	• Successfully refinanced R0.8 billion in debt with lower margins
Implementation of acquisitions					
• Leading due diligence on all transactions together with investment committee • Engaging with market and identifying opportunities • Overseeing and implementing all acquisitions seamlessly	25	25	15	15	• Conducted extensive due diligences on all major transactions • Disposal of two assets and acquisition of one asset • Successfully implementing asset strategy
Innovation					
• Increase of non-GLA revenue streams	20	20	10	10	• Successfully rolled out three new solar PV assets generating significant income with six in production
Aggregate result	**150**	**150**	**150**	**150**	

The table below illustrates the outcome of the company's performance conditions (70% of 70% of total award) attached to the Award 2 performance awards for which the performance period ended on 28 February 2022 and vesting will occur on 30 June 2022.

	Weighting %	Threshold (30% vesting) %	Target (100% vesting) %	Actual performance %	Actual vesting (% of performance shares) %
Growth in DPS for FY +1	17	8	10	10.09	100
Growth in TNAV for FY +1	8	3	5	4.74	94.8
Growth in DPS for FY +2	25	4	6	6.06	100
Collections in billed revenue FY +3	25	61	91 – 100	97	100
Growth in DPS for FY +4	25	6	8	6.29	100

Note: Linier 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.

Director	Date of award	Vesting date	On-target grant	Estimated award at vesting date	Status	Option issue price	Closing number of unvested instruments	Indicative value (Option price) R'000
QM Rossi	3/1/2018	6/30/2021	400 000	398 981	Vested	–	–	–
	7/1/2018	6/30/2022	400 000	399 236	Unvested	7.28	399 236	2 906
	7/1/2019	6/30/2023	400 000	365 309	Unvested	7.04	400 000	2 573
	7/1/2020	6/30/2024	252 000	252 000	Unvested	4.49	252 000	1 130
	7/1/2021	6/30/2025	168 000	168 000	Unvested	4.41	168 000	741
								7 352
C Barnard	3/1/2018	6/30/2021	400 000	398 981	Vested	–	–	–
	7/1/2018	6/30/2022	400 000	399 236	Unvested	7.28	399 236	2 906
	7/1/2019	6/30/2023	400 000	365 309	Unvested	7.04	400 000	2 573
	7/1/2020	6/30/2024	252 000	252 000	Unvested	4.49	252 000	1 130
	7/1/2021	6/30/2025	168 000	168 000	Unvested	4.41	168 000	741
								7 352

**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*

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