

# CORPORATE GOVERNANCE REPORT



**Gerhard van Zyl**  
Chairman of the Board

## INTRODUCTION FROM THE CHAIRMAN

While remaining focused on pursuing Emira's strategy, management and the Board also had to navigate several changes that required their close attention. With the reporting period for 2023 only nine months in duration, there was much to be done in a tight schedule.

To align with Castlevue's financial reporting, Emira's year-end changed from 30 June to 31 March, which resulted in new auditors being sought, and appointed, to meet the Fund's requirements. This came after the incumbent auditor did not have sufficient capacity to accommodate the new financial year-end.

In delivering a solid set of results for stakeholders, Emira's Board, management and staff once again demonstrated their commitment to high levels of professionalism and performance.

These results are even more commendable given that they were achieved against significant headwinds. Tough conditions persisted throughout the period, with the economy feeling the weight of relentless load shedding and the effects of higher interest rates and local currency weakness, putting a strain on households and businesses alike. Further abroad, the war between Russia and Ukraine continued to create uncertainty, impede the progress of international markets, and showed no sign of abating.

Emira is able to weather the storm by having a diversified property portfolio that is managed by a strong and experienced team, which has been enhanced by the Fund strengthening its ties with both Castlevue and Transcend. These key relationships add further depth to Emira's capabilities, to the benefit of all stakeholders.

The Board's key focus areas for the period were to bolster Emira's liquidity and financial position, align the Fund's reporting with that of Castlevue and manage risk and compliance matters – all while maintaining the high standards of operational excellence that shareholders, tenants, suppliers and other stakeholders are accustomed to.

Emira is a responsible business and does its part to address inequality in South Africa. The Fund has again achieved a Level 2 B-BBEE Contributor status, which we are proud to have obtained after successfully implementing our transformation policies and initiatives in recent years.

With Mike Aitken's retirement on 31 August 2022, the Board is not seeking a replacement and again comprises 11 directors, with eight being non-executives, seven of whom are independent. This is in line with the Board's independence policies, and I am confident that the composition and capabilities of our directors will serve Emira's best interests for stakeholders.

We look forward to the new financial year and reporting on a full 12 months of business. Through the combined efforts of our team, we will continue to deliver on our purpose of being great in the provision of great real estate – while always observing our core values and doing business the Emira Way.

# CORPORATE GOVERNANCE REPORT CONTINUED

## APPLICATION OF KING IV

The four governance outcomes set out by the King IV Report on Corporate Governance for South Africa, 2016 ("King IV") are as follows: ethical culture, good performance, effective control and legitimacy, all of which are endorsed and supported by the Group. The discussion that follows explains how the Group has applied these principles.

The application of the King IV principles is assessed and reviewed on an ongoing basis.

## ETHICAL LEADERSHIP

**Principle 1: The governing body should lead ethically and effectively.**

Emira's Board provides ethical and effective leadership to guide the business through challenging and uncertain times. This approach is embodied by "the Emira way" – doing business honestly, transparently and with mutual respect, accountability, fairness and responsibility. This philosophy guides the Company's dealings with its staff, shareholders, tenants, communities, investment partners, property managers and other stakeholders. The Emira way is supported by a set of policies, practices and procedures, as set out in the sections that follow.

The Board acknowledges and embraces the responsibilities bestowed upon it by the Companies Act and the King IV Report on Corporate Governance and is fundamentally responsible for ensuring that Emira's strategy, risk, performance and sustainability are inseparable.

Principles in the Charter of Corporate Governance set up firm operational processes, procedures and tools to institute, implement, monitor and control internal policies and procedures in furtherance of corporate governance, effective compliance and risk management.

## MANAGING CONFLICTS OF INTEREST

Emira has a policy in place to proactively manage directors' conflicts of interest. When directors become aware that they have a direct or indirect interest in any existing or proposed transaction with an entity of Emira, they notify the Company Secretary who in turn informs the Board's Chairman.

The Company keeps a register of all directors' internal and external interests, which is updated with any changes reported by directors, either prior to or during each Board meeting.

This process was adhered to for the period under review and directors recused themselves from any discussions as a result of personal conflict of interests. Any potential professional conflict of interests is disclosed by the director concerned and noted in the Board minutes. One of the independent non-executive directors deals with matters where the Chairman may be conflicted. The Company's conflict of interest policy is regularly reviewed and enhanced as and when necessary.

## DIRECTORS' DEALINGS IN SHARES

The Board-approved policy on dealing in shares is in place to ensure that directors and all staff are prohibited from dealings in the Company's shares in periods immediately prior to the announcement of Emira's interim and year-end financial results and at any other time deemed necessary by the Board or as required in terms of the JSE regulations.

Before trading in shares, directors must obtain written clearance from the Chairman, who consults with the CEO before granting the clearance to ensure that there is no material price sensitive information that has not been disclosed to the market. Clearance is provided on receipt of a written request from the director. The Company's policy and all necessary disclosures align with the JSE Listings and Debt Listings Requirements.

## DEVELOPMENT OF DIRECTORS

The Board has a policy in place for the induction of newly appointed directors, which includes a sound understanding of the Company's operations to adequately perform their duties and responsibilities. The Company also encourages the further development of directors, which includes training programmes that are coordinated by the Company Secretary and cover relevant topics such as economic and property industry trends. In addition, relevant new developments are communicated to directors at Board meetings, including those regarding the Companies Act, corporate governance and other relevant legislation.

## ORGANISATIONAL ETHICS

**Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**

## CORPORATE VALUES AND CULTURE

The Board understands the importance of maintaining an ethical corporate culture as a means to create long-term business value and stakeholder support. The Company follows the values of "the Emira way", with respectful business dealings, a working environment that allows for employee empowerment, and an open-door policy that encourages the free flow of ideas between management and staff.

In order to see these objectives to fruition, the Board delegates the responsibility to the Environmental, Social and Governance Committee.

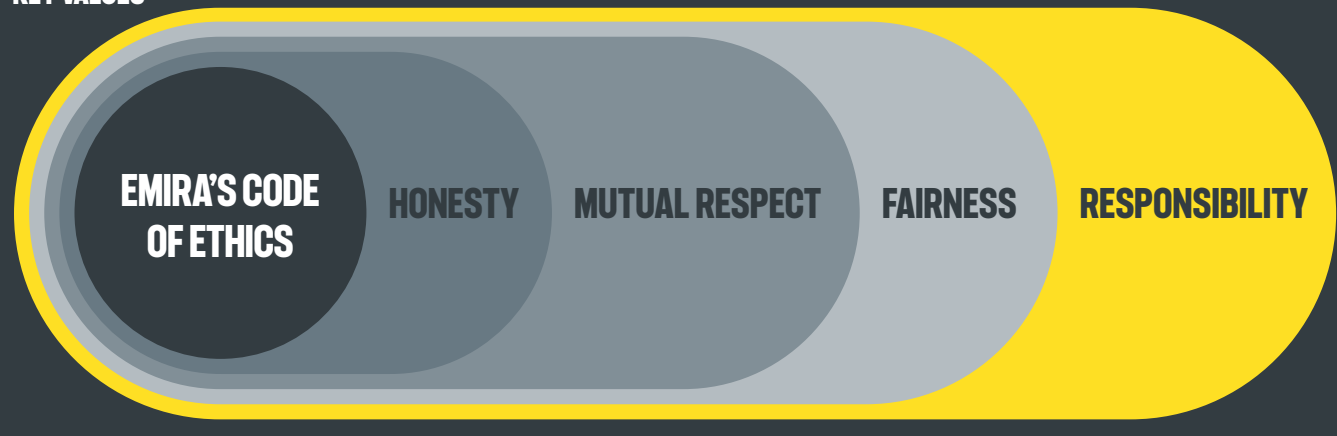
Good corporate governance is integral to delivering sustainable growth and to that end, the Board of Directors reviews the governance climate, structures and processes, which are enhanced to accommodate internal developments and ensure best practice.

## CODE OF ETHICS AND CONDUCT

Emira has a Board-approved code of ethics in place, which sets out the ethical business practices of the Company. The code actively promotes the avoidance of possible conflicts of interest within specific areas of competence.

The code reinforces Emira's values of responsibility, honesty, fairness and mutual respect and dictates that all actions must be trustworthy and ethical. Through the code, all directors, officers and employees are obliged to interact with one another and with stakeholders, always with integrity. Ethical business practices have been included in the terms of appointment of contract and service providers. The code is reviewed annually and can be found on Emira's website: [www.emira.co.za](http://www.emira.co.za)

## KEY VALUES



In accordance with the code, employees must act with the highest personal and moral standards and must demonstrate respect for human dignity of all other people. All members of staff are expected to conduct personal affairs in a proper and responsible manner and must sign the code of conduct on commencement of employment and when amendments are added.

In terms of the code of ethics, there have been no issues of non-compliance, fines or prosecutions levied against Emira or its management. There is currently no need to change focus with regard to ethics.

## GIFT DECLARATION POLICY

The Company has policies in place that encourage transparency and the ethical conduct of employees, including a policy on receiving and declaring gifts. The definition of gifts that are given or received can include any number of physical items, services or anything of value that can be transferred from one to another. Before staff can receive or give such gifts, they must first obtain written permission from senior management or the Company's executives. The gifts policy is reviewed on an annual basis.

## WHISTLEBLOWING

Emira has considered implementing a whistleblowing facility but does not currently have such a facility in place due to the Company's small size.

All staff and Board members have easy access to the CEO as well as to an independent email address that is managed exclusively by the Company Secretary.

## ADHERING TO ETHICAL STANDARDS

Emira's ethics programme is in place to ensure that employees adhere to the Company's policies and high ethical standards of conduct. Emira's open-door policy encourages an environment of honest, transparent and mutually respectful engagement between executives and staff. This allows for any instances of unethical behaviour to be reported freely by staff and without fear of reprisal.

## RESPONSIBLE CORPORATE CITIZENSHIP

**Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.**

It is important for Emira to both live the values of being a responsible corporate citizen, and to be seen as one by the market and society. The Company creates sustainable returns for its shareholders and other stakeholders by delivering on its environmental, social and governance principles.

The Company has a number of projects and initiatives underway that aim to:

### Promote development, employment equity and the health, safety and the well-being of employees

- Emira has a graduate development programme in place that targets black graduates with an aim to training and upskilling them into full-time Emira employees.
- Emira encourages the development and personal growth of employees in alignment with the Company's objectives.
- Emira's responsible retirement policy ensures that employees safeguard their futures by contributing to retirement plans.
- Mandatory medical aid membership for staff encourages a healthy workforce.
- Health and safety initiatives monitor the health and safety of employees through stringent adherence to the OHS ACT.

### Reduce Emira's impact on the environment

- Projects that enhance and reduce Emira's carbon footprint.
- Renewable/alternative energy investments into photovoltaic (solar) power plants.
- Water intervention projects save water through efficiency and harvesting.
- Responsible waste management.
- Biodiversity initiatives.

For details, please see the environmental report commencing on page 51.

### Drive transformation across the business

- Emira has adopted a policy in respect of both gender and racial diversity.
- Emira has a preferential procurement policy that targets the procurement of goods and services from BEE compliant suppliers and service providers, with a focus on small- and medium-sized businesses.
- The Company's supplier development initiatives promote and financially assist BEE compliant suppliers.
- A BEE equity scheme was implemented to transform Emira's shareholder base.

# CORPORATE GOVERNANCE REPORT CONTINUED

## Foster a culture of good corporate governance

- Honesty, transparency and fairness are cornerstones of Emira's business dealings: read more on pages 71 and 72.
- The Company is focused on all relevant forms of compliance and is fully tax compliant.
- Emira maintains a politically neutral stance and does not donate to any political parties.

## STRATEGY AND PERFORMANCE

**Principle 4:** The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

### STRATEGY

The Board is ultimately responsible for performance by determining and overseeing the strategic direction of the business. The Board ensures that the company's purpose and values align with its strategy and ESG objectives. For details about Emira's strategy, strategic objectives and performance, see our strategy from pages 15 to 17 of this integrated report.

### To summarise the Board's role in terms of strategy and creating sustainable value for all stakeholders:

- The Board sets the strategic objectives that guide the Company's endeavours and daily business activities.
- Actual performance achieved by the business is measured against the strategic objectives and future targets are set.
- The Board considers and approves initiatives and projects that are aimed at enhancing strategic value creation for an improved performance.

During the period under review, the Board held its annual strategy session, where the Company's high-level strategic plan was set, which included both the short- and long-term plans for the business.

Emira's strategic priorities are performance objectives that are set by the Board for the short to medium term and discussed on page 17 of this integrated report.

At the annual strategy session, the Board also considered the future in terms of Emira's strategic direction and set out the **long-term plan for creating sustainable stakeholder value:**

### Long-term objectives

- Delivering above average total returns to equity investors.
- Maintaining a healthy balance sheet with strong liquidity.
- Continuing to hold a balanced and diversified portfolio of assets, both by sector and geography, locally and offshore.
- Recycling capital out of those assets deemed non-core to the Fund.
- Further reduction of the Fund's exposure to the office sector.
- Increase the Fund's offshore exposure.
- Serving Emira's tenants with excellence and providing great real estate.
- Creating a superb working environment for Emira's staff and service providers.
- Serving Emira's communities responsibly and protecting the environment.

### GOING CONCERN

The going-concern basis has been adopted in preparing the Company's financial statements. The directors have assessed the Company's solvency and liquidity position, taking into account the current position together with forecasts on what the position is expected to be in 15 months' time. Based on this assessment and the available cash resources on hand there is no reason to believe that Emira will not be a going concern in the foreseeable future. The financial statements support Emira's viability, accountability and effective internal control processes.

The Company's going-concern status is assessed quarterly, or four times a year, rather than just twice at the six-month intervals when Emira declares its dividends to shareholders.

## REPORTING

**Principle 5:** The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

It is the Audit Committee's responsibility to oversee and ensure the integrity of Emira's annual reports and other disclosures. Ultimately, the Board is responsible for approving disclosures and reports prior to publication. To assist the Board in this regard, the following reporting frame-works and standards are adhered to in the reporting process:

### Emira's reporting frameworks

- King IV Report on Corporate Governance for South Africa 2016 ("King IV")
- International Integrated Reporting Council's International <IR> Framework ("<IR> Framework")
- The Companies Act, No. 71 of 2008, as amended ("the Companies Act")
- International Financial Reporting Standards ("IFRS")
- The Listings and Debt Listings Requirements of the JSE Limited ("the JSE Listings and Debt Listings Requirements")

The Audit Committee is responsible for overseeing the Company's annual financial statements. It is the Board's responsibility to ensure that the Company's annual financial statements are reported to a high standard. In addition to the disclosures required by IFRS, the Company provides further explanations on critical accounting estimates, which enhances its disclosures and makes them more accessible.



# CORPORATE GOVERNANCE REPORT CONTINUED

## CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

For the period under review, the critical accounting estimates, judgements and assumptions required by management were as follows:

- Investment property
- Accounts receivable
- Revenue recognition
- Estimated credit losses
- Derivative financial instruments
- Current and deferred tax
- Investment in associates, joint ventures and other financial assets
- Business combinations

Refer to the notes to the annual financial statements for details on the above key estimates and assumptions.

Once the Board has reviewed and approved the annual financial statements, they are presented to the Company's shareholders. The Board has approved Emira's 2023 annual financial statements and believes they are an accurate presentation of the Company's financial status, and that the Company's subsidiaries and affiliated entities have been properly consolidated and presented.

## COMPLIANCE WITH CORPORATE LAWS

Emira has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with Emira's Memorandum of Incorporation during the period under review.

## CORPORATE GOVERNANCE DISCLOSURES IN ACCORDANCE WITH THE JSE DEBT LISTINGS REQUIREMENTS

As contemplated in paragraph 7.3(c)(iii) of the JSE Debt Listings Requirements, independence of directors is determined holistically, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act, Directive 4 of 2018 issued by the Prudential Authority on 5 October 2018 and the King Code.

The Company confirms that the Audit Committee has executed the responsibilities as set out in paragraph 7.3(e) of the JSE Debt Listings Requirements. In accordance with paragraph 7.3(f) of the JSE Debt Listings Requirements, the Company follows an existing policy on the evaluation of the performance of its Board of Directors and that of its Committees, its Chairman and its individual directors, pursuant to the provisions of the King Code and confirms that the board has executed its responsibility under the policy on the evaluation of the performance of the Board of Directors.

The Company's debt officer, as contemplated in paragraphs 6.39(a) and 7.3(g) of the JSE Debt Listings Requirements, is Greg Booyens, the Chief Financial Officer. The Board duly considered and satisfied itself with the competence, qualifications and experience of Greg before he was appointed as debt officer of the Company and continue to evaluate him as part of the Board evaluation process on an annual basis.

The Company's code of conduct includes a section that deals with conflicts of interest (the "Conflict of Interest Policy") and is applicable to all Emira staff and directors. There have been no amendments to the Conflicts of Interest Policy since its publication and it is accessible at [www.emira.co.za/about-us](http://www.emira.co.za/about-us).

The Conflict of Interest Policy deals, inter alia, with the conflicts of interest of the directors and all Emira employees, including executive management, and how such conflicting interests can be identified and managed or avoided.

Emira confirms that, for the period under review, to the extent a conflict of interest and/or personal financial interest was disclosed by any of the directors and/or the executive management of Emira, as contemplated in the Conflicts of Interest Policy and paragraphs 7.5 and 7.6 of the JSE Debt Listings Requirements (as read with section 75 of the Companies Act), the Conflicts of Interests Policy was followed, and the conflicted party recused themselves from any discussions or decisions on the matter concerned.

## GOVERNING STRUCTURES AND DELEGATION

**Principle 6:** The governing body should serve as the focal point and custodian of corporate governance in the organisation.

## PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD

### Board Charter

The Company's detailed Board Charter is aligned to King IV. The charter sets out the composition of the Board, defines the directors' fiduciary duties and roles, provides a clear division of directors' responsibilities and accountability, both collectively and individually, to ensure an appropriate balance of power and authority. The charter also provides details on the processes of appointment, tenure and rotation of directors.

**To summarise the Board Charter, the Board's primary responsibilities are to:**

- Provide direction for Emira's strategy and monitor its implementation;
- Ensure high standards of ethical conduct and compliance with laws and regulations;
- Appoint and evaluate the performance of the CEO, CFO, COO and company secretary;
- Monitor materiality, key risk areas, performance indicators and management;
- Review the Company's financial results and procedures, policies and codes of conduct;
- Establish and set the terms of reference for the Board committees; and
- Approve financial and non-financial objectives, including economic, environmental social and governance.

# CORPORATE GOVERNANCE REPORT CONTINUED

## Key focus areas of the Board in 2023

During the period, the Board's key focus area was to reassess the strategy of the Fund, and has affirmed that the approach of being a balanced and diversified REIT, both by sector and geography remains appropriate. The Board confirms that it is satisfied that it has carried out its duties and responsibilities in compliance with its mandate and the Board Charter.

## Board access to information and resources

In order to make informed decisions, Board members must have sufficient information covering the matter at hand. To this end, the Company's directors all have access to Emira's records, information, documents and property. To enable the directors to perform their duties to a high standard, the Board continuously assesses and provides for their information needs.

On occasion, the Board may need to seek independent advice, legal or otherwise, information or opinions from external, professional resources, which are provided at the Company's expense. No independent advice was required during the period.

Non-executive directors also have unfettered access to management at any time. Directors are informed timeously of matters that will be discussed at meetings and comprehensive information packs are provided well in advance of all meetings.

## BOARD MEETINGS AND ATTENDANCE

Meetings for the Board were held four times during the period under review and aligned with the Company's financial reporting cycle. The Risk, Finance, Investment and Remuneration and Nominations Committees held three meetings each during the period with the Audit Committee meeting five times during the period and the Environmental, Social and Governance Committee meeting once during the period. Board meeting attendance by the Company's directors for the period is as per the table to the right, with new appointees in attendance where applicable.

## COMPOSITION OF THE BOARD

**Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.**

Creating sustainable value for stakeholders goes hand in hand with good corporate governance. To this end, Emira believes that its Board composition is balanced and is in line with best practice guidelines. The Board considers the Chairman to be independent, however, a lead independent director would be appointed if the Chairman was no longer considered to be independent by the Board.

### Board meeting attendance

Member	Board meetings attended	Appointed to Board
G van Zyl (Chairman)	●●●●	10 September 2013
V Mahlangu	●●●●	24 June 2010
W McCurrie	●●●●	10 December 2008
B Moroole	●●●●	1 July 2020
V Nkonyeni	●●●○	24 August 2011
J Nyker	●●●●	22 May 2019
JWM Templeton	●●●●	1 July 2020
DJJ Thomas	●●●●	15 August 2017
GM Jennett	●●●●	1 January 2015
GS Booyens	●●●●	1 January 2016
U van Biljon	●●●●	10 February 2012

The Board follows a unitary board structure and, as at 31 March 2023, it comprised 11 directors, seven of whom are independent non-executive directors, one of whom is a non-executive director, and three are executive directors.

As announced on SENS on 26 August 2022, Mike Aitken retired from the Board effective 31 August 2022. Mike had served on the Board since 2007 and elected to retire from the Board as he was due to retire in terms of the Board's independence policies.

The Board is constituted in accordance with the Company's Memorandum of Incorporation ("MOI") and the principles of King IV. To effectively and objectively discharge its governance role and responsibilities, the Board is appropriately balanced in terms of its levels of competence, skills, knowledge, experience, diversity and independence.

### Changes to the Board in 2022/2023

Resignation effective 31 August 2022

**MS Aitken** Independent Non-executive Director

The Company's directors as at 31 March 2023

**G van Zyl** Independent Non-executive Chairman  
**V Mahlangu** Independent Non-executive Director  
**W McCurrie** Independent Non-executive Director  
**B Moroole** Independent Non-executive Director  
**V Nkonyeni** Independent Non-executive Director  
**J Nyker** Independent Non-executive Director  
**DJJ Thomas** Independent Non-executive Director  
**JWM Templeton** Non-executive Director  
**GM Jennett** Chief Executive Officer ("CEO")  
**GS Booyens** Chief Financial Officer ("CFO")  
**U van Biljon** Chief Operating Officer ("COO")

The detailed biographies of these directors are presented on pages 8 to 10 of this integrated report.

The table to the left references the attendance of Board meetings, refer to the committees for meeting attendance.

## Key leadership roles, functions and responsibilities

Emira's Board is led by Independent Non-executive Chairman, Gerhard van Zyl. The Company's Chairman is appointed on an annual basis and is responsible for the Board's effective leadership by fulfilling the King IV role and functions.

The Chairman's role and responsibilities are distinct and completely separated from those of the CEO. This provides a clear division of responsibilities and ensures an appropriate balance of power and authorities such that no director has unfettered powers of decision-making.

The CEO, CFO and COO represent executive management on the Board in order to enhance the direct access and levels of interaction that exist between the Company's non-executive directors and management.

The responsibilities and duties of the Board members are set out within this report to illustrate their various roles in the value creation process.

### Chairman

- As the Board's leader, he ensures that the integrity and effectiveness of the Board and its committees are upheld at all times.
- Leads by example to ensure that both the Board and the Company maintain high standards of corporate governance and ethical conduct.

### CEO

- The primary executive responsible for effectively managing and running Emira's business according to its Board-approved strategies and objectives.
- Chairs Emira's EXCO, leads and drives the performance of executive and senior management.
- Ensures that the Board is kept up-to-date and accurately informed of Emira's performance.

## NEW BOARD APPOINTMENTS

The Remuneration and Nominations Committee regularly assesses the need for new Board appointments. Prospective new directors must go through a process of background checks, screening and due diligence. Candidates who are recommended through this process may then be approved for appointment by the Board. When appointing a new Board member, candidates undergo a formal interview to determine whether they have sufficient skills as well as time and capacity available in order to fulfil the requisite duties.

There were no new Board appointments during the period.

## DIVERSITY OF THE BOARD

An important enabler of value creation is a balanced Board comprised of individuals with diverse and complementary skills. To this end, the Board ensures that the directors have a diverse range of knowledge, expertise and experience in strategic, financial, commercial and property activities, in order to function efficiently and effectively, while exercising independent judgement in Board decisions and deliberations. The Board has adopted a policy on the promotion of broader diversity on the Board, focusing not only on gender and race but also on the promotion of other diversity attributes such as culture, age, field of knowledge, skills and experience.

These combined skills and experience benefit the Board as a whole in its supervisory role. Biographies of the Board can be found on pages 8 to 10 of this integrated report.

## DIVERSITY OF AGE

To enhance the diversity of age on the Board, the Company has adopted a policy on director rotation, which is discussed below, under the heading Board refreshment and succession. As at 31 March 2023, the average age of the Company's directors is 54 years. See page 78 for further details.

## INDEPENDENCE OF THE BOARD

To maintain the Board's healthy levels of objective oversight, the Remuneration and Nominations Committee regularly assesses the independence of directors and reports on this to the full Board. To confirm the independence of the Board, directors are individually assessed on an annual basis in a process that considers the JSE Listings and Debt Listings Requirements, the Companies Act and King IV.

# CORPORATE GOVERNANCE REPORT CONTINUED

## DIRECTORS' SKILLS MATRIX
























































Member	GvZ	VM	WM	BM	VN	JN	DT	JT	GJ	GB	UvB
<b>KNOWLEDGE AND SKILL</b>											
Property development	●							●	●		●
Property asset management	●							●	●	●	●
SA retailer knowledge	●		●			●		●	●		●
SA corporate knowledge	●	●	●		●	●	●	●	●	●	●
International markets			●			●		●	●	●	●
Tax		●	●		●				●	●	
Financial markets	●	●	●		●	●	●	●	●	●	
Financial accounting	●	●	●	●	●	●			●	●	
Risk management	●	●		●	●	●	●	●	●	●	●
Funding	●	●	●		●	●	●	●	●	●	
Investment management	●	●	●		●	●		●	●	●	●
Sales and marketing	●		●				●	●	●		●
Legal and regulatory	●		●	●	●	●	●	●	●	●	●
Information technology				●						●	
Environmental, social and governance	●			●	●	●	●		●	●	●
Human resources	●			●		●			●	●	●
<b>EXPERIENCE</b>											
Board experience	●	●	●	●	●	●	●	●	●	●	●
Board chair experience	●						●	●	●		

KEY		DIRECTORS							
	Independent Non-executive Chairman	<b>GvZ</b>	G van Zyl	<b>VM</b>	V Mahlangu	<b>WM</b>	W McCurrie	<b>BM</b>	B Moroole
	Independent Non-executive Director	<b>VN</b>	V Nkonyeni	<b>JN</b>	J Nyker	<b>DT</b>	D Thomas	<b>JT</b>	J Templeton
	Non-executive Director	<b>GJ</b>	G Jennett	<b>GB</b>	G Booyens	<b>UvB</b>	U van Biljon		
	Executive Director								


























































# CORPORATE GOVERNANCE REPORT CONTINUED





## BOARD SIZE AND COMPOSITION

Year	Directors											Total
2023												11
2022												12
2021												12
2020												11
2019												12

## DIVERSITY OF AGE

Year	Directors' ages											Average
2023												54
2022												54
2021												53
2020												55
2019												55

### KEY

-  Independent Non-executive Chairman
-  Independent Non-executive Director
-  Non-executive Director
-  Executive Director

The Company ensures that members of the Board are independent from the management team as follows:

- maintaining an independent non-executive chairperson;
- maintaining a majority of non-executive directors including independent non-executive directors;
- a tenure policy that governs the period non-executive directors can remain on the Board for;
- the remuneration of the non-executive directors being unrelated to the financial performance of Emira; and
- all directors being entitled to seek independent professional advice concerning the affairs of Emira at the Company's expense.

## GENDER AND RACIAL DIVERSITY

To address and enhance diversity of the Board, the Company has policies on race and gender, which are both considered when appointing new directors. The Remuneration and Nominations Committee ensures that it has the appropriate balance of skills and expertise to facilitate the strategic direction of the Company.

While the Company has met its gender diversity target of 25% female representation with 27% representation, as well as its B-BBEE Board representation target of 40%, with 45% representation, it will endeavour to improve on these levels to the extent new appointments are required.

Should a vacancy arise, suitable candidates in line with the Board's race and gender diversity targets will be considered.

The Company's policies and targets on gender and racial diversity are set out in the social section of the ESG report on pages 67 and 68.

## BOARD REFRESHMENT AND SUCCESSION

To address both diversity and business continuity, the Remuneration and Nominations Committee oversees the Company's succession planning. Emira is a relatively small company with a headcount of 23 permanent staff members, including three executive directors. To ensure seamless operation, the Company has a succession plan in place to address any shortfalls should the need arise.

# CORPORATE GOVERNANCE REPORT CONTINUED

If required, the Board Chairman, as well as the Chief Financial Officer and/or Chief Operating Officer would be able to fulfil the role and assume the responsibilities of the Chief Executive Officer. Likewise, the current Chief Executive Officer was Emira's previous Chief Financial Officer and would be able to assume these duties while the recruitment process for the needed position is underway. The other executive directors together with the senior asset managers are also able to assume the duties of the Chief Operating Officer if required.

Emira's succession plan specifies key areas of need such as ensuring membership of the Audit and Risk Committee are suitably filled. These and other factors are also considered when targeting new Board appointments.

## PERFORMANCE OF THE BOARD

The Board is responsible for setting Emira's strategic objectives and determines the Company's investment and performance criteria. Furthermore, the Board is responsible for the proper management, control, compliance and ethical behaviour of the business under its direction. During the period under review, Acorim (Proprietary) Limited conducted an evaluation of the Board. For more information, refer to Principle 9 on page 87 of this report.

## APPOINTMENT, ROTATION AND RE-ELECTION OF DIRECTORS

New directors are appointed to the Board by way of a transparent policy that is in place to ensure a formal and fair process is followed, which includes policy-approved selection criteria.

The Board delegates the nomination of new directors to the Remuneration and Nominations Committee, which comprises a majority of independent directors.

The committee makes its recommendations to the Board, which is then responsible for considering and ultimately approving the recommendations to formalise appointments.

The Board has adopted the following framework regarding non-executive director ("NED") tenure:

1. Initial period of three years
2. Extendable, with unanimous approval, for two further periods of three years (to nine years). Extendable, with unanimous approval for three further periods of one year each (to 12 years)
3. Special exception for specific skills, with unanimous approval for three further periods of one year each (to 15 years)

4. Maximum retirement age is 70 years old

5. Maximum number of three NEDs more than 10 years and no more than two NEDs retiring in any year

Vusi Mahlangu, Wayne McCurrie and Vuyisa Nkonyeni have all served on the Board for 10 years or longer and the Board has assessed by way of a thorough and transparent process that they remain independent.

## Directors' tenure policy snapshot

The Company's MOI states that:

- One-third of directors must retire by rotation at each AGM to be eligible for re-election
- If at the date of any AGM any director will have held office for a period of three years since his/her last election of appointment shall retire at such meeting
- The directors so to retire at each AGM shall be those who have been longest in office since their last election
- As set out in the notice of AGM and in terms of the MOI, Gerhard van Zyl, James Templeton and Berlina Moroole are due to retire by rotation at the upcoming AGM in order to be eligible for re-election. Their brief biographies are on pages 8, 9 and 10.

## INDEPENDENCE OF THE BOARD AS AT 31 MARCH 2023

7/11 or 7/8 or

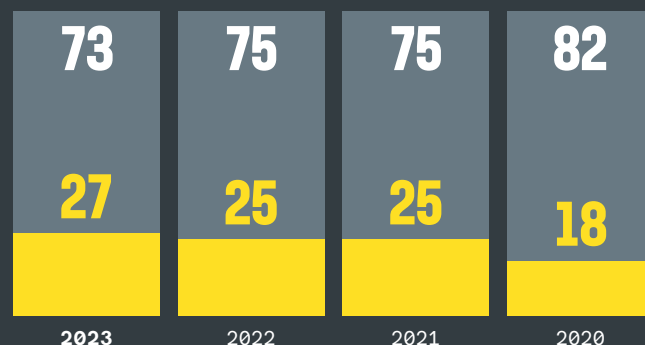
**63%** of directors are independent

**88%** of non-executives are independent

## GENDER DIVERSITY OF THE BOARD AS AT 31 MARCH 2023 (%)

### KEY

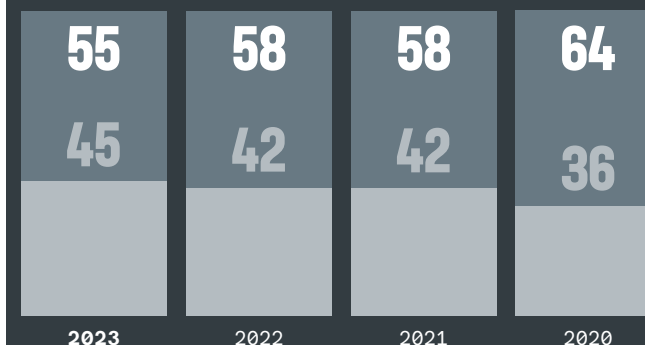
● Female ● Male



## RACIAL DIVERSITY OF THE BOARD AS AT 31 MARCH 2023 (%)

### KEY

● Black ● White



# CORPORATE GOVERNANCE REPORT CONTINUED

## BOARD COMMITTEES

**Principle 8:** The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

## DELEGATION OF AUTHORITY FRAMEWORK

The Company's delegation of authority framework helps to clarify the various Board and Committee roles to enable the effective exercise of authority and responsibilities. The delegation of authority framework is reviewed and updated where necessary by the Risk Committee, which then presents it to the Board on an annual basis. The Board is satisfied with the framework and has approved it until the next review during the coming year.

To assist the Board in discharging its collective responsibilities, certain Board responsibilities have been delegated to the committees set out in the governance structure below. In doing so, the Board facilitates independent oversight of key areas of the business. This enhances the realisation of strategy and unlocks the value provided by the directors through their respective areas of expertise.

Each committee acts within the boundaries of clearly defined, Board-approved terms of reference. These committees meet independently and provide detailed feedback to the Board via their chairpersons. All committee meetings are minuted and directors may raise any questions arising from these minutes. The various committee chairpersons have confirmed that the terms of reference have been materially complied with for the period under review.

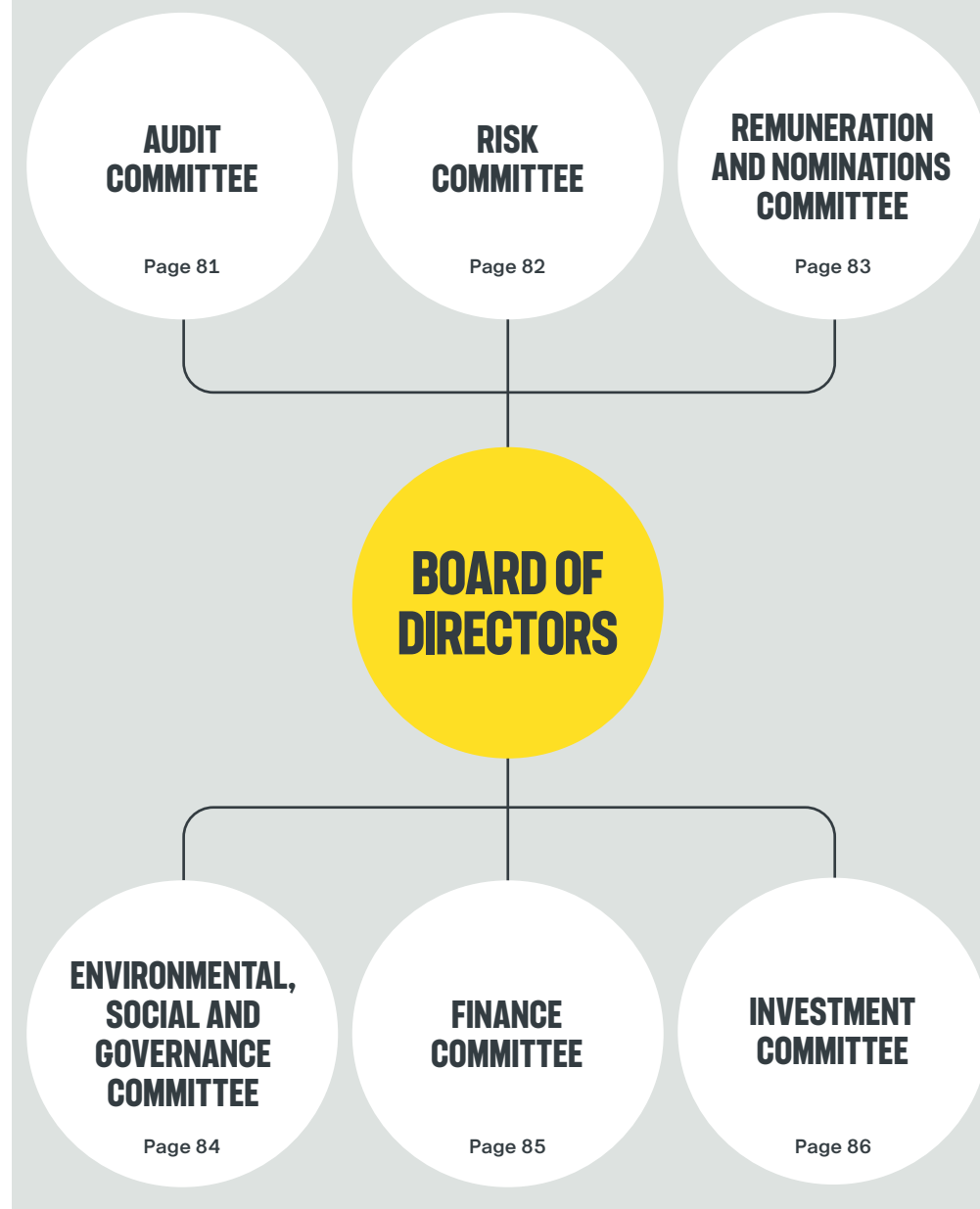
As the Company's ultimate authority, the Board does not delegate responsibilities that include strategic planning; identifying materiality, risks and opportunities; the appointment, oversight and remuneration of executives; succession planning; interactions with shareholders; matters of compliance; and financial controls.

The Board delegates certain responsibilities via financial authority thresholds that deal with specified values of acquisitions, disposals and capex. These thresholds are approved annually by the Board after reviewing the Investment Committee's recommendations.

## FINANCIAL AUTHORITY THRESHOLDS

Authorisations of	Are approved by the Board when	Or delegated to the Investment Committee when	Or delegated to the Executive Committee when
Acquisitions	>R125m	>R30m of total asset value and ≤R125m	≤R30m of total asset value
Disposals	>R125m	>30m of total asset value and ≤R125m	≤R30m of total asset value
Capex projects	>R125m	≥0,2% of total asset value and ≤R125m	<0,2% of total asset value

## DELEGATION OF AUTHORITY FRAMEWORK



# AUDIT COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

The Audit Committee comprises three independent non-executive directors. The Audit Committee members are appointed by the directors and approved annually by shareholders at the AGM. The committee met five times during the period with the executive management as well as the executives responsible for finance, the compliance officer, and external and internal auditors. The Company Secretary attends all meetings as secretary to this committee.

### Chairman



### Vuyisa Nkonyeni

Appointed to committee  
April 2017

### Meeting attendance

1 2 3 4 5



### Vusi Mahlangu

Appointed to committee  
June 2010

### Meeting attendance

1 2 3 4 5



### Berlina Moroole

Appointed to committee  
July 2020

### Meeting attendance

1 2 3 4 5

## REGULAR INVITEES

**Geoff Jennett**  
Chief Executive Officer

**Greg Booyens**  
Chief Financial Officer

**Ulana van Biljon**  
Chief Operating Officer

**BDO**  
Internal auditor

**The Company's  
financial manager**

**Moore**  
External auditor

The detailed biographies of these directors are presented on **page 9** of this integrated report.

## ROLES AND RESPONSIBILITIES

The committee is governed by a charter and terms of reference that have been approved by the Board, which was updated during the period under review.

### Responsibilities of the committee include:

- Evaluating the adequacy and efficiency of:
  - internal control systems;
  - accounting practices;
  - information systems; and
- Nominating the appointment of an independent registered auditor
- Reviewing the audit plans for the external and internal auditors
- Evaluating the Company's solvency and liquidity position
- Assessing the expertise and experience of the CFO and the finance function
- Enhancing the credibility and objectivity of Emira's financial statements and integrated reports

The report of the Audit Committee, which includes more detail on its responsibilities and key areas of focus for the period, commences on page 7 of the annual financial statements included in this integrated report.

## FOCUS AREAS IN 2023

- 1** Internal audit plan and effectiveness of internal audit function
- 2** Financial reporting of interim and annual results
- 3** External valuers and property valuations
- 4** Accounting implications from the additional investment into Transcend
- 5** Assessment of estimated credit losses
- 6** Assessing the Company's solvency and liquidity including its ability to declare a dividend to shareholders
- 7** Assessment of the combined assurance approach

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Financial reporting of the Fund's interim and annual results
- Monitoring the internal financial controls within the business to ensure compliance with JSE Listings Requirement 3.84(k)
- Expanding the combined assurance approach
- Continued focus on REIT governance and compliance
- Monitoring tax compliance across the Group

# RISK COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

The Risk Committee comprises three independent non-executive directors. The Board nominates the members of this committee and its chairman, who have the necessary skills and experience to discharge their duties on this committee. The chairman of the Audit Committee is also the chairman of this committee.

The committee met three times during the period with the executive management as well as the executives responsible

for finance, the compliance officer, and external and internal auditors. The Board nominates the members of this committee and its chairman.

The Chief Risk Officer, who is also the Chief Financial Officer, assists the committee in executing its duties and the Company Secretary is the secretary to this committee. The following table references the membership and attendance of committee meetings.

### Chairman



#### Vuyisa Nkonyeni

Appointed to committee  
April 2017

#### Meeting attendance

1 2 3



#### Vusi Mahlangu

Appointed to committee  
June 2010

#### Meeting attendance

1 2 3



#### Berlina Moroole

Appointed to committee  
July 2020

#### Meeting attendance

1 2 3

## REGULAR INVITEES

**Geoff Jennett**  
Chief Executive Officer

**BDO**  
Internal auditor

**Greg Booyens**  
Chief Financial Officer

**The Company's financial  
manager and legal manager**

**Ulana van Biljon**  
Chief Operating Officer

**Moore**  
External auditor

The detailed biographies of these directors are presented on page 9 of this integrated report.

## ROLES AND RESPONSIBILITIES

The committee has an independent advisory role and does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.

### Responsibilities of the committee include:

- Ensuring that risk disclosure is comprehensive, timely and relevant
- Overseeing the development and implementation of an effective risk management plan and policy
- Recommending levels of risk tolerance and appetite to the Board and monitoring those risks
- Anticipating unpredictable risks using frameworks and methodologies
- Providing a formal opinion to the Board on the effectiveness of the risk management system and processes
- Reviewing the Company's reporting on risk management
- Liaising closely with the Audit Committee to exchange risk information

For more information, refer to risk management on pages 92 to 95 of this integrated report.

## FOCUS AREAS IN 2023

- 1 Assessing the impact of Transcend on the Group's risk matrix
- 2 Assessing the adequacy of the Group's insurance considering the impact of the July 2021 riots
- 3 Monitoring the Fund's solvency and liquidity
- 4 Assessing the impact of load shedding on the Fund and its contingency plans in the event of a grid collapse
- 5 Monitoring the status of the Group's land leases and the plans for renewal and/or extension thereof

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Ongoing review and tracking of Emira's solvency and liquidity position
- Assessing the impact of changing technology on the Fund's business model as well as the use of technology by the Fund to drive efficiencies
- Continued assessment of the impact of load shedding on the Fund and refinement of contingency plans in the event of a grid collapse
- Assessing the adequacy of the Group's insurance
- Monitoring the impact of higher interest rates on the Fund and its tenants
- Monitoring the Company's risk register and associated risk matrix, including the risk tolerance levels



# REMUNERATION AND NOMINATIONS COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

The committee comprises three independent non-executive directors and one non-executive director. The Board nominates the members of this committee and its chairman, who have the requisite qualifications to fulfil their responsibilities on this committee.

The committee meets on an ad hoc basis as required for matters of remuneration and nominations and met four times during the period under review.

James Templeton was appointed to the committee in April 2023.

Chairman of remuneration matters



**Vusi Mahlangu**

Appointed to committee  
June 2010

Meeting attendance

1 2 3

Chairman of nominations matters



**Gerhard van Zyl**

Appointed to committee  
April 2017

Meeting attendance

1 2 3



**Wayne McCurrie**

Appointed to committee  
August 2019

Meeting attendance

1 2 3

## REGULAR INVITEES

**Geoff Jennett**  
Chief Executive Officer

The detailed biographies of these directors are presented on **pages 8 and 9** of this integrated report.

## ROLES AND RESPONSIBILITIES

An updated charter has been adopted by the Board setting out the purpose, role and responsibilities of this committee. At the Company's AGM, shareholders are requested to consider and vote on separate non-binding advisory resolutions that recommend the approval of the remuneration policy and its implementation.

The committee follows a formal, transparent and fair process of nominating and appointing Board members, and complies with the relevant legislation, regulation and governance codes.

### The committee's roles and responsibilities include:

- Upholding, reviewing and amending the Company's remuneration philosophy and policy as appropriate
  - Ensuring the fair remuneration of staff, with appropriate criteria to measure their performance
  - Approving remuneration packages that attract, retain and motivate employees
  - Encouraging longer term wealth creation for staff through share ownership in the Company
  - Submitting recommendations to shareholders for appropriate remuneration of non-executive directors
  - Reviewing Board and committee composition according to the needs of the Company
  - Succession planning to ensure the transfer of skills and business continuity
- The committee's full and detailed remuneration report commences on page 96 of this integrated report.

## FOCUS AREAS IN 2023

- 1** Further refinement of the KPIs, taking into account shareholder feedback
- 2** Assessing industry practice with regard to short-term incentive payout percentages in terms of KPIs achieved
- 3** Review of non-executive directors' remuneration against market benchmarks

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Continued engagement with stakeholders
- Continued assessment of KPIs to ensure they remain relevant
- Remuneration benchmarking exercise for senior employees to ensure fair remuneration

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

This committee has been constituted in terms of section 72(4) of the Companies Act No. 71 of 2008, as amended and its accompanying regulations, to implement the mandate prescribed by regulation 43(5). The committee comprises two independent non-executive directors and one executive director. The committee meets on an ad hoc basis but at least twice a year. The committee met once during the period under review.

Chairman



**Jasandra Nyker**  
Appointed to committee  
August 2019  
Meeting attendance

1



**Geoff Jennett**  
Appointed to committee  
February 2017  
Meeting attendance

1



**Vuyisa Nkonyeni**  
Appointed to committee  
May 2018  
Meeting attendance

1

## REGULAR INVITEES

**Greg Booyens**  
Chief Financial Officer

**Ulana van Biljon**  
Chief Operating Officer

The detailed biographies of these directors are presented on pages 8 to 10 of this integrated report.

## ROLES AND RESPONSIBILITIES

These include:

- Driving initiatives to minimise the Company's impact on the environment
- Reducing the Company's carbon emissions, energy and water usage
- Accurate reporting and observing environmental laws and applicable regulations
- Driving policies relating to the training, development, health, safety and ethical conduct of employees
- Effective stakeholder engagement programmes and managing the outcomes
- Facilitating corporate social investment programmes to assist local communities
- Helping to provide decent work and working conditions for employees
- Driving transformation, including racial and gender diversity, and improving the Company's B-BBEE rating level
- Aligning with relevant employment equity policies and legislative requirements
- Managing ethical conduct effectively in accordance with King IV recommendations
- Enhancing enterprise risk management processes and frameworks

For details on Emira's environmental and social reporting for the period under review, refer to the sections commencing on page 49 of this integrated report.

## FOCUS AREAS IN 2023

- 1 Enhancing the Fund's ESG framework in line with international best practices
- 2 Driving ESG in the Fund's day-to-day business, including attracting new debt capital through sustainability-linked debt offerings
- 3 Setting annual ESG KPI targets for the Fund
- 4 Considering environmental sustainability risks relevant to Emira

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Further maturing and bedding down the Company's ESG strategy and related policies
- Continued assessment of environmental sustainability risks relevant to the Fund and controls to mitigate same
- Driving the increase of sustainability linked projects, particularly in those areas where the Fund is able to dictate change such as waste disposal, water conservation, energy efficiency and use of clean power

# FINANCE COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

The committee comprises three independent non-executive directors. The Company Secretary is the secretary to this committee. The committee meets on an ad hoc basis as required and met three times during the period under review

### Chairman



#### Wayne McCurrie

Appointed to committee  
January 2014

#### Meeting attendance

1 2 3



#### Jasandra Nyker

Appointed to committee  
August 2019

#### Meeting attendance

1 2



#### Derek Thomas

Appointed to committee  
November 2017

#### Meeting attendance

1 2 3

## REGULAR INVITEES

Geoff Jennett  
Chief Executive Officer

Greg Booyens  
Chief Financial Officer

Ulana van Biljon  
Chief Operating Officer

The detailed biographies of these directors are presented on pages 9 and 10 of this integrated report.

## ROLES AND RESPONSIBILITIES

The committee does not assume the functions of management, which remain the responsibility of the executive directors. To ensure the committee fulfils its roles and responsibilities, it follows a formal annual workplan that is regularly reviewed and updated.

### Responsibilities of the committee include:

- Offering the Board technical assistance and making recommendations on all financial matters
- Identifying and addressing important financial matters that are relevant to Emira
- Guiding the Board on strategy relating to debt structures, interest rate hedging and foreign currencies
- Reporting at every quarterly Board meeting on activities and progress of the committee
- Ensuring that the resolutions of the Board are carried out
- Considering and advising the Board on any matter delegated to the committee

## FOCUS AREAS IN 2023

During the period under review the committee's key focus areas included the following:

- 1 Assessing the Company's plans to refinance upcoming debt maturities
- 2 Assessing the Company's liquidity position and access to debt capital
- 3 Tracking bank covenants, including LTV and ICR
- 4 Assessing the Company's interest rate hedging strategy given the forecast high interest rate environment

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Monitoring interest rate hedging in line with internal policies
- Assessing opportunities to increase the Company's debt capacity
- Reviewing the Company's plans to refinance maturing debt
- Continuing to assess the Company's liquidity position

# INVESTMENT COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

With the resignation of Michael Aitken, the Board appointed James Templeton as the committee chairperson on 16 August 2022. The committee now comprises of two independent non-executive directors and one non-executive director. The committee meets on an ad hoc basis and met three times during the period under review.

### Chairman



**James Templeton**

Appointed to committee  
July 2020

Meeting attendance

1 2 3



**Jasandra Nyker**

Appointed to committee  
August 2019

Meeting attendance

1 2



**Gerhard van Zyl**

Appointed to committee  
May 2015

Meeting attendance

1 2 3

## REGULAR INVITEES

**Geoff Jennett**  
Chief Executive Officer

**Greg Booyens**  
Chief Financial Officer

**Ulana van Biljon**  
Chief Operating Officer

**John Greve**  
Specialist Investment Committee consultant

The detailed biographies of these directors are presented on **pages 8 and 10** of this integrated report.

## ROLES AND RESPONSIBILITIES

The duties and responsibilities of the committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties and responsibilities who must continue to exercise due care and judgement in accordance with their legal obligations as directors.

### Responsibilities of the committee include:

- Reviewing and approving the Company's investment strategy and investment proposals
- Considering, interrogating and stress testing the Company's potential acquisitions, investments and disposals
- Evaluating major capex proposals such as new developments, extensions, upgrades and refurbishments
- Reviewing and approving the composition of the property portfolio from time to time
- Reviewing the annual property valuations
- Considering and making recommendations to the Board on risk-related matters
- Integrating the risk management policy in the daily activities of the investment and sales teams
- Ensuring the investment team has appropriate resources of experience and expertise
- Fulfilling its mandate in accordance with laws, regulations and the Company Approval Framework
- Reviewing the replacement values of the property portfolio for insurance purposes

## FOCUS AREAS IN 2023

- 1 Assessing the appropriateness of the Company's property valuations including those held indirectly in the US
- 2 Overseeing the Company's property disposals made during the period including The Bolton and planned future disposals
- 3 Monitoring capital expenditure
- 4 Assessing the offer to acquire all remaining shares in Transcend

## PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Continued assessment of opportunities to recycle assets
- Assessment of new investment opportunities
- Assessment of property values
- Driving the Board's strategy to further diversify the Fund's investments



# CORPORATE GOVERNANCE REPORT CONTINUED

## BOARD PERFORMANCE EVALUATION

**Principle 9:** The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

## ENCOURAGING EXTERNAL EVALUATION

External Board evaluations play an important role in maintaining and improving the effectiveness of the Board through a fair assessment of its skills, expertise and practices by a suitable, independent service provider. The Company benefits from the added value of an honest and objective assessment and therefore encourages external Board evaluations.

## BOARD EVALUATION IN 2023

During the period under review, Acorim (Proprietary) Limited was appointed to conduct the annual independent evaluation to determine the effectiveness of the Board and its committees. The direction and subject matter covered by the evaluation was determined by the Chairman and the CEO.

### Evaluation scope

Each director completed a thorough questionnaire covering:

- Board and committee-related matters
- Board composition and performance
- The roles, duties and responsibilities of directors
- Independence, conflicts of interest and capacity of directors

The results of the evaluation and an extensive analysis of the findings were presented to the Board, without identifying any matters of material concern. The positive assessment found that the Board and its committees were operating effectively and, where required, plans were formulated to make improvements. The evaluation of the Board was conducted fairly and in a timeous manner without being restrictive.

### Evaluation results summary

The overall results of the evaluation indicated that:

- The Board is performing well, and the Company benefits from a functional Board with a diverse set of skills
- The Executive team continues to perform admirably under an extremely challenging trading environment

Focus areas for the Board's attention:

- Notwithstanding the experience of the Board, it was highlighted that succession planning for non-executive directors should consider persons with international business experience.

The Board will look to address this area.

## APPOINTMENT AND DELEGATION TO MANAGEMENT

**Principle 10:** The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

## DELEGATION TO MANAGEMENT

In order to perform its role and responsibilities, the Board has unfettered access to management at all times. To achieve Emira's strategic objectives and fulfil its purpose, the Board delegates authority to the Company's executive management, whose roles are clearly defined and subject to limitations by the Company's delegation of authority framework. Refer to Principle 8 on page 80 for more information.

## CEO APPOINTMENT AND ROLE

Geoff Jennett is Emira's current CEO and was appointed by the Board on 1 September 2015. The Board delegates to the CEO the responsibilities of overseeing Emira's day-to-day business activities and driving the implementation and execution of approved Company planning, strategies and policies. The CEO serves as the Board's primary access to executive and senior management.

### BOARD OF DIRECTORS

Refer to pages 8 to 10

### SUB-COMMITTEES

Refer to pages 81 to 86

### EXECUTIVE COMMITTEE

**Composition:** CEO, CFO and COO

**Responsibilities:** Execution and implementation of Emira's Board-approved strategy

**Frequency of meetings:** Weekly, monthly, quarterly and on an ad-hoc basis

### MANAGEMENT COMMITTEE

**Composition:** CEO, CFO, COO, asset managers, development managers, legal manager, finance manager, valuer and the management information reporting analyst manager

**Responsibilities:** Driving day-to-day business activities to achieve Emira's purpose and strategy

**Frequency of meetings:** Monthly, quarterly and on an ad-hoc basis



# CORPORATE GOVERNANCE REPORT CONTINUED

To safeguard the interests of the Company and its stakeholders, the Board evaluates the CEO's performance on an annual basis and measures his actual performance against predetermined metrics and targets. These performance metrics are set out in further detail on pages 101 and 106.

Subject to matters reserved for decision by the Board, the CEO's authority in managing Emira is unrestricted, however, unbudgeted transactions in excess of R20 million require Board approval (i.e. two directors to sign, and, if >R20 million, then Board approval) and a minimum of two executive directors need to sign to commit the Company.

## EXECUTIVE AND SENIOR MANAGEMENT

The CEO is assisted in his duties by the Executive Committee ("EXCO") which comprises the CEO, CFO and COO. The EXCO manages Emira and focuses on formulating and implementing Emira's strategies and policies. The EXCO meets formally on a weekly basis.

To ensure the limitations on management are suitable according to the Company's size and operations, the Board assess its delegation of authority on an annual basis. For the period under review, the company secretary can confirm that Emira's executive management have discharged their duties within the framework of authority delegated to them by the Board.

The CEO and EXCO are supported in their day-to-day duties by the Management Committee ("MANCO"), which comprises the CEO, CFO, COO and assisted by asset managers, development managers, legal manager, finance manager and the management information reporting analyst manager. The Board's delegation to management, roles and structure are illustrated in the diagram on page 87.

## SUCCESSION PLANNING

The Board oversees the continuity of Emira's leadership, be it in the short term, in emergencies or over the longer term. To facilitate succession programmes dealing with talent management, personal and skills development and succession planning are reviewed by the Remuneration and Nominations Committee on an annual basis or when required. To fully assess potential candidates and fill vacant positions appropriately,

Emira's succession plans are determined well before a member of executive management leaves the Company's employ. Executive directors are required to give a minimum of four months' notice period before leaving the Company's employ. Succession planning is discussed further under Principle 7 on page 75.

## COMPANY SECRETARY

The Board as a whole and the individual directors have unrestricted access to the advice and services of the Company Secretary, who provides guidance to the Board and to the directors regarding how their responsibilities are to be discharged.

Acorim (Proprietary) Ltd is an independent company secretarial and corporate governance advisory service provider and is represented by Nikita Hunter.

### Company Secretary – primary roles and responsibilities

These include:

- Attending all Board meetings
- Ensuring the Company's corporate governance processes are adhered to
- Providing guidance to directors on how they should fulfil their obligations and responsibilities in the best interests of the Company and its stakeholders
- Assisting the CEO in ensuring that the annual Board plan is set and that agendas are relevant to Board decision making
- Overseeing the training of all directors and induction of newly appointed directors
- Reporting to the Chairman on governance matters and to the CFO on general company secretarial matters
- Maintaining independence and an arm's length relationship with the Board and its directors
- Performing independent, external evaluations of the Board and its committees



In accordance with paragraph 3.84(h) of the JSE Listings Requirements, an annual evaluation of the Company Secretary was conducted in May 2023. Subsequently, the Board can confirm it is satisfied with the expertise, experience, competence and qualifications of the Company Secretary. The Board is also satisfied the Company Secretary is not a director or employee of the Company or any of its subsidiaries and confirms that the relationship between the Board and the Company Secretary remains at arm's length.

## RISK GOVERNANCE

**Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.**

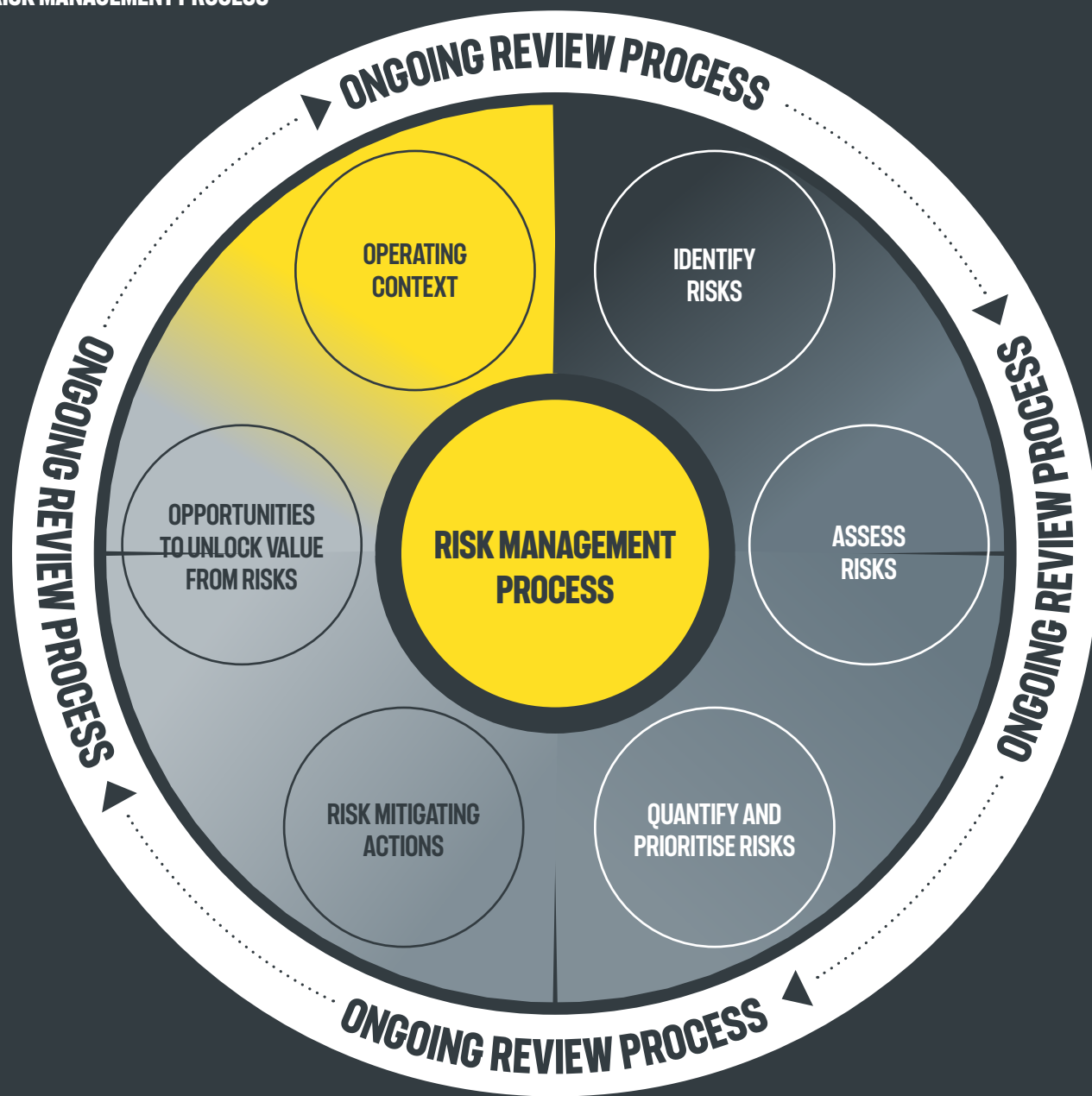
The Board understands that in order to make sound decisions to achieve the Company's strategic objectives, risk management must be effective and play a central role in the business. The governance of risk is the Board's ultimate responsibility and includes determining the Company's risk appetite and tolerance levels, the approval of the risk strategy and policy, the risk management framework and system of internal control.

Emira regularly reviews its appetite for risk and the various types of risks that have been identified are set out in the Company's risk register. The risk model and risk management process are kept in line with Company strategy through regular reviews and updates. The Board delegates the oversight of risk governance to the Risk Committee, whose members are suitably qualified and experienced.

Effective risk management requires balancing potential rewards for the business through strategy, against the potential for negative impacts of uncertainty. An overview of the Company's risk management process is illustrated in the diagram on page 89.

For more information on the Company's approach to risk management, refer to page 92 of this integrated report.

## RISK MANAGEMENT PROCESS



## INFORMATION AND TECHNOLOGY GOVERNANCE

**Principle 12:** The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

### IT MANAGEMENT

New and enhanced information management capabilities and connectivity facilitates improved decision-making for the Board and senior management at a faster pace than before while still maintaining a prudent approach.

The accelerating rate of technological change requires that the Company remain agile and competitive in the markets in which it operates. The proliferation of new technology creates both opportunities and threats, and these must be assessed and analysed in terms of their impacts on Emira. In this context, the Company drives the use of technology and information policies in order to advance Emira.

While the Board is responsible for information and technology ("IT") governance, it delegates oversight of this to the Risk Committee, which in turn utilises the IT Steering Committee. Chaired by the Chief Financial Officer, the IT Steering Committee is governed by Board-approved policies. It also oversees the IT functions at Emira's offices and has established the necessary IT security policies and firewalls. The Company outsources the day-to-day management of its IT systems and related data to a third-party service provider who follows best practice processes and procedures.

The internal auditors regularly review the IT operations at Emira's outsourced property managers, Feenstra and Broll, and report to the Audit and Risk Committees regarding IT operations, back-ups and continuity plans in place at the managers' offices. Emira's property managers maintain electronic records with regard to property management matters.

## IT management focus areas in 2023

- Digitalising parts of the leasing process
- Implementation of Microsoft Intune to manage access to Company data on mobile devices
- Updating the Company's IT policies and procedures to better align them with the updated IT infrastructure

## IT management plans for 2024

- Migrating the Company's file server to a SharePoint platform
- Further advancing the digitalisation of business processes within the Company to drive efficiencies

There have been no further material changes to the Company's IT management during the period under review. Emira will continue to assess and re-evaluate its IT systems to drive improvement and efficiencies across the business.

Emira's own ICT governance was independently assessed in 2022 and found to be operating effectively and compliant with King IV.

## COMPLIANCE GOVERNANCE

**Principle 13: The governing body should govern compliance with applicable laws and adopt, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.**

## INTEGRATED COMPLIANCE

Integrated compliance means embedding compliance into the Company's culture through the actions of each of Emira's employees, representatives and service providers. The Company uses integrated compliance processes as a system with which to manage its approach to all activities that are subject to legal and regulatory requirements. As a listed entity in good standing.

The Board is ultimately responsible for compliance but delegates to the Risk Committee, which in turn oversees the Steering Committee that implements Emira's integrated compliance processes. Internal and external audit functions regularly assess Emira's levels of compliance through formal reviews of its compliance risk management process.

Details of Emira's legal and regulatory compliance processes are contained in the Company's risk management policy and framework. The Company complies with all legislation and anticipates the statutory requirements of bills and regulations by the compliance function.

Emira ensures that all business, legislative and administrative processes and procedures are implemented, monitored and adhered to and that in ensuring that compliance is enforced, eliminates reputational risk, alerts the compliance officer to aspects of non-compliance and endeavours to minimise any potential financial loss.

### Key compliance themes in 2023

- Amendments to the JSE's Listings and Debt Listings Requirements
- Considering the potential impact of the proposed Employment Equity Amendment Bill; Sectional Titles Amendment Bill; and Expropriation Bill

Emira's King IV recommendations were complied with in the period under review with one exception: Other than the executive directors, the remuneration for the top three earning employees has not been disclosed due to the small size of the staff complement, and the highly competitive market in which Emira operates. The Board does not consider disclosure of this remuneration to be appropriate for privacy reasons.

## REMUNERATION GOVERNANCE

**Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.**

The Board delegates to the Remuneration and Nominations Committee to ensure that Emira's employees are remunerated and rewarded fairly for their individual contributions to the Company's overall performance and reaching its strategic objectives. The committee ensures that employees' pay is market-related and in accordance with industry, market and country benchmarks.

The Company takes a balanced approach to remuneration, which encourages employees to achieve Emira's short- and long-term strategic goals. Share ownership encourages long-term, meaningful employee contributions to the health and wellness of the Company.

### Key objectives of the remuneration policy

- Employ and retain staff of a high calibre
- Align with Emira's purpose, values and corporate culture
- Optimise income growth, distributions and overall return to all stakeholders

Emira believes in honest and transparent disclosures and engages with stakeholders at AGMs on, among other matters, remuneration and the various KPIs that measure the performance and remuneration of its executives. Shareholders exercise their right to vote on the Company's remuneration policy as well as its implementation report. This key interaction has led to further engagement with stakeholders which has resulted in further improvements being made to the policy as well as enhanced levels of disclosures. The committee believes that the policy should continuously evolve to ensure that it best meets the needs of staff, the Company and that of its stakeholders.

For further information, Emira's detailed remuneration report commences on page 96 of this integrated report.

# CORPORATE GOVERNANCE REPORT CONTINUED

## ASSURANCE

**Principle 15:** The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Assurance forms an integral part of good corporate governance, whereby the Company endeavours to provide its stakeholders with timely and accurate information regarding the effectiveness of its strategy, policies and operations, as well as its levels of compliance.

The Board is responsible for assurance and delegates to the Audit Committee to determine appropriate levels of assurance for the various risks facing the Company. To enhance the ongoing success and longevity of the business, the Board encourages continuously improving and coordinated compliance practices. Emira's combined assurance framework incorporates an effective environment with four levels of control and is set out in the diagram to the right.

## COMBINED ASSURANCE FRAMEWORK

