REMUNERATION POLICY

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	Designation
Prepared	Reward Partners
Reviewed	CPA Executive Human Capital, EXCO, SERT Committee
Recommended	Octodec Board
Approved	Shareholders

DISTRIBUTION

Octodec Board, Managing Director, Group Company Secretary, CPA Executive: Human Capital.

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1. DEFINITIONS

The table below lists the terms and acronyms used within this document.

Term	Description
CPA	City Property Administration (Pty) Ltd manages Octodec properties per the Management Agreement.
Octodec	Octodec Investments Limited, its subsidiaries and associated companies. A company listed on the JSE is also referred to as the company in this policy.
Management Agreement	The Asset and Property Management Agreement entered between CPA and Octodec
SERT Committee	The Social, Ethics, Remuneration and Transformation ("SERT") Committee
Total Rewards	Total rewards are the benefits, compensation, and rewards employees receive from their organisations. These include salaries, bonuses, long- and short-term guaranteed and non-guaranteed incentives, recognition, workplace flexibility, and career opportunities. *Source: Gartner Human Resources Glossary*

2. PHILOSOPHY

An effective total rewards strategy enables the company to attract, retain, and motivate high-calibre, contributing employees who align with its values and vision.

Total reward aims to enhance the psychological contract between employer and employee by recognising monetary and non-monetary rewards and offering appropriate degrees of flexibility in how the components of the system can be structured to align with individuals' preferences.

3. POLICY STATEMENT

The Remuneration Policy ("the policy") sets out the fundamental principles and elements that underpin the total reward philosophy and informs reward decisions, processes, and practices for Octodec employees. It commits the company to strive to reward its employees based on fair, just, equitable, and, where appropriate, equal principles.

4. SCOPE AND APPLICATION

This policy applies to all Octodec employees ("the employees") and will apply to all current and new positions in the company. Any deviation from its requirements requires approval from the Octodec Board of Directors ("the board"). The policy will be adapted occasionally to account for changes in the business strategy, best practices, and legislation.

5. KEY PRINCIPLES

The fundamental principles that underpin the policy include:

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- Attract, retain, and engage talented people who share our values. Flexibility appeals to a broad demographic of potential employees, which enables the company to attract a diverse candidate base;
- Adopt a total reward approach that includes all the elements of monetary reward, namely guaranteed cash, benefits and allowances, non-guaranteed short-term incentives, and non-financial rewards such as well-being, recognition, flexibility and development;
- Review external competitiveness and internal parity through regular benchmarking and responsible reward decision-making aligned with the company's values;
- Create a high-performance culture by rewarding employees in a manner that reflects both the company and individual performance;
- Apply non-discriminatory, fair, just, equitable, and, where appropriate, contribution-aligned policies and practices;
- Adopt measures to address identified disparities per best practice and statutory requirements;
- Comply with all relevant legislation for the policy to withstand scrutiny by stakeholders;
- Allow employees a reasonable degree of flexibility in the choice of benefits;
- Pay market-related salaries within the boundaries of affordability based on individual contribution and level of performance;
- Continuously consider and implement initiatives to improve the employee value proposition; and
- Support the company's human capital strategy, particularly its training and skills development approach, employment equity, and diversity.

6. INTEGRATED APPROACH TO REWARD

The total reward strategy is a core element of an integrated human capital strategy that supports the company's strategy.

Total Reward links to:

- **Performance Management:** Create clear links between individual performance, individual reward and company performance, measured against the achievement of board-approved strategic objectives. Performance measurement and management enable and inform performance-based rewards and embed a high-performance culture based on just rewards for contributing individuals. Performance management and performance enablement are addressed in separate policies.

- **Job Evaluation:** The company uses the Paterson grading system, and all jobs have detailed role descriptions. Job grades are used as a justifiable guide to rank the value of all the jobs in the organisation based on their relative worth to the company. Grading contributes to managing internal equity, defining progress within job families and establishing market-related salary benchmarks. The Job Evaluation policy is contained in a separate document

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- **Employee development:** Ensure that talented, contributing employees are exposed to growth and development opportunities.

- **Career Planning:** The company recognises the importance of career development for its employees. Through consultation with employees, relevant development needs are identified and addressed.

- **Succession Planning:** The company recognises the importance of succession planning and the need to employ talented individuals. No employee has an automatic right to a job. Where vacancies exist, all employees are permitted to apply for the positions based on their ability to demonstrate the appropriate skills, qualifications, experience and competencies required for the role.

- **Recruitment:** Ensure that the total reward offered by the company attracts and retains talented people who align with the company's identity and demonstrate competence to execute strategy and achieve operational efficiency.

- **Transformation and equity:** Ensure that all internal levels of total reward are equitable and not discriminatory.

7. TOTAL REWARD PACKAGE

This policy follows the internationally recognised total reward practice of combining a guaranteed package consisting of a cash component, various flexible benefits and allowances, and a non-guaranteed short-term incentive to provide a total reward package. The total reward approach offers flexibility to structure the guaranteed portion to meet the individual preferences of employees, where feasible and legal. In contrast, the non-guaranteed short-term incentive portion considers individual and company performance outcomes.

7.1 Guaranteed package

The guaranteed package consists of a cash salary and flexible benefits and allowances. Salaries are reviewed annually, with increases taking effect on 01 January each year, subject to the company's performance and affordability. Several factors are considered when setting increase percentages:

- CPI movements for the preceding year and forecasted for the year ahead;
- Industry and sector salary adjustments for the preceding year and forecasted for the year ahead. This includes accounting for wage settlements for the industry and sector;
- A market benchmarking exercise to determine competitiveness levels against an appropriate peer group, the general market's performance, and, where possible, the SA REIT sector; and
- An internal review of packages to identify on a grade and occupation basis whether any anomalies exist in employment equity/parity, minimum wage requirements and wage gaps.

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7.2 Benefits and Allowances

The provision of benefits and allowances to employees forms part of the total reward offering. The flexibility afforded to employees in delivering these elements affects the company's commitment to continually improving its employee value proposition.

7.2.1. Retirement fund

The benefits available to Octodec's employees include membership in a retirement fund. The retirement fund caters to various flexible options selected by the employees, including a fixed employer contribution of 10%. In addition, the employee contributions range from 4.25% up to 7.5%, with varying life and income disability options. As a rule, a portion of these funds is invested into low-risk investment portfolios.

7.2.2. Group life assurance

Group life assurance, payable upon an employee's death, includes options for capital disability, income protection, and other value-added services, such as free ambulance services, legal advice, and trauma counselling.

7.2.3. Funeral cover

There is also funeral cover as part of the flexible retirement fund options.

7.2.4. Medical cover

While membership in the medical scheme is not compulsory, it is encouraged. Employees may structure the monthly contribution in line with a plan of their choice from their total guaranteed package.

7.2.5. Other miscellaneous benefits

a.) **Employee Wellness Program**

An employee wellness and support program is offered through external service providers and includes various employee assistance interventions, including professional counselling services.

b.) **Lunchroom facilities**

The corporate offices provide lunchroom facilities for its corporate office-bound employees. Lunches are subsidised.

c.) **Employee parking**

The company provides free parking for its employees in the corporate office and operational areas.

d.) **Leave entitlement**

Employees are entitled to leave benefits as the Basic Conditions of Employment Act prescribes. Vacation leave is granted based on seniority.

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e.) **Statutory benefits**

As per statutory requirements, the company contributes towards:

- Unemployment Insurance Fund
- Skills Development Levy
- Workmen's Compensation Fund

7.2.6. Other allowances

The other occasional allowances and financial assistance the company provides are listed below. These are provided in line with statutory provisions and, where applicable, agreements with employees and do not form part of the guaranteed package. Separate policies cover all other allowances.

a.) **Travelling allowances**

The company provides car allowances for employees who use their vehicles to travel for business purposes. This is a structuring option from within the total package. The company provides a car for roles requiring a company vehicle for work. This includes a company-provided credit card for fuel and maintenance. The company covers car insurance.

b.) **Travel reimbursement**

In cases where employees use their vehicles for occasional travel on company business, the company will reimburse the employee for the distance travelled according to rates recommended by the South African Revenue Service.

c.) **Company mobile phone**

For roles requiring a mobile phone for work purposes, the company will provide the employee with a mobile phone or mobile phone allowance.

d.) **Company provided accommodation**

In cases where the role requires the employee to be present on the premises 24 hours a day, the company will provide accommodation on a gratuitous basis.

e.) **Educational assistance**

The company provides educational assistance for employees who wish to further their studies in industry-related fields. Preference is given to qualifications relating to scarce skills, including property management, maintenance engineering, and leasing.

7.3 Short-term incentive scheme (“STI”)

The discretionary, non-guaranteed STI scheme aims to foster a performance culture and motivate and reward contributing employees. Payment of the non-guaranteed short-term incentive is subject to the following economic and operational considerations:

- Affordability;
- The company’s performance against strategic annual objectives; and

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- Achievement of objectives outlined in individual performance agreements.

The SERT Committee approves the payment of annual non-guaranteed short-term incentives, considering the abovementioned factors and CPA recommendations.

Octodec employees receive annual non-guaranteed short-term incentives in November each year or as otherwise decided by the SERT Committee.

7.4 Long-term incentive scheme ("LTI")

The Company does not have a long-term incentive scheme in place.

7.5 Scarce Skills Premium

When there is a shortage of skills in the marketplace, the company may identify critical jobs and adjust offers to include an additional premium to attract and retain the necessary skills.

As the supply and demand of employees with critical skills are the most crucial factors influencing differentiation in reward, this may result in some justifiable reward disparities.

8. EXECUTIVE DIRECTORS

CPA employs the chief executive officer and financial director who renders services to Octodec according to the provisions of the Management Agreement. CPA determines the remuneration paid to the chief executive officer and the financial director.

If the company exercises clause 15 of the management Agreement and appoints the financial director directly, this policy will also apply to the financial director.

The company remunerates its executive directors for their services as directors in terms of section 66(9) of the Companies Act, 2008, in the same manner as non-executive directors.

9. NON-EXECUTIVE DIRECTORS

The remuneration of the company's non-executive directors is out of the scope of this policy.

10. REWARD GOVERNANCE

The total reward for Octodec general staff is determined and approved in consultation with the chief executive officer and the CPA Executive: Human Capital which is in line with a mandate from the SERT Committee and in compliance with the terms and conditions of the Management Agreement.

As per its terms of reference. the SERT Committee annually consider and recommend for approval by the board:

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- The remuneration of the executive directors, if any, which is subject to approval by shareholders; and
- the remuneration of the group company secretary and other senior members of management.

The SERT Committee, in conjunction with the board and in alignment with the King Report on Corporate Governance for South Africa 2016 (King IV™), is responsible for reviewing and recommending the company's total reward philosophy, strategy and policy to the board for approval.

Their responsibilities include evaluating, reviewing, and making decisions regarding the policy, its implementation, and its application to the company's employees. The SERT Committee ensures that the policy and practices support the company's strategic objectives, and the board approves its recommendations and, when required, the shareholders.

To ensure equitable reward practices and monitor potential internal pay disparities, the SERT Committee has several options they could decide to follow when necessary:

- Assess the prevailing economic climate, the company's financial performance and market-related reward; and
- Assess pay comparisons between employees at the same level / same job by the "Equal Pay for Work of Equal Value" principle within a specific unit or business entity to identify and address any unjustifiable reward disparities.
- The board and the SERT Committee consider several factors, such as ethical and moral considerations, when determining and adjusting the minimum wage and average salaries of employees to ensure they are set at an appropriate level.
- Minimum pay is reviewed annually and applied as applicable for different sectors.
- In line with the company's commitment to fair and responsible practices, the SERT Committee may adopt progressive measures to address identified disparities.

11. RESPONSIBILITY FOR IMPLEMENTATION OF POLICY

The CPA Executive: Human Capital is the custodian of the policy and has overall responsibility for the implementation and communication of this policy

12. POLICY UPDATES

The Human Capital Department of CPA will be responsible for policy updates as necessary, including maintaining a job evaluation database for Octodec.

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13. LEGISLATIVE FRAMEWORK

The following legislation applies to this policy, as amended:

Name
The Labour Relations Act, No. 66 of 1995 (as amended)
The Employment Equity Act, No. 55 of 1998 (as amended)
Employment Equity Regulations of 2014 (as amended)
The Basic Conditions of Employment Act, No. 75 of 1997 (as amended)
The Employment Services Act, No. 4 of 2014 (as amended)
Promotion of Equality and the Prevention of Unfair Discrimination Act, No 4 of 2000 (as amended)
The Companies Act , No. 71 of 2008 (as amended).

14. RELATED POLICIES AND GOVERNANCE CODES

This policy must be considered in conjunction with the frameworks and policies listed below:

Name
Employment Equity Policy
Training and Development Policy
Grievance Procedure
Performance Measurement and Management Policy
Poor Work Performance Policy
Flexible Work Policy
Travel Benefits Policy
Accommodation and Related Overtime Policy for Building Staff
Leave Policy
Telephone and Cell phone Usage Policy
Study Loan Policy
Ethics and Code of Conduct Policy
ILO Equal Remuneration Convention, 1951 (No. 100), Gender-neutral job evaluation
Equal Pay/ Remuneration for Work of Equal Value, Gazette No. 38837
King IV Report on Corporate Governance™

APPROVED BY THE BOARD ON 13 FEBRUARY 2025

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