REMUNERATION REPORT

EMIRA PROPERTY FUND

2023

REMUNERATION REPORT

DEAR STAKEHOLDERS

I hereby present the Company's Remuneration Report for 2023 on behalf of the Emira Remuneration Committee ("the committee" or "Remco") and the Company's Board of Directors.

PART 1 REMCO CHAIRMAN'S STATEMENT

The recommendations of King IV have been adopted by the Company, where possible, and the committee presents its three-part report below.

PART 1: REMCO CHAIRMAN'S STATEMENT

Provides the Remco chairman's statement, placing the decisions and considerations taken during the reporting year, which influenced the remuneration outcomes, in context.

PART 2: REMUNERATION POLICY

Discusses Emira's remuneration philosophy and policy.

PART 3: IMPLEMENTATION REPORT (PROVISIONAL)

Details regarding the remuneration awarded during the year under review.

I am pleased to report that at the November 2022 annual general meeting, the remuneration policy was well approved by shareholders, receiving 93,69% of voting rights exercised, and the implementation report also received support of 93,7% of the voting rights exercised.

Stakeholder engagement was consistent, ongoing and transparent during the nine-month reporting period, and Emira welcomed the positive response received regarding the disclosure of the executives' actual KPIs. In the event of 25% or more shareholders voting against the non-binding resolutions pertaining to the Remuneration Policy and/or the Remuneration Implementation Report, the directors are committed to engaging with shareholders in order to address all legitimate and reasonable objections and concerns.

The KPIs were further refined during Emira's annual re-assessment of the application of its threshold KPIs, which are the key criteria in determining the level of annual STI payments to staff. The aim of this is to ensure that the KPIs fit the Fund's business philosophy and ultimately help to achieve Emira's Purpose of being great in the provision of great real estate, which is driven by the executive team.

The annual re-assessment also placed a greater focus on the Fund's strategic activities going forward.

This remuneration report has been updated from the version included in the integrated annual report. The financial data required to test the KPIs for the 12 months ended 30 June 2023 had not yet been finalised at the time of posting the integrated annual report due to the change of the Fund's year-end to 31 March. The KPIs have now been measured and the results can be found on page 11.

As Remco Chairman, I confirm that the committee is of the opinion that Emira's remuneration policy aligns well with the Fund's strategic goals and short- to long-term objectives. The committee believes that the implementation of the remuneration policy is consistent with the Company's improved levels of disclosure and endeavours to continue making progress in this regard, in line with the principles and recommendations of King IV and the Companies Act.

Vusi Mahlangu
Chairman

29 September 2023

Vusi Mahlangu
Chairman

REMUNERATION REPORT CONTINUED

PART 2 REMUNERATION POLICY

This part discusses Emira's remuneration philosophy and policy and requires shareholders to vote thereon at the upcoming annual general meeting.

INTRODUCTION

The Company's 2023 permanent staff complement totalled 23 permanent employees (2022: 24) comprising executive management, asset managers and support staff.

Emira's external outsourced property managers, Broll and the Feenstra Group, deal with the daily property management functions in respect of the Company's property portfolio.

REMUNERATION PHILOSOPHY

Emira believes that it is very important that the working environment is such that employees are able to thrive and deliver their best effort and accordingly, the philosophy is that all employees should be remunerated and rewarded fairly for their performance and contributions. Industry, market and country benchmarks are used to ensure that employees' pay is market related. The benchmarking process is usually conducted every three years and is assessed against the median of the benchmark.

The Company's balanced approach to remuneration encourages employees to achieve both the short- and long-term strategic goals of the Company. The remuneration policy's strategic objectives are to provide an enabling work environment that results in the employment and retention of highly skilled staff to ensure the Emira purpose is achieved and maximised, ultimately resulting in distributable income objectives and overall long-term, top quartile total returns to all stakeholders. Share ownership is also encouraged to ensure long-term employee participation in the Company's growth.

It Is essential that Emira retains and remunerates its employees in a fair and equitable manner that is comparable with the packages of its peer group. To this end, Remco performs a regular benchmarking exercise against comparable property companies, the most recent of which was conducted by PWC Inc. in early 2022. The results showed Emira compared favourably to the benchmarking peer group.

In addition to their guaranteed packages and, depending on the level of achievement of their KPIs and performance hurdles, Emira employees are also rewarded by way of incentives.

This assists in the alignment of the Company's strategic goals with those of its staff which results in the Company's long- term sustainability and success despite the prevailing challenging market conditions. Total guaranteed package ("TGP"), variable annual short-term incentives ("STIs") and long-term incentives ("LTIs"), together with a share ownership facilitation plan, comprise the remuneration pillars and are fully disclosed in this report.

All components of remuneration are approved by the committee. Remco may amend the schemes in place should it believe improvements could be made to better align the objectives of remuneration with the strategic objectives and performance of the Company.

REMUNERATION AND NOMINATIONS COMMITTEE

COMPOSITION

The committee comprises three independent non-executive directors. Vusi Mahlangu is the committee's chairman, and the CEO attends these meetings by invitation. Subsequent to 31 March 2023, James Templeton was added to the composition of this committee.

The committee met four times during the period under review as indicated on page 83 of this integrated report.

The members of the Remuneration and Nominations Committee are:

- Vusi Mahlangu (chairman)
- Gerhard van Zyl
- Wayne McCurrie
- James Templeton (appointed in April 2023)

RESPONSIBILITIES

The responsibilities of the committee include:

- Upholding, reviewing and amending, if appropriate, the remuneration philosophy and policy.
- Ensuring that staff members are rewarded fairly, in accordance with the median of the peer group benchmark, for their individual contributions to Emira's overall performance, having regard to the interests of stakeholders and Emira's financial position.
- Approving remuneration packages designed to attract, retain and motivate high-performing employees including, but not limited to, basic salary as well as performance-based short- and long-term (share-based) incentives.
- Encouraging and facilitating long term share ownership to better align the interests of staff members to that of stakeholders and ultimately to encourage longer term wealth creation for staff through share ownership in the Company.
- Establishing appropriate criteria to measure the performance of employees, and then measuring the actual performances against the pre-set criteria.
- Reviewing and recommending appropriate levels of remuneration to be paid to the non-executive directors and submitting these recommendations to shareholders for approval.

REMUNERATION REPORT CONTINUED

KEY 2023 REMUNERATION DECISIONS

In execution of its duties and responsibilities, the committee considered the following matters and made the appropriate decisions:

- Engaged with an independent expert (21st Century) to assist with the assessment of the Emira's STI target-setting and scoring against that of a comparable group of 13 property companies that includes Emira's designated peer group.
- Maintaining the financial performance measures of the LTI FSP scheme the same as before including keeping the 25% weighting of the total equity return performance for shareholders against the peer group.
- Regularly enhancing the disclosures made in the remuneration report, based on stakeholder feedback. This year's enhancements included the further re-alignment of the KPIs for the 2023 year, the continued inclusion of the hard-coded KPI targets and the re-assessment of the KPI weightings for the executive directors, all to better represent the ideals and goals of the Company and the disclosure to all stakeholders. This has been taken a step further to build on that base level, with the refining of actual KPIs to better clarify and target the performance the Company is wanting to achieve. The weightings of the various KPIs have also been refined to ensure sufficient focus on the strategic objectives of the Company.
- The decision was taken to allow the beneficiaries of the ESA Trust to be able to transact in their beneficiary-ships with any third party, to enable them to have liquidity should this become available to them.
- In conjunction with the largest shareholder, designed an additional (NAV and total equity return) executive incentive mechanism that provides a meaningful alignment of the executives to the long-term growth in the Net Asset Value per share of the Company.
- Dealt with the effects of the change in financial year-end as applied to annual increases on TGP, the measurement of KPIs for STI purposes and the adjustment to the vesting timetable of the FSPs so as to not vest during a closed trading period.
- Appointed James Templeton to the committee.

SERVICE CONTRACTS AND TERMS OF APPOINTMENT

The executive directors have standard terms and conditions of employment. They do not receive any special remuneration or other benefits for their duties as executive directors save as contained herein. All executive directors have employment contracts with notice periods of four months. This provides a level of comfort to the Company to allow it sufficient time to find suitable replacements for resigning executives and could act as a deterrent to potential offers being made to executive management.

None of the executives have any special termination benefits and there is no restraint of trade in place. The Company has a malus and clawback provision in its STI such that if there is malice or male fide error, then the Company can recover STIs paid out within 12 months of payment. This clawback extends to the LTI scheme. Furthermore, an additional retention mechanism is the equity-settled FSP scheme and its deferred vesting over a period of time.

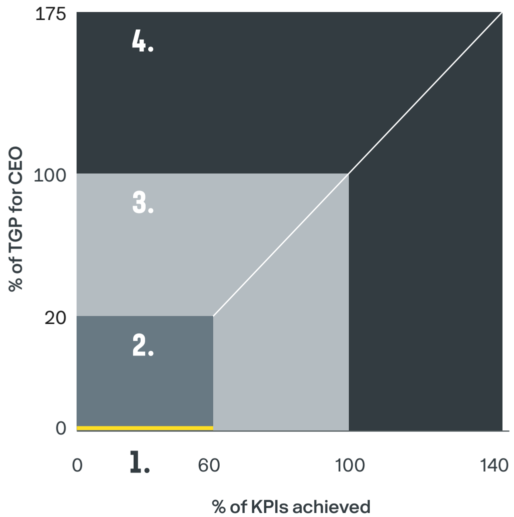
All non-executive directors have signed a letter of appointment, and their remuneration, in the form of non-executive director fees, is assessed as fair for both the Company and the directors in comparison with Emira's peer group. All such contracts provide for a notice period of 30 days and tenure/rotation is managed in accordance with a pre-determined and declared policy.

REMUNERATION REPORT CONTINUED

COMPONENTS OF REMUNERATION

Element	TOTAL GUARANTEED PACKAGES TGP	SHORT-TERM INCENTIVES STIs	LONG-TERM INCENTIVES LTIs – FSP	LONG-TERM INCENTIVES LTIs – SHARE OWNERSHIP
Eligibility	All staff	All staff	All staff	All staff but with particular focus on executives and selected senior management
Basis	Fixed	Variable	Variable	Variable
Purpose	This is the non-variable element of the employee's package that is benchmarked and positioned, taking the peer group and industry market norms into account. Emira's aim is to pay employees based on the median of the peer group comparison.	Aligns individual and group performance with the short-term objectives of the Company primarily through the comparison against the pre-determined KPIs that address each pillar of the Company's purpose. KPI scorecard further enhanced for STIs for FY23.	LTIs promote a longer-term view of the business and aims to ensure wealth creation for both stakeholders and employees. Importantly, it ensures that employees think longer term like stakeholders – looking after the long-term health and wellness of the Company.	These mechanisms encourage staff members to acquire shares in the Company so that they participate in the long-term health and wellness of the Company.
Description	Guided by industry surveys and a comparison with Emira's listed peers, it comprises a total cost to company package that includes base salary and standard benefits such as health and retirement fund contributions. Executives and Manco members to be benchmarked every three years, within an acceptable range of between 85% to 115% of the 50th percentile of the benchmark.	These are cash bonuses paid to staff members annually after fiscal year-end based on the achievement of set personal KPIs and the performance of the Company. Should bonuses be more than R250 000, the amount is paid in two equal proportions in August and December. Payments made are subject to malus and clawback provisions. Malus and clawback mean the recovery of a bonus amount upon the discovery of malice or male fide error becoming apparent up to 12 months after date of payment.	The FSP scheme was introduced in 2017 where employees are allocated a proportion of forfeitable shares in line with their determined TGPs. If the performance criteria are not met then, to the degree that they are not met, the LTI is forfeited. There is a retention element so that employees would stand to forfeit their "unvested" shares should they leave the Company's employ. It includes a malus and clawback provision should malice or mala fide error be discovered affecting the awarding thereof up to 12 months after date of award.	Mechanisms to encourage and facilitate share ownership are in place; being a matching share scheme with performance criteria and a limited loan finance scheme for the acquisition of shares in the Company.

STI PAYOUTS IN TERMS OF KPIs ACHIEVED (%)



KEY

- **1** Should CEO achieve 0% to 59% of KPIs CEO receives a 0% STI
- **2** Should CEO achieve 60% of KPIs CEO receives 20% target STI
- **3** Should CEO achieve 100% of KPIs CEO receives 100% target STI
- **4** Should CEO achieve 140% of KPIs CEO receives 175% target STI

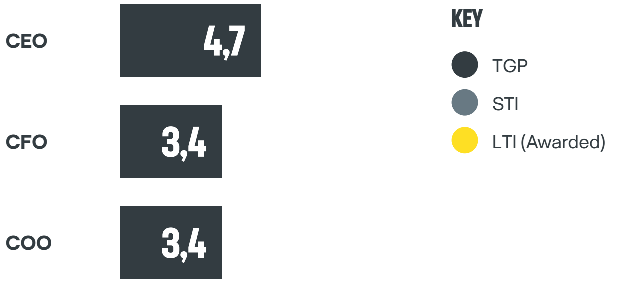
The same table scale applies for the CFO and COO except that achieving 100% of KPIs equates to 80% STI.

REMUNERATION REPORT CONTINUED

To illustrate the potential maximum rewards for the executive directors in various scenarios, the graphs below set out the Rand values awarded:

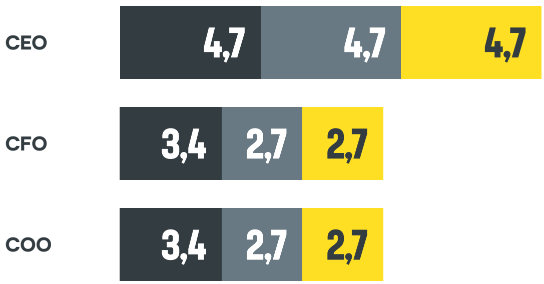
BELOW TARGET PERFORMANCE

FY23 (Rm)



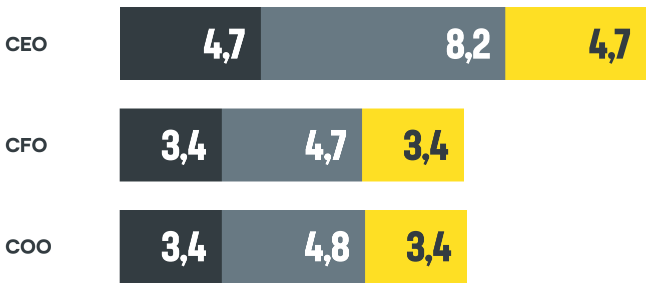
AT ON-TARGET PERFORMANCE

FY23 (Rm)



MAXIMUM ABOVE TARGET PERFORMANCE

FY23 (Rm)



STIs

An individual's achievement of set KPIs affects the STI component of variable pay in the form of an annual incentive bonus and is dependent upon personal performance and the Company's performance. Set KPIs are dependent on seniority and include comparison of the distributable income per share against the pre-set disclosed target and the peer group, total return versus a benchmark, strategic direction and business growth against pre-set targets; financial performance inclusive of business funding and other financial measures; staff management; portfolio operational performance inclusive of vacancies, tenant retention and effective arrears management; employee and service provider metrics and various pre-set environmental initiatives.

General staff can expect a bonus ranging from 0% to 15% of their TGP, depending on the Company's performance and the level at which KPIs are achieved, while senior key staff can expect a bonus ranging from 0% to 75% of their TGP. Executive management can expect a bonus ranging from 0% to 175% of their TGP. Linear vesting (or linear interpolation) is applied, where necessary, in measuring the achievements of performance criteria, however this is moderated using various minimum levels that are required to be performed. Staff members must be in the Company's employ at the time of such STI payment.

While the committee has the discretion to utilise retention incentives for the purposes of retaining key staff, it did not do so, and it does not expect to do so in the immediate future. If implemented. the extent of the retention incentives will have to be approved by the committee on an individual basis and may never surpass 50% of the employee's TGP.

After engaging with the independent expert (21st Century) to assist with the assessment of the Emira's STI target-setting and scoring against that of a comparable group of 13 property companies that includes Emira's designated peer group, the committee was comfortable to continue to recommend the current STI reward system, that is modified taking into account the new objectives set for FY24.

KPI SCORECARD REPORT FOR 2023/24

Following on from Emira's annual re-assessment of the application of its threshold KPIs, they were revisited and revised to ensure that we continue to drive the right behaviour to align with the Emira Purpose – being great in the provision of great real estate.

The actual KPIs set have been improved upon year-on-year, including stricter and more defined targets. KPIs are set taking into account a bottom-up approach and the committee is satisfied that the targets set are appropriately stretched to ensure that they are sufficiently challenging to ensure that these targets set by the Company ensure that the Company achieves its planned strategic objectives.

Due to the change in financial year-end, the committee resolved that a refined set of 12-month KPIs would be put in place for the 12-month financial period to 31 March 2024, even though a degree of overlap exists in the period with the previous 12-month KPIs that will be measured to 30 June 2023. The committee assessed this as being the fairest mechanism because the FY23 KPIs were set for a full 12-month period and any pro-rata split would not take into account the specific time challenges in each KPI measure. Accordingly, because the FY24 KPIs will have a three-month overlap with FY23, the committee resolved that STI pay-outs for FY24 would be set at 75% of the normal yearly allocation metric, meaning that STIs would only be three-quarter bonuses because effectively, only nine new months of new/additional KPIs were being measured.

The graphic on page 99 illustrates the STI pay out for the CEO relative to the achievement of his KPIs, and the same formula is applied for the CFO and COO, but with the maximum of STI pay out being limited to 140% of TGP:

REMUNERATION REPORT CONTINUED

STI 2023/24: EXECUTIVE KPI/THRESHOLD SCORECARD WEIGHTING

KPI Categories	KPI Targets for FY23	Comment	Weight (%) CEO	Weight (%) COO	Weight (%) CFO
Tenant drivers (min 50% to score, max 150%)	– Operational metrics of tenant retention >82% – Operational metrics of average vacancy of <6,2% – Average collections >98,0% – Measurement of tenant exit for non-landlord reasons >95%	Per budget parameters Per budget parameters Per budget parameters but off a higher base As per FY23, remains as is	10	20	10
Employment environment and service provider drivers	– Employee satisfaction level >22/23 via performance appraisals – Steps taken to keep B-BBEE rating to level at/better than level 3 – Interactions with service providers via survey >95%	As per FY23, remains as is, adjusted for staff size Remains at level 3 rating (lower market capitalisation denominator) As per FY23, remains as is	10	15	15
Environment, sustainability and governance drivers	– Energy efficiency projects (PV projects that create an additional 1,500KWp capacity and LED projects 300Kwh savings) – 3 x additional waste management projects diverted from landfill – Carbon footprint offsetting by planting >150 trees that offset >55 carbon tons – >40 000 litres additional water saving/harvesting projects – Maintain a minimum of a B score for CDP – Risks managed within risk register with clean audit achieved	Set per ESG Committee As per FY23, remains as is	10	10	0
Capital provider drivers – debt (min 50% to score, max 150%)	– Satisfaction of debt management weighted average to expiry >2,0 years – Strategic debt and interest rate management in line with Board pre-defined plans	As per FY23 target, slightly adjusted for flexibility plans. Cost of debt measure reflected in DIPS vs target measure Debt capacity already at maximum, driving Board pre-set plans	5	0	10
Capital provider drivers – equity (min 50% to score, max 150%)	– Comparison of distributable income per share ("DIPS") against approved target of >118,49cps	Per budget parameters	15	15	20
	– Equity total annual return (from dividends and NAV changes versus opening equity value per share) in excess of eight-year government bond yield (9,83% at 31 March 2023) + 3,0%	Similar as before, target of equity total return in excess of government bond-based measure	20	20	20
Strategic initiatives drivers (min 50% to score, max 150%)	– Emira positioned to take advantage of strategic objectives set by Board – creating meaningful liquidity event through unconditional sales values >R850m – Successful completion of the strategic equity initiative set by the Board – Strategic initiative to further diversify the total asset base by a value of >R250m	Set by Board (excluding standard sales already underway and/or recognised in FY23) Set by Board Set by Board	30	20	25
Total			**100**	**100**	**100**

Note that for FY24, as much as the KPIs are measured for a 12-month period as per above, because of the cross-over of the three-month period (April – June 2023) that is in both FY23 KPIs and FY24 KPIs, the calculated STI payments for FY24 will be set at 75% (9/12) of the full year payment i.e. if the CEO achieves 100% of KPIs then STI = 100% KPIs x 100% TGP x 75%.

Note further that, to the extent that the cross-over three months (April – June 2023 in both FY23 and FY24 KPIs) distorts the FY24 KPI achievement, then the committee and/or Board may exercise their discretion to adjust the FY24 KPIs and STIs accordingly.

REMUNERATION REPORT CONTINUED

LTIs
SHARE AWARD SCHEMES

Forfeitable Share Plan ("FSP")

The purpose of the scheme is to award shares to employees, with the vesting thereof conditional upon the achievement of pre-set performance targets. The FSP aims to incentivise employees to deliver Emira's business strategy and objectives over the longer term through the selection of appropriate and stretch target performance conditions. The on-target LTI levels, performance measures and vesting periods are discussed in the table below.

Dividends on the shares awarded under the unvested FSPs are paid to staff members in accordance with the normal dividend cycle.

PAY-OUT/VESTING TABLE

Financial measures based on:		Personal measures based on:	
60% achievement	100% achievement	75% achievement	100% achievement
20% pay-out/vesting	100% pay-out/vesting	20% pay-out/vesting	100% pay-out/vesting

LTI FSP SUMMARY

Participants	All staff with particular focus on executives and selected senior management.
Purpose and operation	The LTI aligns participants closely with stakeholders' interest through the awards of FSPs, which were adopted in 2017, the vesting of which are subject to predetermined performance metrics and continued employment, which are intended to be used as an incentive to participants to deliver the Company's business strategy and goals over the long term through the selection of appropriate and stretch performance conditions.
On-target award levels	Annual awards of FSPs are made, set at a fixed multiple of TGP, being for the CEO 100%, CFO and COO 80%, and senior management staff 45%. The level of awards is set as a fixed % of TGP, specifically so that staff are exposed to the performance of all the LTI metrics over the longer term of vesting, rather than only on the awarding of the LTIs. It is key that vesting of the awards is based on the achievement of the performance measures.
Performance measures relating to the vesting of the performance shares over the 3/4/5-year vesting periods	**FSP: (linear vesting)** In terms of Emira's financial performance (75% total weighting): – Total return of dividends and share price movements over the vesting period relative to the peer group* (25,0% weighting) – Performance of distributable income per share relative to the peer group* over the period (25,0% weighting) – Total equity per share performance (NAV and dividends) relative to the peer group* (25,0% weighting) In terms of non-financial performance (25% total weighting): – Personal performance over the vesting period (12,5% weighting), – based on the KPI set, however this carries a 25% weighting for executive directors of the Company for awards made after September 2018 retention – Automatic vesting of 12,5% due to employee still being employed (this automatic vesting would not be applicable to executive directors of the Company for awards made after September 2018).
Performance period	Assessment of the performance conditions after three years, with 1/3 of the award being vested annually based on the achievement of the performance measures.
Pay-out/Vesting table	See diagram above.
Maximum issue and minimum shareholding requirement	The overall level of shares that can form part of the LTI is limited to no more than a maximum of 5,0% of the total number of shares in issue at any point in time, being a maximum of 1,5% for FSP shares and a maximum of 3,5% for share ownership mechanisms. The maximum number of shares that may be allocated to any individual may never exceed a maximum of 0,5% for FSP shares and 1,20% for share ownership mechanisms. Because of the nature of the awards and vesting, the executives should have a minimum unvested shareholding of more than 200% of their TGP at any one time, and they are strongly encouraged to retain their shareholding (after accounting for taxes as applicable) after vesting.

* Peer group: Growthpoint, Redefine, Vukile, SA Corporate and Investec Property Fund.

REMUNERATION REPORT CONTINUED

Because of the change in financial year end of the Company, the committee resolved to amend the vesting dates of the existing tranches of FSPs;

- The existing tranches which would normally vest in October of each year, would now vest in a closed period (until the interim results are released and the usual interim dividend is paid).
- The decision was made to adjust the vesting date earlier to July of each year so that vesting would not be in the mandatory closed period of the Company, and be measurable in line with future financial year ends of the Company.

The following limits are in place:

- FSP Company limit: (1,5%.) As at 31 March 2023, 1,23% have been issued.
- FSP individual limit: As at 31 March 2023, the actual maximum per participant is 0,387% versus the individual maximum limit of 0,5%.

A malus and clawback provision exist so that awards of FSPs can be reversed or withdrawn should malice or mala fide error become apparent at any time during the vesting periods of the FSPs and includes clawback for a period of 12 months after date of payment.

NEW EXECUTIVE TOTAL EQUITY RETURN INCENTIVE

In conjunction with the major shareholder, the committee has designed a new/additional long-term incentive for the executives that creates a significant alignment with the longer term strategic objectives of the majority shareholder, that of increasing shareholder value.

The mechanics of this phantom (cash-settled) total equity return incentive will be referenced off the total equity value per share at 31 March 2023 and compared to the total equity value per share on 31 March 2028, being the expiry of five years. The rules include:

- Opening and closing equity value per share being calculated in accordance with IFRS standards, incorporating the regular third-party valuations, less the applicable dividend per share for the previous reporting period in question that is declared by the Board and paid within four months of the financial year-end.
- To the extent that inflation as measured by CPI in South Africa is outside of the range of 3-7% in any consecutive 24-month period, then the committee/Board may amend the CAGR set targets taking into account appropriate external advice.
- Adjustments for non-distributed income in the normal course are anticipated so that the growth in equity value is reflective of strategic initiatives driven and executed by the executives.
- This is a once-off incentive mechanism, with a significant retention effect.
- This new incentive mechanism is in addition to the existing STI and LTI FSP schemes that are in place.

CAGR in NAV/share (%)	Indicated NAV/share in five years (R)	Company NAV gain/share (R)	Company increase in NAV/share overall (Rm)	Execs share of net gain in NAV growth (%)	Proposed share of NAV growth (Rm)
<3,0	<19,66	<2,70	<1 412	0,00	0
3,00	19,66	2,70	1 412	1,00	14
3,50	20,14	3,18	1 664	1,75	29
4,00	20,63	3,67	1 920	2,50	48
4,50	21,14	4,18	2 182	3,25	71
5,00	21,65	4,69	2 449	4,00	98
6,00	22,70	5,74	2 998	4,00	120
7,3 cap*	24,12	7,16	3 743	4,00	150*

* Limited to a maximum cap value of R150m

SHARE OWNERSHIP FACILITATION MECHANISMS

The mechanisms available encourage staff to acquire shares and participate in the long-term sustainability of the Company through share ownership. These mechanisms are in addition to the FSP scheme discussed above.

These mechanisms cater for different risk profiles of staff members, all with the view of enabling employees to participate in the acquisition of Company shares:

MATCHING SHARE CO-INVESTMENT PLAN ("MSP")

Where employees purchase shares in the Company, the Company will match the shares that are held by each staff member as follows:

- A matching contribution of one share for every three shares held by the staff member.
- A minimum of three years applies to the matching.
- It includes a performance criterion that the employee must achieve greater than 75% of their KPIs over that period in order for the matching contribution to be made i.e. if less than 75% is achieved, then no matching takes place.
- There will be a maximum matching amount of no more than 50% of TGP (calculated as TGP/share price = number of matching shares) in any three-year cycle.
- Staff members may not make use of the Company provided loan finance for the acquisition of shares for purposes of this matching scheme.
- The Company may facilitate the acquisition of shares through the general order book of the JSE on behalf of staff in order to deliver these matching shares to qualifying staff members on achievement of the requirements.

PROVISION OF LOAN FINANCE TO ENCOURAGE STAFF MEMBERS TO ACQUIRE SHARES

For those employees with a greater risk profile, the Company has implemented a loan-funding scheme to further encourage staff members to acquire shares in the Company, whereby it will loan amounts to staff members as follows:

- For the purchase of shares in the Company, by the staff member, through the general order book of the JSE.
- The maximum loan amount will not exceed 50% to 250% of TGP, the loan % to TGP, dependent on their position in the Company.
- The interest rate is set at the all-in cost of borrowing of the Company from year to year, or the Fringe Benefit Tax ("FBT") interest rate, whichever is higher.
- The interest repayments will be required to be serviced by the staff member should dividends not be sufficient.
- The shares will be pledged to the Company as security for the repayment of the staff loan.
- The loan will be repayable or refinanced by the staff member within five years or on leaving the Company's employ, whichever is the earlier. Acknowledgements of debt are signed by all staff members who decide to partake of the loan finance.
- These shares so acquired cannot form part of the matching share co-investment plan.

LONG-TERM SHARE ACQUISITION TRUST ("THE ESA TRUST")

This mechanism was approved to encourage and facilitate executives to acquire a more geared position in the shares in the Company. This share trust mechanism works on a similar basis to the BEE scheme that was put in place in June 2017 and was to enable the purchase of shares in the Company on the same basis as the BEE equity investors.

No further tranches of the ESA Trust have been issued.

Approval by the committee and the Board has been provided for the beneficiaries to be able to trade their interests in the ESA Trust to third parties, so long as prior approval from the Board to trade is obtained in advance.

NUMBER OF FSPs OUTSTANDING (AS AT 31 MARCH 2023)

	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Number of shares	214 952	847 500	2 268 024	1 595 462	1 501 574
Issue dates	15 September 2018	15 September 2019	15 October 2020	15 October 2021	15 October 2022
Vesting dates	July 2023	July 2023/24	July 2023/24/25	July 2024/25/26	July 2025/26/27
Performance condition	Performance measures	Performance measures	Performance measures	Performance measures	Performance measures
Performance vesting %*	100	100	100	100	100

* Current expectation.

PARTICIPATION IN THE ESA TRUST

Participants	Number of shares [1]	Closing date value [2]	Shareholding value [3]	Emira vendor loan [4]	Third party senior debt [5]	Amortising loan [6]
GM Jennett	3 168 000	R32 028 480	R43 801 402	R20 685 538	R17 520 561	Rnil
GS Booyens	2 016 000	R20 381 760	R27 873 619	R13 163 524	R11 149 448	Rnil
U van Biljon	2 016 000	R20 381 760	R27 873 619	R13 163 524	R11 149 448	Rnil
Total	**7 200 000**	**R72 792 000**	**R99 548 640**	**R47 012 586**	**R39 816 456**	**Rnil**

* Capital owing as at 31 March 2023.

1 Issued at the 30-day VWAP for the period up to 28 June 2019.

2 Value as at 31 March 2023.

3 Value as at date of inception, being 28 June 2019.

4 50% funded by a five-year vendor loan from Emira, with an interest charged at a rate equal to 50% of the dividends paid on those shares.

5 40% funded by third party senior debt, five-year period, interest only at three-month JIBAR + 300bps.

6 10% funded by amortising loan from Emira. Amortising loan guaranteed by the executive for a five-year period, at an interest rate at the greater of the FBT rate or the all-in cost of debt funding to Emira. Amortisation is required during the period at an annual amount equal to at least 50% of the after-tax portion of the STI paid to the executive in a specific year.

PART 3 IMPLEMENTATION REPORT (PROVISIONAL)

This part details the remuneration awarded during the year under review and requires shareholders to vote thereon at the upcoming annual general meeting.

This remuneration implementation report has been updated from the version included in the integrated annual report. The financial data required to test the KPIs for the 12 months ended 30 June 2023 had not yet been finalised at the time of posting the integrated annual report due to the change of the Fund's year-end to 31 March. The KPIs have now been measured and this implementation report has been updated accordingly.

IMPLEMENTATION OF POLICY IN THE 2023 FINANCIAL YEAR

EXECUTIVE REMUNERATION

The table to the right summarises the executive directors' remuneration for the nine months ended 31 March 2023 and further detail can be found in note 3, commencing on page 29 in the annual financial statements.

EXECUTIVE REMUNERATION: TGP, STIS AND LTIS FY23

R'000	FY23 salary (9 months)	FY23 STI awards (note 1)	LTI – FSP vesting value	LTI – FSP dividends received	2023 Total
EXECUTIVE DIRECTORS					
GM Jennett	3 556 483	3 948 000	2 564 050	2 507 697	**12 576 230**
GS Booyens	2 516 067	2 258 000	1 530 140	1 376 215	**7 680 421**
U van Biljon	2 548 858	2 458 000	1 596 571	1 393 151	**7 996 581**

Note 1: These FY23 STI awards are for the performance for the 12-months ended 30 June 2023, whereas the FY23 salaries are for the 9-months ended 31 March 2023. For the upcoming year the FY24 STI awards will be for the 9-months ended 31 March 2024, whereas the FY24 salaries will be for the 12-months ended 31 March 2024.

EMIRA'S PERFORMANCE RELATIVE TO PEER GROUP AT 31 MARCH 2023

	Total return per annum (dividends and share price)			
R'000	9 months (%)	1 ¾ years (%)	2 ¾ years (%)	4 ¾ years (%)
Emira	+34,46	+16,06	+33,25	+3,55
Peer group	+3,75	+5,38	+18,82	(6,25)

This comparison of Emira's performance to the peer group for the nine months ended 31 March 2023 is indicative for now and will be updated once the financial information for the 12 months ended 30 June 2023 is finalised.

The important implementation steps taken during the year included:

- The Company continuing to engage with stakeholders on an ongoing basis, to enhance the disclosures made in the remuneration policy and the implementation report. Stakeholders were contacted telephonically and electronically, and they were encouraged to make recommendations and offer feedback on the previous remuneration and implementation report.
- Further refining and adjusting of KPI targets, and enhancement of the disclosure thereof.
- New and improved KPI targets for FY24 that incorporate the following:
  - Creation of a strategic debt and interest rate management plan set in line with the Board's predefined plans
  - Setting of the new strategic objective of creating a meaningful liquidity event though obtaining unconditional sales values >R850m
  - Completion of the strategic equity initiative target set by the Board, including a further diversification target by asset value >R250m
- Assessed and determined that it is best to keep the FY23 KPIs and measurements in place i.e. this will be assessed based on the nine-month financial year-end to March 2023 together with Board-approved management accounts for the three-month period to June 2023, which will be compared against the 12-month targets set. The committee is satisfied that this is a fair representation because of the time and preparation it takes in order to achieve 12-month targets rather than making any sort of pro-rata adjustment to pre-set targets.

Other than the executive directors, disclosure of the remuneration of the top three earning employees is not seen to be in the best interest of the Company due to the small size of the staff complement and the highly competitive property market, nor does the Board deem it appropriate for reasons of privacy.

REMUNERATION REPORT CONTINUED

STI 2022/23: EXECUTIVE KPI/THRESHOLD SCORECARD WEIGHTING

KPI Categories	KPI Targets for FY23	Achieved for FY23	Comment	Weight (%) CEO	Weight (%) COO	Weight (%) CFO
Tenant drivers (min 50% to score, max 150%)	– Operational metrics of tenant retention >86%	79,0%	91,9%	10,16/10,0	20,32/20,0	10,16/10,0
	– Operational metrics of average vacancy of <5,5%	5,1%	107,3%			
	– Average collections >98,5%	100,4%	101,9%			
	– Measurement of tenant exit for non-landlord reasons >95%	100,0%	105,3%			
Employment environment and service provider drivers	– Employee satisfaction level >97,5% via performance appraisals	Exceeded, Level 2 status	100%	10/10,0	15/15,0	15/15,0
	– Steps taken to keep B-BBEE rating to level at/above level 3					
	– Interactions with service providers via survey >95%	Satisfaction very high, >95%	100%			
Environment, sustainability and governance drivers	– 3 x energy efficiency projects	PV 1 601 + 2xLED	Yes	10/10,0	10/10,0	0/0,0
	– 54 building Energy Performance Certificates	54 complete	Yes			
	– 3 x waste management projects diverted from landfill	3 done	Yes			
	– Biodiversity projects of Spekboom planting at >33% of all properties	26 Props = 33% done	Yes			
	– >50 000 litres water saving/harvesting projects	50 000 litres done	Yes			
	– Maintain minimum B score of CDP	Achieved a B score	Yes			
	– Risks managed within risk register with clean audit achieved	Risks managed within risk register with clean audit achieved	Yes			
Capital provider drivers – debt (min 50% to score, max 150%)	– Satisfaction of debt management WA to expiry >2,2 years	Achieved 2,5years	113,6%	8,53/10,0	0/0,0	17,06/20,0
	– Average cost of debt capital <7,71%	Achieved 7,93%	97,1%			
	– Create R1bn stretch capacity debt headroom in line with Board predefined plans	Arranged R451m	45,1%			
Capital provider drivers – equity (min 50% to score, max 150%)	– Comparison of distributable income per share against approved target of >129,46cps	Exceeded, achieving DIPS of 140,51c	108,5%	16,28/15,0	16,28/15,0	16,28/15,0
	– Equity total annual return (from dividends and NAV changes vs opening equity value per share) in excess of eight-year government bond yield (10,535%) +3,0%	NAV growth 92c from 1 629c to 1 721c, DPS 63,2c + 66,43c, total growth + DPS is 221,63c/1 629 = 13,61%	100,5%	20,1/20,0	20,1/20,0	20,1/20,0
Strategic initiatives drivers (min 50% to score, max 150%)	– Emira positioning to take advantage of strategic objectives set by Board – including a reduction in office exposure of R200m and effecting the sale of Enyuka	Enyuka sold, no office reduction	50,0%	16,39/25,0	13,11/20,0	13,11/20,0
	– Strategic equity initiative to drive accretion in shareholder value of >R250m	Transcend control, bargain purchase option R255,5m	102,2%			
	– Recycling of capital via disposals >R200m	Sold R220,0m	110,0%			
	– Building a pipeline of acquisitions (ZAR equivalent of >USD12,0m equity with IRR>14%)	Not achieved	0,0%			
Total				**91,46/100**	**94,81/100**	**91,71/100**
Standard adjustment to pay-out table (60 = 20%, 100 = 100%, 140 = 175%)				82,92	89,63	83,43
% of TGP applicable for STI				100,00	80,00	80,00
STI payout as a % of TGP				82,92	71,70	66,74

REMUNERATION REPORT CONTINUED

LTIs AS AT 31 MARCH 2023 FY22

	Opening number	Granted in the year	Grant price (ZAR)	(Expired forfeited) in the year	(Settled) in the year	Closing number	Closing fair value (ZAR)[1]
GEOFF JENNETT – CEO							
FSP Tranche 1	49 302		13,20	(1 409)	(47 893)	0	0
FSP Tranche 2	129 008		15,50	(2 248)	(62 244)	64 516	652 257
FSP Tranche 3	459 250		12,55	(7 115)	(145 953)	306 182	3 095 500
FSP Tranche 4	721 121		5,79			721 121	7 290 533
Matching Share Scheme (Nov 2020)	47 762		6,63			47 762	482 874
FSP Tranche 5	483 154		8,96			483 154	4 884 687
Matching Share Scheme (Nov 2021)	42 203		9,50			42 203	426 672
FSP Tranche 6		447 693	10,24			447 693	4 526 176
Matching Share Scheme (Nov 2022)		85 363	10,08			85 363	863 020
Total						**2 197 994**	**22 221 719**
GREG BOOYENS – CFO							
FSP Tranche 1	38 034		13,20	(1 087)	(36 947)	0	0
FSP Tranche 2	77 781		15,50	(1 357)	(37 752)	38 942	393 704
FSP Tranche 3	246 399		12,55	(3 817)	(78 307)	164 275	1 660 820
FSP Tranche 4	392 759		5,79			392 759	3 970 793
Matching Share Scheme (Nov 2020)	12 160		6,63			12 160	122 938
FSP Tranche 5	263 152		8,96			263 152	2 660 467
Matching Share Scheme (Nov 2021)	28 321		9,50			28 321	286 325
FSP Tranche 6		243 842	10,24			243 842	2 465 243
Matching Share Scheme (Nov 2022)		50 942	10,08			50 942	515 024
Total						**1 102 970**	**11 151 027**
ULANA VAN BILJON – COO							
FSP Tranche 1	41 600		13,20	(1 189)	(40 411)	0	0
FSP Tranche 2	91 739		15,50	(1 599)	(44 262)	45 878	463 827
FSP Tranche 3	235 326		12,55	(3 646)	(74 788)	156 892	1 586 178
FSP Tranche 4	397 886		5,79			397 886	4 022 627
Matching Share Scheme (Nov 2020)	13 300		6,63			13 300	134 463
FSP Tranche 5	266 589		8,96			266 589	2 695 215
Matching Share Scheme (Nov 2021)	36 534		9,50			36 534	369 359
FSP Tranche 6		247 021	10,24			247 021	2 497 382
Matching Share Scheme (Nov 2022)		53 153	10,08			53 153	537 377
Total						**1 114 266**	**11 265 229**

1 Closing number of awards x "in the money" value of a FSP/MSP award at 31 March 2023 (based on the 31 March 2023 share price (R10,11) versus the strike price, where applicable).

REMUNERATION REPORT CONTINUED

DIRECTORS' TRADING IN COMPANY SECURITIES

All directors are required, as a standard Group policy, to obtain clearance prior to trading in the Company's securities. Such clearance must be obtained from the Chairman and CEO, or a designated director if it is the Chairman requesting approval.

Directors may not trade in Company securities during closed periods and are prohibited from dealing at any time when they are in possession of unpublished price sensitive information in relation to the Company, or when clearance to trade is not given.

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' annual fee comprises a base annual fee paid quarterly in arrears, with an expectation of a certain number of meetings per annum, which, if exceeded, can incur additional fees at the ad hoc per hour rate. Committee fees are constructed on the same basis with the expectation of a certain number of meetings per annum and additional meetings, if any, charged at the ad hoc per hour rate.

Any such ad hoc fees, which are limited to an annual maximum of 33% of non-executive annual fees, must be approved by the committee and Board prior to payment thereof. All travel and accommodation expenses incurred by directors to attend Board and committee meetings and site visits, are borne by the Company in full.

No further benchmarking exercise was performed during the current year for the non-executive directors' fees, because of the exercise concluded in 2021/22.

The proposal is that the non-executive directors' fees are escalated by CPI + 1% every year until the re-benchmarking exercise is concluded on a three-year basis. Because of the change in year-end, this increase is intended to be implemented three months earlier and thus a pro rata ¾ is applied. With CPI printing at 7,1% for March 2023 which plus 1% would equate to 8,1%, it is proposed that ¾ of this be applied (at 6,08%) across the board for all fee categories.

TOTAL SHARE EXPOSURE BY EXECUTIVE DIRECTORS

	Total unvested FSPs	Total unvested MSPs	Indirectly owned via the ESA trust	Beneficially owned	Total share exposure	% of total shares in issue*
EXECUTIVE DIRECTORS						
GM Jennett	2 022 666	175 328	3 168 000	525 984	5 891 978	1,13
GS Booyens	1 102 970	91 423	2 016 000	274 268	3 484 661	0,67
U van Biljon	1 114 266	102 987	2 016 000	308 962	3 542 215	0,68
Total	**4 239 902**	**369 737**	**7 200 000**	**1 109 214**	**12 918 854**	**2,47**

* Calculated from 522,6 million shares in issue.

NON-EXECUTIVE DIRECTORS' REMUNERATION PROPOSAL

R	Number	FY24	FY23	Change (%)
Main Board – chair	1	646 200	609 200	6,1
Main Board – member	7	342 600	323 000	6,1
Audit and Risk Committee – chair	1	196 700	185 400	6,1
Audit and Risk Committee – member	2	135 700	127 900	6,1
Remuneration Committee – chair	1	118 500	111 700	6,1
Remuneration Committee – member	2	95 500	90 000	6,1
Investment Committee – chair	1	169 000	159 300	6,1
Investment Committee – member	2/3	126 400	119 200	6,1
Finance Committee – chair	1	118 500	111 700	6,1
Finance Committee – member	2	95 500	90 000	6,1
Social/Ethics ESG Committee – chair	1	79 300	74 800	6,1
Social/Ethics ESG Committee – member	1	63 200	59 600	6,1
Ad hoc meetings fee/hour		3 700	3 500	6,1
Total		**4 822 200**	**4 746 000**	**6,1**

ADMINISTRATION

AUDITOR

MOORE INFINITY INC.

Silver Stream Business Park
10 Muswell Rd, Bryanston
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PROPERTY MANAGERS

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FEENSTRA GROUP (PTY) LTD

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EQUITY SPONSOR

QUESTCO CORPORATE ADVISORY

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