

Statement of compliance with the UK Corporate Governance Code

30 June 2020

Chair's Introduction

We are grateful to all the Company's stakeholders for their ongoing commitment and support and recognise the need to ensure an effective corporate governance framework is in place to give confidence that we are committed to demonstrating high standards in this regard.

Compliance with UK Corporate Governance Code / Date of Reporting

For the year ended 31 December 2019, we reported against the 2018 UK Corporate Governance Code (the "2018 Code") and this statement sets out in broad terms how we complied as at that date. It also includes changes to the composition of the Board and its committees which have been made since that date. We will provide further updates as things change. Full versions of the 2018 Code are available from the Financial Reporting Council website at www.frc.org.uk.

The Company's Corporate Governance Report is on pages 118-123 of the 2019 Annual Report.

1. Board Leadership and Company Purpose

The role of the Board is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Directors are responsible for the determination and oversight of the Company's investing policy and strategy and have overall responsibility for the Company's activities, including the review of its investment activity and performance, and the activities and performance of the Management Team.

In addition, the Board is responsible for:

- Authorisation of significant transactions
- Dividend policy
- Internal controls and risk management (via the Audit Committee and the Risk Committee)
- Remuneration policy (via the Remuneration Committee)
- Shareholder circulars and listing particulars
- Matters relating to share capital
- Treasury policy and significant fundraising
- Appointment/removal of Directors
- Assessing and monitoring culture.

The Board delegates specific responsibilities to the Board committees.

During the year, if any Director has unresolved concerns about the running of the Company or a proposed action, this would be recorded in the minutes of the meeting.

Stakeholder Engagement

A report on shareholder communications is considered at each quarterly Board meeting. Regular trading updates are posted on the Company's website with commentary on significant events in the evolution of the Company's portfolio and performance.

The Company's senior management and its brokers maintain regular dialogue with institutional shareholders, feedback from which is reported to the Board. In addition, Board members – led by the Chair - are available to answer shareholders' questions at any time, and specifically at the Annual General Meeting ('AGM'). The Company Secretary is available to answer general shareholder queries at any time during the year.

The Board monitors activity in the Company's shares and the discount or premium to net asset value at which the shares trade both in absolute terms and relative to the Company's peers.

Collectively, our team commits considerable energy to planning and implementing the asset management of each of our assets to ensure that our buildings remain suited to our tenants' needs both today and in the future. We believe that being a good landlord is about creating great communities for our tenants and other users. We consider investment in energy efficient properties as a business advantage, as it allows us to give back to local communities, our investors, our tenants, our partners and the people who work in or live nearby our buildings:

- Local communities benefit from reduced carbon emissions generated from the use of the property.
- Our tenants benefit from lower energy costs, positively impacting the profitability of their operations.
- Those working in our buildings benefit from improved conditions thanks to temperature control and better flow and quality of air (which can also lead to improved productivity).
- Our partners benefit by assisting us to develop, maintain and operate a green portfolio according to the respective specifications of each property.
- Our investors benefit through the creation of long-term sustainable value in the portfolio.

With regard to the Globalworth workforce, we encourage open and constructive discussions throughout the Group and, in 2019, we introduced an employee survey the results of which help us understand how we can best provide a supportive workplace with career opportunities that enrich experience, develop skill sets and promote wellbeing. We also have regular town hall meetings and an annual off-site teambuilding event to which all employees are invited. Due to our geographical set-up, with almost all employees across the Group being located in our office in Bucharest or our office in Warsaw, the opportunity for the Executive Directors to assess and monitor culture and behaviour on a day to day basis is imbedded. We

are also planning to create opportunities for all of our Non-Executive Directors to meet with our workforce over the coming months.

Workforce Policies and Practices

The Company is committed to conducting its business in an ethical manner, with integrity and in line with all relevant laws and regulations. The Group has in place a number of policies and procedures including policies and training on anti-bribery and corruption, whistleblowing, information security and GDPR. All employees are made aware of the Group's policies and also receive training appropriate to their roles and responsibilities. During the year, and in line with the Board's commitment to high standards of integrity compliance, the Board reviewed the Group's written policies and procedures to ensure they remained proportionate and appropriate. It also approved a number of additional compliance arrangements.

2. Division of responsibilities

The roles of Chair and Chief Executive are separate. The Chair leads Board meetings and Board discussions and has responsibility for the Board's overall effectiveness in directing the Company. The Chief Executive Officer and the Co-Chief Executive Officer are responsible for the achievement of the Group's strategic and commercial objectives, within the context of the Group's resources and the risk tolerances laid down by the Board. As such, there is a clear division of responsibilities between the leadership of the Board and the executive responsibility for the leadership of the Company's business.

Composition of the Board

During the year ended 31 December 2019, the Board comprised the Chair, who is an independent Non-Executive Director, six further independent Non-Executive Directors, two Non-Executive Directors who are not considered to be independent in view of the fact that they represent Growthpoint Properties Limited, a substantial shareholder, and two Executive Directors.

Since the year end:

- Ioannis Papalekas has stepped down from the Board but remains CEO of the Company and Dimitris Raptis has been appointed co-CEO alongside Mr Papalekas, whilst retaining his role as Chief Investment Officer. Mr Raptis remains on the Board and acts as the main point of communication between the board and executive management. As such there is currently one Executive Director.
- Eli Alroy, Bruce Buck, George Muchanya and Peter Fechter have resigned from or left the Board.
- Martin Bartyzal has been appointed as a Non-Executive Director pursuant to the right of CPI Property Group SA, through its ownership of Zakiono Enterprises Limited ("Zakiono"), to nominate and appoint one non-executive director for every 8% of the issued share capital of the Company held by Zakiono.
- David Maimon has been appointed as a Non-Executive Director.

Details on the profiles and experience of the Executive and Non-Executive Directors are set out [here](#).

There is no designated Senior Independent Director, however the Chair speaks regularly to the other Non-Executive Directors, as well as the Executive Director, and acts as an intermediary for shareholders.

With the exception of the Company, the Investment Adviser and Growthpoint Investec Africa Property Management Limited, there are no common directorships between members of the Board.

The Board considers the independence of each member of the Board at each quarterly Board meeting and is of the view that the Chair has continued to demonstrate objective judgement throughout the year and that the majority of the Board comprises Non-Executive Directors who are independent of the Company and free from any relationship or circumstances which are likely to impair, or could appear to impair, the exercise of their independent judgement. With respect to Martin Bartyzal (who was appointed pursuant to the right of Zakiono to appoint a specified number of directors according to its percentage shareholding in the Company) and Richard Van Vliet (who was originally appointed pursuant to Growthpoint's right to nominate a Guernsey based director) the Board believes that they can each be considered to be independent for the following reasons: neither of them has any cross-directorships or significant links with any other directors through involvement in other companies or bodies (other than Mr van Vliet as a non-executive of a Growthpoint investment company but he has no other professional or personal connections with any of GRT's directors, officers or employees); there is continuing empirical evidence to demonstrate their independence in conduct, character and judgement.

As such, the Board meets the Code requirements (as set out at Provision 11 of the 2018 Code) that at least half the Board, excluding the Chair, should comprise Non-Executive Directors determined by the Board to be independent.

The close relationship and open communication between the Non-Executive and Executive Directors are integral to our governance process, allowing the smooth operation of the Board, and ensuring ongoing guidance for the Company.

The Chair

Geoff Miller is the Chair of the Board.

Mr Miller leads the Board, ensuring it operates effectively in directing the Company. Mr Miller has demonstrated objective judgment during the period under consideration, promoting a culture of openness and debate, and ensuring that the Board is composed of the right mix of skills and experience.

Attendance at Board and Committee meetings

The Board meets regularly, convening 21 times (and in addition holding 3 Board sub-committee meetings) in the year ended 31 December 2019. A table summarising attendance at the board meetings and various committee meetings is contained in the Company's Corporate Governance Report on page 121 of the 2019 Annual Report.

As part of the evaluation process the Board is satisfied that each of the Directors is able to allocate sufficient time to the Company to discharge their responsibilities effectively.

Meetings of the Non-Executive Directors without the Executive Directors being present are held at least annually, both with and without the Chair.

Investment Committee

The Investment Committee consists of Geoff Miller (Chair of the Committee), Dimitris Raptis, Norbert Sasse and David Maimon. The terms of reference of the Investment Committee are available on the Company's website. During the year ended 31 December 2019, all matters within the remit of the Investment Committee were in fact discussed and considered by the full Board and so no Investment Committee meetings were held.

3. Composition, Succession and Evaluation

Appointments to the Board

The Nomination Committee consists of three independent Non-Executive Directors and is chaired by Geoff Miller. The terms of reference of the Nomination Committee are available on the Company's website. Any proposal for a new Director will be discussed and approved by the Board, however, significant shareholders (CPI, through its ownership of Zakiono Limited, and Growthpoint Properties Ltd) have the power to appoint additional Directors.

See pages 132 to 136 of the Annual Report 2019 for the Audit Committee Report.

Re-election

In accordance with the Company's Articles of Incorporation, the Company's Non-Executive Directors, except Martin Bartyzal (appointed pursuant to the right of Zakiono, to appoint a specified number of directors), Norbert Sasse (appointed pursuant to the right of Growthpoint Properties Ltd to appoint a specified number of directors) and Richard van Vliet (appointed pursuant to Growthpoint's right to nominate a Guernsey based director), shall retire from office annually and may offer themselves for re-election by the Members.

Dimitris Raptis is not required to submit himself for re-election, unless required to do so by a two-thirds vote of the Directors.

Board Evaluation

The Board formally considers on an annual basis its effectiveness as a Board: its composition, diversity and how effectively members work together to achieve objectives. As part of this evaluation, it considers the combination of skills, experience and knowledge in relation to both the Board itself and also its committees. The Board considers that it has an appropriate balance of skills and experience in relation to the activities of the Company. The Chair evaluates the performance of each of the Directors on an annual basis, taking into account the effectiveness of their contributions and their commitment to the role. The performance and contribution of the Chair is reviewed by the other Directors. This formal evaluation is conducted by the Company Secretary circulating questionnaires seeking quantitative and qualitative feedback and reporting the outcomes to the appropriate Board members.

An evaluation of the performance of the Board members who served during the entire year ended 31 December 2019 has been undertaken. The performance of the Chair of the Board was also evaluated by the other Directors. The result of the evaluation carried out was that all Directors' performance is in line with the expectations set out at the point of their appointment to the Board.

4. Audit, Risk and Internal Control

The Audit Committee consists of three independent Non-Executive Directors and is chaired by John Whittle who has recent and relevant financial experience.

As set out in the Board's statement on the Annual Report 2019, page 130, the Board considers that the report taken as a whole is fair, balanced and understandable.

See pages 132 to 136 of the Annual Report 2019 for the Audit Committee Report.

See pages 210 to 213 of the Annual Report 2019 for the Independent Auditors' report.

The Risk Committee consists of three independent Non-Executive Directors and is chaired by Andreea Petreanu.

See pages 138 to 147 of the Annual Report 2019 for the Risk Committee Report. See also the Viability Statement on page 100 of the Annual Report 2019.

See pages 20 to 23 of the Annual Report 2019 for an explanation of the Company's business model and strategy.

5. Remuneration

The Remuneration Committee consists of three independent Non-Executive Directors and is chaired by Martin Bartyzal. The Remuneration Committee has as its remit, amongst other matters, the monitoring of the Group-wide remuneration policy to ensure that it is achieving its intended objectives of supporting strategy and promoting long-term sustainable success by incentivising the executive directors and senior employees in a way that aligns their

remuneration to the long-term interests of shareholders. The emoluments of the Directors are a matter for the Board, considering the recommendations received from the Remuneration Committee. No Executive Director may be involved in any decisions as to his own emoluments.

The Remuneration Committee's activities during the previous reporting period are set out in the Remuneration Committee report on pages 150 to 153 of the Annual Report 2019.