

Statement of compliance with the UK Corporate Governance Code

20 June 2022

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 2021, 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. Full versions of the 2018 Code are available from the Financial Reporting Council website at www.frc.org.uk.

For the year ending 31 December 2022 onwards, the Board has adopted the QCA Code of Corporate Governance and appropriate updates will be made to this compliance statement in due course.

The Company's Corporate Governance Report is on pages 78-83 of the 2021 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. 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.

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 periodically undertake 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, in non-covid times, hold an annual off-site team building event to which all employees are invited. Covid travel restrictions permitting, we look forward to making arrangements as soon as possible and practicable for our non-executive directors to engage with our workforce during the year.

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 on employment and this understanding is refreshed on no less than an annual basis. Employees also receive training appropriate to their roles and responsibilities throughout the year. 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.

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 is 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

In December 2021 there were a number of changes to the Board to reflect the rights of CPI Property Group S.A. and Aroundtown SA (together, the "Consortium"), through their indirect ownership of Zakiono Enterprises Limited ("Zakiono"), which itself holds a majority shareholding in Globalworth.

As at 31 December 2021, and the date of this Statement, the Board comprises the Chair, who is an independent Non-Executive Director, one executive director and eight other non-executive directors (of which six are considered to be independent in accordance with the UK Code). The remaining two Non-Executive Directors are not considered to be independent in view of the fact that they represent Growthpoint Properties Limited ("Growthpoint"), a substantial shareholder.

During the year ended 31 December 2021, there were the following Board changes, all of which were implemented on 6 December 2021:

- Martin Bartyzal was appointed as Chair of the Board.
- Geoff Miller, John Whittle and Andreea Petreanu left the Board.
- Andreas Tautscher, Piotr Olendski, Favieli Stelian and Daniel Malkin were appointed as Non-Executive Directors pursuant to the right of Zakiono, as set out in the Articles, to nominate and appoint one non-executive director for every 8% of the issued share capital of the Company held by Zakiono.
- George Muchanya was re-appointed as a Non-Executive Director pursuant to the right of Growthpoint, as set out in the Articles.

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

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 Geoff Miller, as Chair, continued to demonstrate objective judgement during the period of his tenure during the year. Martin Bartyzal was appointed as Chair on 6 December 2021. Mr Bartyzal has been independent since his appointment and continues to demonstrate objective judgement.

In addition, the Board considers 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), David Maimon (who sits on the advisory Board of Aroundtown SA, which is a member of the Consortium and an indirect substantial shareholder 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: none 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 Growthpoint's directors, officers or employees); there is continuing empirical evidence to demonstrate their independence in conduct, character and judgement.

With respect to the four Directors appointed on 6 December 2021, Andreas Tautscher (appointed pursuant to Zakiono's right to nominate a Guernsey-based director) and Piotr Olendski, Daniel Malkin and Favieli Stelian (each of whom was appointed pursuant to the right of Zakiono to appoint a specified number of directors according to its percentage shareholding in the Company), the initial assessment of the Board is that they can each be considered to be independent for the following reasons: none of them has any cross-directorships or significant links with any other directors through involvement in other companies or bodies; and an assessment of empirical evidence demonstrating their independence in conduct, character and judgement is ongoing.

As such, the Board meets the 2018 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 Directors and the Executive Director are integral to our governance process, allowing the smooth operation of the Board, and ensuring ongoing guidance for the Company.

The Chair

Martin Bartyzal is the Chair of the Board.

Mr Bartyzal leads the Board, ensuring it operates effectively in directing the Company. Mr Bartyzal 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.

Senior Independent Director

Andreas Tautscher is the Senior Independent Director.

Attendance at Board and Committee meetings

The Board meets regularly, convening 13 times (and in addition 3 meetings of a special committee of the board were held) in the year ended 31 December 2021. A table summarising attendance at the board meetings and various committee meetings is contained in the Company's Corporate Governance Report on page 82 of the 2021 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 Director being present are held at least annually, both with and without the Chair.

Investment Committee

The Investment Committee consists of Favieli Stelian (Chair of the Committee), Dimitris Raptis, Norbert Sasse, David Maimon and Piotr Olendski. The terms of reference of the Investment Committee are available on the Company's website. During the year ended 31 December 2021, 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 Daniel Malkin. 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 (Zakiono and Growthpoint) have the power to appoint additional Directors.

See page 105 of the Annual Report 2021 for the Nomination Committee Report.

Re-election

In accordance with the Company's Articles of Incorporation, Non-Executive Directors shall retire from office annually and may offer themselves for re-election by shareholders, except for: Martin Bartyzal, Piotr Olendski, Daniel Malkin and Favieli Stelian (each appointed pursuant to the right of Zakiono to appoint a specified number of directors); Norbert Sasse

and George Muchanya (each appointed pursuant to the right of Growthpoint to appoint a specified number of directors); Andreas Tautscher (appointed pursuant to Zakiono’s right to nominate a Guernsey-based director); and Richard van Vliet (appointed pursuant to Growthpoint’s right to nominate a Guernsey-based director).

At the next AGM, David Maimon is required to retire from office and offer himself for re-election and he will therefore stand for re-election at the forthcoming AGM. The Board has reviewed his skills and experience and is recommending his re-election to shareholders.

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 2021 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

During 2021 and until 6 December 2021 the Audit Committee comprised three independent non-executive directors: John Whittle (Chair of the Audit Committee), Andreea Petreanu and Richard van Vliet. On 6 December 2021, following the resignations of John Whittle and Andreea Petreanu, Andreas Tautscher succeeded John Whittle as Chair of the Committee, and Daniel Malkin was appointed as member of the Committee¹.

All members of the Committee are independent non-executive directors with recent, relevant financial experience, following the requirement of the UK corporate governance code that at least one member of the Audit Committee should have recent and relevant financial experience.

¹ On 27 April 2022, the separate Audit and Risk Committees were recombined into a single Audit & Risk Committee and David Maimon was appointed as an additional member of the combined committee.

As set out in the Board's statement on the Annual Report 2021, page 88, the Board considers that the report taken as a whole is fair, balanced and understandable.

See pages 90 to 94 of the Annual Report 2021 for the Audit Committee Report.

See pages 164 to 167 of the Annual Report 2021 for the Independent Auditors' report.

During 2021 and until 6 December 2021 the Risk Committee comprised four independent non-executive directors: Andreea Petreanu (Chair of the Risk Committee), David Maimon, Martin Bartyzal and Richard van Vliet. On 6 December 2021, following the resignation of Andreea Petreanu, David Maimon succeeded Andreea Petreanu as Chair of the Committee, and Daniel Malkin was appointed as member of the Committee¹.

See pages 96 to 99 of the Annual Report 2021 for the Risk Committee Report. See also the Viability Statement on page 58 of the Annual Report 2021.

See pages 14 to 17 of the Annual Report 2021 for an explanation of the Company's business model and strategy.

5. Remuneration

Until 6 December 2021 the Remuneration Committee comprised three independent non-executive Directors: Martin Bartyzal (Chair of the Committee), Geoff Miller and John Whittle. On 6 December 2021, following the resignations of Geoff Miller and John Whittle, Piotr Olendski succeeded Martin Bartyzal as Chair of the Committee and Favieli Stelian and Richard van Vliet were appointed additional members of the Committee, alongside 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 106 to 109 of the Annual Report 2021.