SUSTAINABILITY REPORT

2019

ATTACQ

INVEST • DEVELOP • GROW

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Our vision for sustainability is to be efficient, resilient and sustainable

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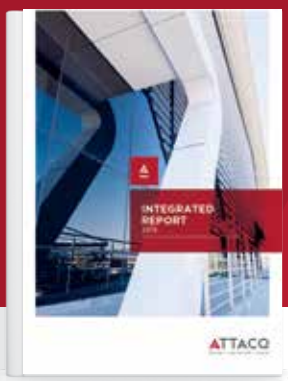

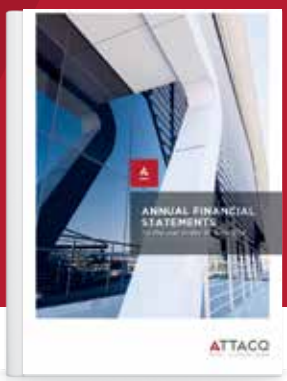

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- Environment, social and governance

MORE INFORMATION

- Further information online
- Cross-referenced to relevant sections in this report

Additional information not prioritised for inclusion in our integrated report and supplementary reports, to meet our readers' requirements is disseminated via our website: **www.attacq.co.za**

About this report

This is Attacq's inaugural self-contained sustainability report.

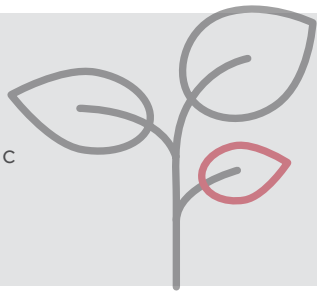
sustainability

/səsteɪnə'bɪlɪti/

noun

the ability to be maintained at a certain rate or level: 'the sustainability of economic growth' avoidance of the depletion of natural resources in order to maintain an ecological balance: 'the pursuit of global environmental sustainability'

Oxford Dictionary of English



In line with best practice, this report covers environment, social and governance (ESG) matters, and supplements disclosures in our integrated report for 2019. In compiling the content, we considered accepted standards and guidelines on corporate citizenship, including:

- The International Integrated Reporting Council <IR> Framework
- FTSE/JSE Responsible Investment Index
- King Code on Corporate Governance 2016 (King IV™*)
- JSE Listings Requirements.

As the field of integrated reporting evolves to support the concept of integrated thinking, global bodies are collaborating to clarify standards and practices. The common goal is meaningful reporting that gives all stakeholders an accurate view of a company's performance across the capitals (or resources): financial, manufactured, natural, human, social and relationship and intellectual.

In line with our integrated report, this report is structured under the various resources. For the resources relevant to ESG, we discuss our approach, how the resources link to our strategic matters, our performance in the review period and the targets guiding our future actions. In several areas, this is considered work-in-progress as we enhance data systems to measure our progress, based on best practice in our industry and global benchmarks.

We welcome your feedback on this inaugural sustainability report as we strive to continually improve our disclosure. **Please direct this to Brenda Botha, head of investor relations, at brenda@attacq.co.za.**

Our approach

Underpinning all our environment, social and governance initiatives is the sincere commitment to be a responsible corporate citizen, to do the right thing in the interests of the broader South African society and our natural environment. This commitment is embodied in our corporate values (integrity, accountability, creativity, collaboration and sustainability), with our approach and progress overseen by the transformation, social and ethics (TSE) committee of the board as well as our executive committee (exco).

To illustrate this commitment, a key consideration in all our developments is ensuring our properties are adapted to a warmer, drier, harsher climate. We are targeting a minimum of four-star Green Building Council of South Africa (GBCSA) (by design and as built) certification on all new developments in Waterfall City.

Specific initiatives are underway to adapt our business to a changing climate (detailed under the water and energy sections):

- We are installing water filters that will enable our properties in the driest parts of the country to clean and use groundwater to operate under constrained water supply
- We have also engaged with stakeholders (including local councils and tenants) in these properties to develop technical and operational plans to continue trading when municipal water supply is totally lost
- We constantly re-evaluate design standards for water and energy in buildings to enhance efficiency. At present, our standard is that all properties should achieve water resilience in the next 12 months that will allow them to – at the very least – operate for 48 hours without municipal water supply using either operational or design measures, such as rainwater harvesting tanks.

Our vision for sustainability is to be truly efficient, resilient and sustainable, building on four key elements: economic, operational, environmental and technological sustainability.

Our goal is a net positive impact across the resources that creates optimal value for all our stakeholders.

About this report CONTINUED

Beyond Attacq

We are also active at industry level through memberships and representation on influential bodies.

Attacq is a member of:

- SAPOA (South African Property Owners Association)
- SA REIT Association
- SACSC (South African Council of Shopping Centres)
- GBCSA (Green Building Council of South Africa)
- United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED), the most widely used green building rating system in the world

Corporate or personal involvement by our senior executives in some of these bodies ensures we are able to influence policy development and stay abreast of local and global trends across the domain of ESG.

Giles Pendleton, Attacq's chief development officer, is a non-executive director of the GBCSA board. This role focuses on influence that key participants have in the property industry, ensuring the needs of industry are not only heard but realised. Continuous development of various tools and offerings, such as residential and precinct ratings and improving the quality of data to support economic modelling, are key.

A RESPONSIBLE CORPORATE CITIZEN

As a responsible corporate citizen, we are guided by strong ethical standards in all interactions with our stakeholders. That includes carefully balancing shareholders' needs with that of the community and always considering the environmental impact of business operations.

United Nations Sustainable Development Goals

The United Nations has set goals for 2030. We are mindful of these goals as well as South Africa's most pressing issues – poverty, education and training, inequality and unemployment – in developing our own initiatives. We are committed to playing our role in achieving the Sustainable Development Goals (SDGs) and to finding opportunities in our businesses to build a more resilient and efficient environment. The goals most pertinent to us are highlighted:

Goal 4 — quality education

The focus of the Attacq Foundation is education, training and skills development.

Goal 7 — affordable and clean energy

With careful planning we aim to increase the share of renewable energy in our portfolio and study the performance of these systems using smart data collection and analysis.

Goal 8 — decent work and economic growth

Energy and economic growth are interlinked, with energy being a key driver. By using more renewable energy and less electricity from the national grid, we lessen our environmental impact.

Goal 9 — industry, innovation and infrastructure

We understand that adapting to climate change requires investing in resilient infrastructure. In addition, we have various strategies to include smart and sustainable technology in new and existing developments.

Goal 11 — sustainable cities and communities

We have developed integrated policies and plans that address social, economic and environmental aspects of development. The goal is to entrench resource efficiency, social wellbeing and resilience on a city scale.

We want to seize the opportunities of a carbon-constrained world and lead the way in shaping our transition to a sustainable economy. We understand that business as usual faces significant risks and that setting targets is a key step in taking action. We have targets in place to reduce short- and long-term annual emissions. This involves baseline measurements, interventions and ongoing monitoring.

Resilience, however, emphasises the mitigation and adaption of environmental as well as financial and human resources. Sustainability is a core value for us – it's not only about green, it's part of our culture. Green buildings and subsequent green leases ensure our tenants can afford the space they let and provide sustainable financial growth. Our human resources are about creating an environment that retains our staff and promotes health and wellness.

Material operational risks and opportunities

Attacq focuses on a collaborative approach in determining, analysing and recording material operational risks and opportunities. Our sustainability report presents a more granular view across the natural, human, social and relationship fields, with detail on key issues in each section. Governance is discussed in the integrated report.

Benchmarking our progress

We track our progress in adopting global best practices in sustainability by benchmarking our performance against peers nationally and internationally. At present, our principal benchmark is the FTSE4Good index.

As background, in 2015, the JSE partnered with global index provider, FTSE Russell, to advance its work on promoting corporate sustainability practices by creating two responsible investment indexes. To qualify, companies must reach the required minimum FTSE Russell ESG rating:

- FTSE/JSE Responsible Investment Index (J113): a market-cap weighted index that serves as a benchmark
- FTSE/JSE Responsible Investment Top 30 Index (J110): an equally weighted index calculated real time. This is the preferred instrument for fund managers tracking ESG indexes as the premier stocks in this index are more liquid and therefore easier to trade.

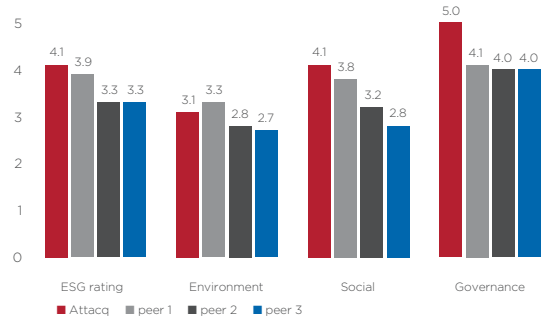
These are linked to the reputable FTSE4Good Index series, in turn designed to measure the performance of companies demonstrating strong ESG practices. Transparent management and clearly defined ESG criteria have made the FTSE4Good indexes a valuable tool for market participants such as institutional fund managers looking to create or assess sustainable investment products.

We are the only property company in the Top 30 index – a strong competitive and reputational advantage in a market looking ever more closely at the responsible citizenship credentials of its suppliers and partners. Our steady progress is even more notable given that Attacq only listed in 2013 and made its first FTSE4Good submission just two years later.

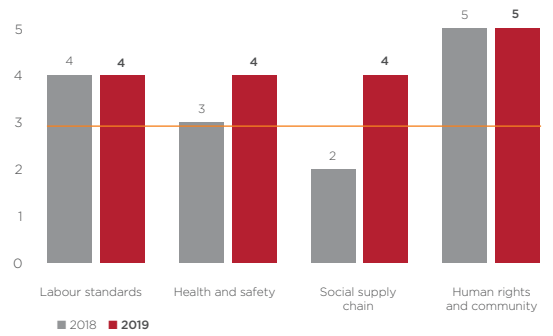
In addition, we are the highest-rated REIT in the South African peer universe on ESG elements for the 2019 review.

Underpinning our annual improvement, we have made steady progress in the constituent elements of the environmental and social pillars. For governance, we have achieved the highest rating of five for the last two years in risk management, corporate governance and anti-corruption, well above the subsector and industry averages.

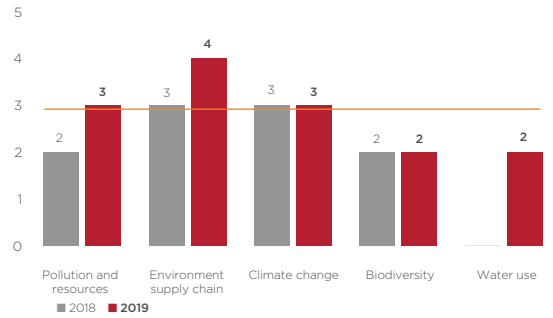
South African industry peer comparison



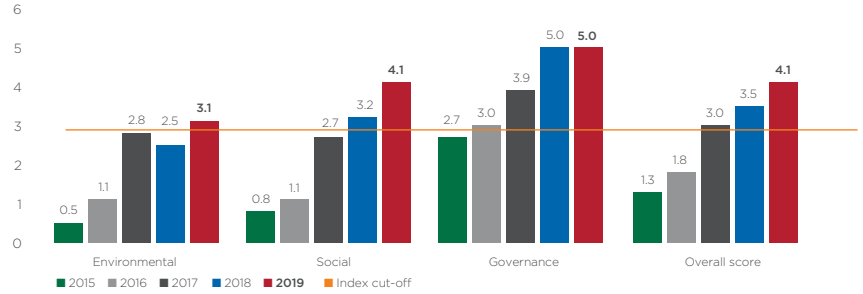
Social



Environment



Year-on-year progress



Cummins Southern Africa regional office, Waterfall Logistics Hub

Natural resources

Photovoltaic system at Mall of Africa, Waterfall City

Natural resources CONTINUED

Introduction

SDG goals

Governance oversight

Investment committee; transformation, social and ethics (TSE) committee; combined assurance forum (CAF); executive committee (exco); development executive committee (dev exco) and South African portfolio executive meeting (SA exco).

Progress report

Performance highlights and lowlights

Highlights

- Reviewed and strengthened our climate-change statement and corresponding strategies for the South African portfolio
- First formal sustainability workshop for exco and senior management. Agreement on our sustainability vision (to be truly efficient, resilient and smart) and strategy
- Participated in successful negotiation of an agreement with Gauteng department of transport to construct the K60 connecting the suburb of Sunninghill to Allandale Road – a key access route for Waterfall.
- Steady capacity increase in installed photovoltaic (PV) systems to 6 852kWp (from 2 097kWp in 2017). Projected annual impact on carbon footprint of the Mall of Africa system alone is 7 393tCO_2e
- 990kWp PV system approved and being installed at Garden Route Mall.

Lowlights

- Our head of sustainability, Werner Mulder, resigned. A consultant has been appointed in the interim until a suitable candidate is found.

Managing climate change

Going green

We are a registered member of the GBCSA and the USGBC's and LEED.

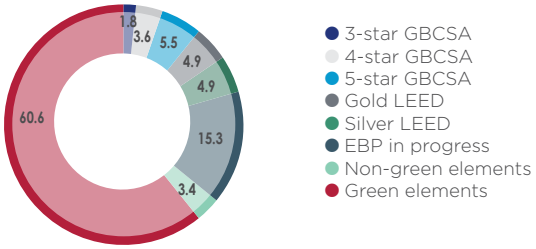
We are targeting a minimum of four-star GBCSA (by design and as a built) certification on a new developments in Waterfall City (therefore excluding Waterfall Logistics Hub and LP21).

We will accommodate tenants' specific requests if they prefer the USGBC's LEED (design and construction) certification. When using the USGBC LEED certification, we target a minimum of silver (design and construction). Where applicable or requested by tenants, GBCSA or LEED certification can be undertaken for interior and operational certification.

We are in the process of certifying our existing buildings by using the GBCSA Existing Building Performance (EBP) rating tool. We are focusing on our completed buildings in Waterfall City and we are targeting the highest possible rating.

At present, 20.8% of our South African portfolio is green certified.

Green elements based on PGLA^ (%)



EBP – Existing building performance rating
^ *Primary gross lettable area*

Our approach

Our business strategy is strongly influenced by the tenant-driven requirements of our existing buildings and new developments at Waterfall, with growing pressure for 'climate-smart' buildings.

As such, we strive to be **efficient, resilient and sustainable**.

The key elements in effectively managing our natural resources are waste, water, energy, transport and technology. To illustrate our approach, planning transport to and inside Waterfall City can reduce the burden on natural resources as we manage our carbon footprint. At the same time, managing the efficiency, resilience and carbon footprint of our portfolio will increasingly depend on the technology that supports a smart city.

As the Waterfall precinct is our longer-term growth engine, our vision is for the core of Waterfall City to be the greenest in South Africa. In line with this vision, certification is underway for the Mall of Africa. Our objective is to be able to reduce our tenants' total cost of occupancy through various sustainability and smart-building initiatives. Firstly on a building level, secondly on a precinct level and ultimately on a portfolio level.

We create value in the way we design for, manage and consume our natural resources which impacts:

- **The amount of resources we consume and waste we generate**
- **The cost of ownership and occupation of our buildings to us, as a landlord, and our tenants**
- **Our ability to operate with constrained water and electricity supply**
- **Our impact on the environment and our obligations as a responsible corporate citizen.**

Operational risks and opportunities		
	Risk	**Opportunity**
Waste	Waste to landfill	By increasing recycling and improved separation into waste streams at building and precinct level
Water	Security of supply	Reduce our water intensity through lower consumption strategies, increased recycling and water efficiencies
Energy	Supply constraints (outages and load shedding)	Reduce consumption and cost through energy efficiency and alternative energy options where feasible
Transport	Constrained access to Waterfall precinct	Work with road, rail and rapid-rail authorities to increase infrastructure supporting the node Optimise internal facilities for parking, pedestrian traffic and alternative transport options
Technology	Obsolescence of existing technology	Use leading technology to enable a truly smart city

Office and mixed-use portfolio certification and EBP* in progress	South African portfolio (m^2)	Description
EBP* in progress	15 383	Maxwell Office Park (excluding Golder)
Gold LEED	37 144	Allandale, Gateway West, Novartis
Silver LEED	36 461	PwC Tower
5-star GBCSA (by design and as built)	24 354	Transnet
5-star GBCSA (by design)	14 214	Lynnwood Bridge – Bloukrans and Kaaimans
5-star GBCSA (EBP)	3 040	Maxwell Office Park – Golder
4-star GBCSA (by design and as built)	2 935	Corporate Campus – building 1
4-star GBCSA (by design)	24 318	Lynnwood Bridge – Aurecon Corporate Campus – buildings 2 and 3
3-star GBCSA (EBP)	13 399	Lynnwood Bridge Office
Total certified and EBP in progress	**171 248**	
Total PGLA office sector	264 188	
% of total office portfolio	**64.8%**	

** Existing building performance.*

Given that almost 64.8% of our office portfolio is either certified or being green-certified, this positions us very competitively in a market increasingly more conscious of the benefits of environmental design. In the new year, we hope to have Mall of Africa certified – the first retail asset in our South African portfolio to be green-certified. In addition, we will start the certification process for the next phase of existing buildings in FY20.

Natural resources CONTINUED

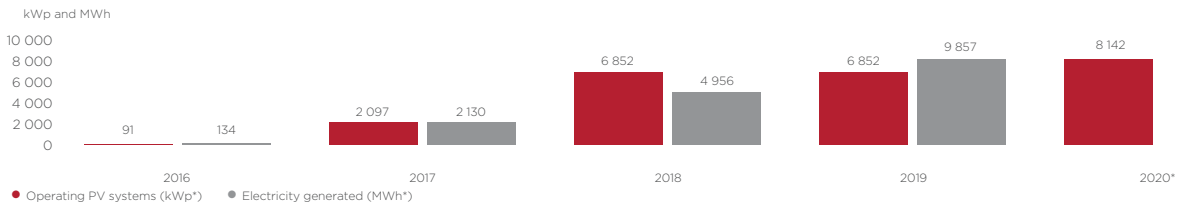
Climate change – broadly defined as abnormal variations to the climate and their global effects – is increasingly evident in record temperatures (high or low) and weather events, from the frequency and ferocity of hurricanes to rainfall levels. Simply, temperatures are rising, water is becoming scarce and managing waste is a global crisis. Combined, this escalates the potential severity and likelihood of climate-related risks. We are proactive in our approach to climate change and reviewed and strengthened our climate-change statement and corresponding strategies for our South African portfolio.

To manage our risks more effectively, we have focused on ensuring accurate and reliable data across our portfolio. The first step was to establish baselines for energy consumption and greenhouse gas (GHG) emissions in existing buildings to determine which initiatives would be most effective, then measure performance from that basis. We continually review our approach and methods to achieve further GHG and energy reductions.

All our new developments at Waterfall must follow international best practice for sustainability and performance. We monitor key performance indicators (KPIs) for each building, supported by ongoing investigations to identify additional measures and design elements that will improve operational efficiency, which are then included in our design guidelines.

Across our portfolio, as demand for greener energy has increased, we have focused on rolling out or retrofitting PV systems and other energy-efficiency measures.

Our operational PV systems capacity and performance



** kWp: kilowatt 'peak' of a system and measures the peak power of a PV system.*
^ MWh: megawatt-hour, the unit in which electric energy is measured.

Integrating climate-change considerations into our buildings are also key aspects of making our portfolio attractive to tenants. An effective response means lower operational costs through energy efficiency, using renewable energy, and the efficiencies achieved by GBCSA green-star and LEED-rated new developments. The net result is attracting and retaining tenants.

Internally, we are setting targets for reducing consumption. We measure our use on two levels:

- Absolute (actual units)
- Intensity (ratio that measures efficiency of use).

As part of this process, we assess our impact by annually measuring our carbon footprint, which gives us insight on each building's environmental performance. Ahead of the new carbon tax legislation in South Africa, several years ago we began recording, measuring and reporting electricity consumption, which drives most of our carbon footprint.

A broader view of our natural environment

Understanding that all our activities affect the natural environment, our goal is to minimise any negative impact to scarce resources and biodiversity. Comprehensive environmental impact assessments (EIAs) are conducted by independent specialists ahead of any new development, qualifying the impacts for each stage (construction, commissioning and operations), identifying environmentally sensitive areas and setting out measures to protect these. Results from each EIA are published in a government gazette and therefore in the public domain for at least 100 days. In line with regulations, these results also inform the environmental management plan and related biodiversity action plan for every development.

These regulatory elements become the blueprint for each development, from indigenous gardens and water-wise systems to green buildings that minimise environmental impact and resource use.

We are also testing business cases for sustainable technologies across waste, water, carbon and energy, as well as piloting behaviour-change programmes with tenants.

Preserving natural resources is a focus in the way we operate our business. The sections on climate change, energy and water set out our approach and progress. While many of these initiatives are in their early stages, together they demonstrate a company-wide commitment to managing and conserving natural resources.

Our targets

Conserving natural resources

We are committed to managing our natural resources efficiently and responsibly. Our key challenges at present are the cost and security of supply of water and electricity. While our new developments meet world-class standards of environmental efficiency, managing water and electricity consumption in our older assets is more challenging.

Our approach to sustainability is built on four major pillars:

Economic sustainability	Operational sustainability	Environmental sustainability	Technological sustainability
Our buildings are designed cost efficiently in terms of waste, water and electricity consumption and management	Buildings must be able to operate through service interruptions using: • Back-up electricity for realistic scenarios (not just load-shedding) • Waste and water continuity plans	Managing our impact on the environment by: • Implementing our green strategy • Maintaining/reducing our carbon footprint • Minimising light pollution (compliance requirement for Waterfall) • Increasing energy efficiency	Smart operations using integration and connectivity
Progress	**Progress**	**Progress**	**Progress**
Our South African property portfolio is efficient in water and energy use. We are further improving efficiency by monitoring consumption using smart meters and systems	Mall of Africa can operate for two days during an electricity outage	We actively monitor key environmental indicators like carbon footprint and our impact on water resources. In future, all our new office and mixed-use developments will be green certified	Smart city strategy being developed

Natural resources CONTINUED

These drivers are being broken down into specific targets at group and site level. Below, we focus on key group-level targets.

	Why	Short-, medium- and long-term targets	Progress to date	Read more
Climate change and energy	Climate change presents a physical and growing risk to all businesses. The most effective measures of our progress in addressing climate change are our carbon footprint and greenhouse gas (GHG) intensity	• By investing in improving efficiency we reduce electricity consumption per m^2 • Reduce carbon footprint per m^2 through co-generation from rooftop PV systems • Reduce GHG intensity	• We are creating a baseline performance map of all buildings • A portfolio-wide strategy to reduce energy consumption	Page 6
Renewable energy	Sensible renewable energy projects reduce operational costs, improve the resilience of our buildings and reduce the carbon footprint of our portfolio	• All new developments include the most appropriate elements of renewable energy	• Our operational PV systems expanded by 226.7% (from 2017) to 6 852kWp • PV systems generated almost 9 857MWh of electricity in 2019	Page 13
Resource-efficient design	Operationally, green design reduce operational costs, improve the resilience of our buildings and reduce the carbon footprint of our portfolio	• 100.0% of new buildings in Waterfall City have green certification • Green building standards finalised for all new developments • Existing buildings targeted for EBP certification	• 64.8% of our office and mixed-use portfolio certified or certification in progress	Page 6
Water	Water resilience in the face of growing disruptions to municipal supply	• Operate for two days without municipal (water and electricity) supply	Monitoring four elements of water risk: • Supply (operational sustainability) • Pressure (operational sustainability) • Quality (operational sustainability) • Cost (economic sustainability) • Water-use study and application process completed for water-constrained future	Page 15
Waste		• Reduce waste to landfill by recycling	• Recycling increased to 1 161 tonnes for our South African portfolio	Page 17
Environmental fines for non-compliance	Non-compliance is a financial and reputational risk	• Zero non-compliance	• Zero for past three years	

** For a building, resilience refers to remaining relevant or suitable for tenants (existing or new) across economic cycles.*

Our performance

In our last report, we disclosed specific focus areas for the year ahead.

Focus areas	Progress
Design an intelligent, interconnected and instrumented city strategy for Waterfall	Under development
Implement water projects, eg water-filtration plant at Eikestad Mall	The project was discontinued after underground water levels dropped significantly after boreholes were sunk in the area
Continue to develop green buildings in Waterfall	See page 6
Reduce cost of occupancy for all tenants	Operating cost reduced for Waterfall tenants over the last 24 months, a key benefit in the current economic environment
Develop an integrated transport and parking plan for efficient access, parking and mobility in Waterfall City	Investigation underway with Gautrain Integrated strategy being developed

Climate change and energy

Strategy

KEY AIMS

Reduce our annual energy consumption and cost per m²

Reduce our dependence on Eskom, operate without Eskom supply when necessary

Stay abreast of technology and developments in energy efficiency, storage and generation

THROUGH

- Energy-efficient building design (150kWh/m² pa)
- Optimised precinct design
- Active energy monitoring and management (live central monitoring of electricity consumption)

- Invest in PV systems that meet our financial and sustainability objectives
- Investigated but discarded a gas plant as an option for Waterfall
- Decrease Eskom supply to Waterfall
- Back-up generators and HVAC* design to allow properties to operate during load shedding

- Investigating best practice internationally

NEXT STEPS

- Increase installed PV base that meet our financial and sustainability objectives
- Monitor power quality (SANS 048) – ATT House pilot and MooiRivier test underway
- Energy-efficiency pilots (Eikestad HVAC, MooiRivier LED parking lights)
- Green certification (Mall of Africa certification planned for 2020 – existing building performance)

** Heating, ventilation and air-conditioning.*

Climate change is already influencing our business as average temperatures rise, water resources become constrained and waste management, particularly effluent systems, become more critical. These impacts filter through to our tenants, their staff and customers in a myriad of ways, from higher utility costs to unexpected costs such as trucking in water.

As all tiers of government are forced to deal with the effects of climate change, we believe legislative pressure will increase on property developers and owners.

Natural resources CONTINUED

Internationally, the 2015 Paris Agreement[1] has indirectly influenced business strategy by raising awareness and prioritising climate-change issues. This spurred our decision to prepare for target-setting by establishing reliable baselines and commissioning the development of a carbon monitoring tool to collect and analyse data. At present, our carbon emissions are not independently audited.

In managing climate change most effectively, we consider immediate and longer-term risks:

- The most important short-term (0 to 24 months) issue is providing energy security and green buildings for our tenants. We therefore focus on making all new developments energy efficient, deploy renewable-energy solutions wherever possible, attain green-star (or LEED) ratings on new buildings and refurbish older developments to achieve the same.
- Long term (2 to 10 years), we are evaluating the impact and mitigation of identified risks. For example, based on the early success of current renewable-energy installations, we may make this technology a standard for all new developments. We are investigating new technologies to diversify the energy supply for our buildings, address water scarcity, and identify more climate-resilient building materials.

[1] In December 2015, 196 parties to the UN framework convention on climate change adopted the Paris Agreement, a new legally binding framework for an internationally co-ordinated effort to tackle climate change. Among others, it established a goal to hold global warming to well below 2°C on pre-industrial averages. South Africa is a signatory to this agreement.

GROWING DEMAND FOR GREEN ELEMENTS IN LEASES

By definition, a 'green lease' contains provisions aimed at minimising environmental impact by lowering energy consumption, reducing waste, lowering emissions, etc. A bespoke green lease usually includes sustainability principles and assigns responsibilities as well as a structure to each party to achieve sustainability goals. While we do not yet have bespoke green leases, our standard lease templates contain several green clauses:

- We work with our tenants to achieve sector-specific targets for energy saving. For new buildings, energy efficiency is integral to design. For existing premises, energy-saving equipment, fittings and fixtures are considered in any refurbishments or alterations.
- Our roof-top PV systems (page 8) are generating renewable electrical energy.
- As part of their contribution to a sustainable environment, our tenants undertake to implement appropriate recycling measures. Tenants also comply and participate with any recycling initiatives implemented by us.

MSCI Measured Fund

We are measured by MSCI Real Estate.

Energy performance

The energy performance of our buildings is a key indicator of the sustainable design of a building as well as its operational management for energy efficiency. We are now tracking our office building energy performance against the MSCI benchmark*. Based on our FY19 performance, our office and mixed-use and industrial portfolios perform better than the provincial and industry average for the same period. More work is needed in our retail and industrial portfolios, although the large office component in our light industrial portfolio does skew our results to some extent.

Metric	Retail	Office	Industrial
Footprint (weighted average) (m^2)	282 011	267 736	169 456
Consumption (MWh)	92 975	31 413	10 436
Intensity (kWh/m^2)	329.7	117.3	61.6
MSCI Gauteng average*	297.0	158.4	not available
MSCI industry average per sector* (kWh/m^2/month)	306.1	168.9	67.2

** MSCI South African Annual Property Index (results for the year to 31 December 2018).*

Ensuring security of supply through renewable energy

In recent years, we have invested heavily in low-carbon energy installations to ensure security of energy supply and reduce operating costs. In total, these systems now generate 7.2% of our electricity requirement, reducing our total electricity cost. See managing climate change, page 6.

kWp	2020 (projected)	2019 actual	2018 actual	2017 actual	2016 actual
Novartis	91	91	91	91	91
MooiRivier Mall	1 004	1 004	1 004	1 004	
Allandale building	150	150	150	150	
Lynnwood Bridge precinct	650	650	650	650	
Glenfair Boulevard	202	202	202	202	
Mall of Africa	4 755	4 755	4 755		
Garden Route Mall (approved, estimated operational date: April 2020)	990				
Deloitte head office (approved, estimated operational date: April 2020)	300				

Photovoltaic system on roof of Mall of Africa, Waterfall City

Natural resources CONTINUED

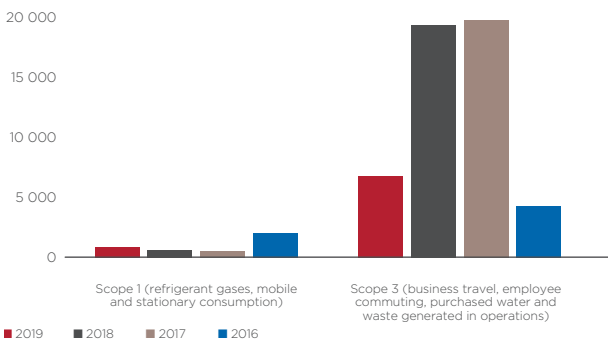
We fully understand the inherent reputational risk of not responding effectively to climate change, now and in future, which could deter both investors and tenants and thus affect our business.

Although many in our industry are moving in a similar strategic direction, we have gained an advantage through our new developments and ability to implement initiatives quickly. This allows us to respond to our current and prospective tenant requirements in terms of green leases and ensure long-term retention.

To better manage energy consumption, we have rolled out smart meters throughout our portfolio and set this as the standard for all new developments. Similarly, to further improve the measurement and management of energy efficiency, we have rolled out building management systems in our larger properties and we are considering the business case to extend these systems across the portfolio.

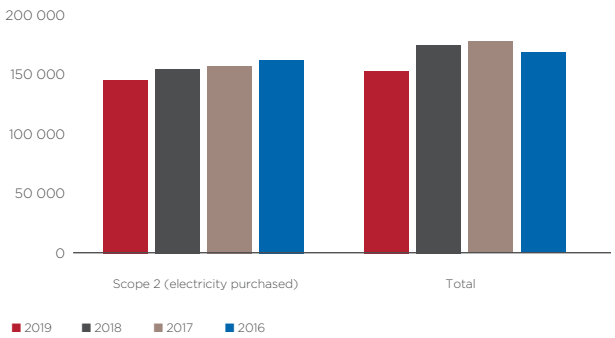
Carbon emissions

Carbon footprint classification (tonnes CO_2e)*



** We calculate our carbon footprint using the equity share approach.*

Carbon footprint classification (tonnes CO_2e)*



** We calculate our carbon footprint using the equity share approach.*

Our carbon footprint emission for scope 2 (electricity purchased) decreased by 12.5% and the intensity of our carbon emission decreased from 0.211 CO_2e/m^2 to 0.209 CO_2e/m^2, demonstrating our commitment to reducing our carbon footprint.

MEASURING OUR IMPACT

In assessing our carbon footprint and GHG emissions, we used a model developed by a reputable independent company (PricewaterhouseCoopers or PwC), although our performance is not externally assured. Carbon emissions are measured as per the GHG Protocol, using emission factors from DEFRA (2016).

Our electricity consumption is measured and verified by an independent utility management company. For the past year, controls for our municipal charges and recoveries were audited by our internal auditors, PwC.

Carbon tax

Carbon tax became effective in May 2019. This tax may result in an increase in our electricity expense which will largely be reflected in our tenants' electricity recharges. Building sustainably and providing green leasing options is a critical mitigation measure. We are currently assessing our exposure to carbon tax and increasing the share of carbon-free energy on offer to our tenants.

Water security

Strategy

KEY AIMS

Treat water as a scarce resource	Be able to operate for two days without municipal water supply	Be able to operate under "near day zero" conditions

THROUGH

Reducing our water consumption

- Design buildings (including facades) and HVAC systems for minimum water consumption (less than $0.5m^3/m^2$ pa)
- Build capability to monitor portfolio water consumption in real time
- In all new developments:
  - Implement rainwater harvesting
  - Provide a grey-water system
- Continually monitor the feasibility of grey and even black-water treatment at site and precinct levels

- Water shortages is an ongoing risk.

We believe if we plan, design and manage for it, and how we operate when water is scarce can be a competitive advantage

NEXT STEPS

Increase and cement our water rights (in Waterfall)

- Increase our water licences
- Ensure we are included in the city water-capacity plan for future bulk (town planning)

Increase water supply (Waterfall Junction)

- Bulk-water supply to LP3 and LP24

Track water quality across the portfolio

- Update landscaping guidelines to be water-wise
- Design future bulk-water tanks for good operation (easy refilling, access, etc)

We recognise the growing strategic importance of water in our country and to our continued operations.

South Africa has recently faced one of the most severe droughts on record, with the impact being particularly acute in the Western Cape. Coupled with a growing population, this has increased the burden on water infrastructure, both quality and availability, and highlighted the poor condition of infrastructure in many areas which considerably elevates the risk of water security.

We invest in ongoing research to monitor our water risk and develop the appropriate response. We monitor key elements of water risk across our portfolio:

- Supply (operational sustainability – the risk of interrupted water supply)
- Pressure (operational sustainability – unpredictable and low water pressure)
- Quality (operational sustainability – poor quality as measured against best practice)
- Cost (economic sustainability).

To illustrate how critical water is for both the development and operational aspects of our business:

- Indirectly, the lack of rainfall could have significant implications on supply chains, such as delaying building construction (due to lack of water), affecting tenant occupancy and jeopardising tenant affordability.
- Directly, the lack of water can cause significant operational disruptions to our buildings. If water shortages delay the completion of new buildings, we can incur penalties for late delivery to tenants. We also have to secure water from alternative sources in those cases, which has significant financial implications given that transporting potable water to site costs around 13 times more than municipal supply.

In recent years, we have invested significantly in water efficiency. Examples of internal measures across our portfolio include electronic taps, low-flow showers and dual-flush toilets. More importantly, we pay specific attention to the thermal load of new buildings and HVAC system designs to reduce water consumption over the life of the properties. Externally, we focus on water-wise landscaping by planting indigenous, hardy species. In addition, we deliberately design our new buildings for water efficiency, including the use of grey water, as water constraints will inevitably lead to higher utility prices.

At Waterfall, we are also working with neighbouring estates and landowners to pilot the use of indigenous grasses and landscaping along shared roads. The goal is to reduce irrigation-water demand to a minimum.

Natural resources CONTINUED

Last year, we defined the target for measuring water resilience at our buildings as meeting Occupational Health and Safety Act requirements. We installed live water-logging meters at our most critical sites. By monitoring water consumption across our portfolio, installing back-up tanks and on-site pumps, as well as developing operational plans, we achieved our water resilience target.

At water-stressed sites, for example at Eikestad Mall during the recent water crisis, we actively engage with stakeholders to manage the risk. This ranged from interacting with the Stellenbosch council to ensure that water shedding did not compromise the integrity of fire systems in our properties, to engaging with tenants to reduce their water consumption and plan operations for the so-called day zero (the scenario where city dams and reservoirs are empty). Although provincial water supplies normalised in 2019, the drought was instructive in effectively planning for this type of emergency.

We are equipping some new buildings with reservoirs that harvest rainwater. This has been done on a large scale at the Mall of Africa in Waterfall. The reservoir holds over 2 000m³, enough to supply the entire Waterfall City for over two days without any water inflow.

Water consumption and intensity

	2019	2018	2017	2016
Consumption (ML)	586.9	721	833	665
Intensity (ℓ/m²)	68	74	93	79

In 2019, water consumption again reduced in line with our long-term trend in our South African portfolio. The high base in 2017 reflects unusually warm weather.

Comparing FY19's average monthly performance per sector to the benchmark MSCI South African property index, we outperform in the office and industrial sectors.

Water quality is annually measured against SANS 241 and World Health Organization standards at locations where we directly own buildings as part of the process of maintaining our assets. Knowing the quality of borehole and sump water is important in determining their potential use as grey water (wastewater generated in buildings, excluding ablution facilities), both as a cost-saving initiative and a contingency measure.

Metric	Retail	Office	Industrial
Footprint (weighted average (m²))	282 011	267 736	169 456
Consumption (mℓ)	351.0	143.8	62.8
Intensity (ℓ/m²/month)	1.3	0.5	0.4
MCSI industry average/sector (ℓ/m²month)	1.2	0.8	0.4

MEASURING OUR IMPACT

Attacq's water consumption is independently measured and verified by an independent utility management company.

Waste management

Strategy:
Recycle waste at above industry average* levels by volume

KEY AIMS

Improve waste recycling up to waste collection from tenants

Improve waste recycling from the point where waste is collected

THROUGH

Design for waste management

- Ensure tenant spaces designed with good waste separation
- Buildings designed with excellent waste management areas (layout, access, equipment options)
- Change tenant behaviour (from communication to rules for material and recycling, eg no polystyrene)

Professional waste companies

- Ensure recycling complies with legal requirements (paper trail, online tracking)
- Continually evaluate new on-site waste solutions, eg for wet waste

NEXT STEPS

- Set minimum waste standards
- Develop recycling ethos for offices and retail tenants
- Update briefing document for new tenants
- Implement design review by sustainability and operations departments
- Monitor recycling
- Dry and wet waste separation on site at Mall of Africa

** Industry average determined by using average for waste management company portfolio of properties and assuming it is at least at the industry average if not above.*

Since 2013, we have successfully increased the percentage of total waste recycled. At our major properties (like the Mall of Africa), recycling targets are set by property and waste type. We also work with adjacent residential estates to clean up the river that runs through all these developments.

While the volume of waste we produce is rising in line with the growth of our South African portfolio and activity in our malls, the percentage of total waste recycled (not diverted to landfill) stabilised in 2019.

	2019	2018	2017	2016
Generated (tonnes)	4 253	5 854	5 016	3 627
Recycled (tonnes)	1 523	1 730	1 609	1 042
% recycled	36.7	29.6	32.1	28.7
Hazardous (liquid and dry) (tonnes)	107	162	56	–

We generate low levels of hazardous waste, which is disposed of by certified specialist contractors.

A web-based dashboard for tracking waste management and recycling has been extended to most of our buildings, giving every property manager direct access to historical and current waste figures and the recycling performance of their buildings. Our research shows that our buildings recycle at or above the industry average.

Natural resources CONTINUED

Transport and mobility

Strategy

KEY AIMS

Improve access to and in Waterfall	Reduce traffic congestion in Waterfall

THROUGH

- The time taken to get into/out of Waterfall should be a competitive advantage of the city
- Transport infrastructure and city design must support development over time
- Externally, we are working closely with road, rail and rapid-rail authorities
- Walking and alternative transport must be a safe and attractive option chosen by tenants and shoppers daily

NEXT STEPS

Increase road infrastructure supporting the node
- K60, K101/Allandale interchange design

Optimise road access network

Improve public transport
- Gautrain station and transport node feasibility
- Bus access to Waterfall (city buses and BRT or bus rapid transit)
- Public transport designed into the city

Consider different options for local access
- City cycle routes and infrastructure in Waterfall
- Good urban design

Optimise Waterfall parking

Absorb traffic as quickly as possible
- Smart city: co-ordinated parking and 'park once' capability
- Optimise internal road network for better flow

Reduce internal traffic
- Build a pedestrian and bicycle friendly city, implement good urban design and design developments and security systems for safety

Technology

Technology facilitates many elements of our strategy. Used effectively and cost efficiently, it can become a significant competitive advantage.

Strategy

KEY AIMS

Be able to monitor and manage key building metrics	Be able to operate our buildings as smart buildings	Be able to manage Waterfall and other precincts like smart cities

NEXT STEPS

- Water and electricity consumption
- Water and electricity quality
- Building energy performance (HVAC and temperature)
- Transport, traffic and parking solutions
- Security

A range of initiatives is underway, from pilot projects to desktop studies, including:
- Energy metering alternatives to smart meters
- Smart meter reading in parallel to remote metering solutions
- Water metering and logging (flow +)
- Central building management system solutions and data storage
- Feasibility of options (water, PV systems, lighting, etc) (refer climate change and energy section)
- Smart-city scoping exercise.

Ultimately, our aim is an integrated, multifaceted information system, supporting decisions in real time.

Environmental supply chain
In line with our goal of minimising the impact of our developments and portfolio on the natural environment, we work with a range of suppliers (upstream and downstream) to develop responsible solutions to environmental issues.

We are also implementing responsible sourcing standards and testing potential sustainable technologies across the fields of waste, water, carbon and energy.

The bigger picture

We have often said that our developments at Waterfall originate from a blank canvas – a unique opportunity to design a city literally from the ground up. Understanding that ecosystems may extend beyond the borders of our development, the environmental impact assessment for Waterfall included buffer zones – adjacent areas where natural habitats, wetlands and biodiverse areas had to be protected. This data informed city-wide maps identifying sensitive areas and ensuring environmental connectivity.

Our ongoing maintenance and monitoring of the open space and wetland areas in a section of the Waterfall development illustrates how we are protecting natural and biodiverse habitats like wetlands.

Our goal is to ensure proper rehabilitation, protection and sustainable use of these open areas as part of normal long-term operations in the commercial estate. To illustrate this approach:

- Ponds were planned and built using natural materials to manage stormwater and provide habitats for birdlife in the area
- To protect these habitats and prevent ponds from becoming clogged, brush vegetation is cut before the wet season, and alien invasive plants removed
- Ongoing maintenance includes stormwater management, erosion control, bioswale[2] maintenance and cleaning litter and contaminants that might enter the wetland area.

2020 looking ahead

- Strengthen internal resources to support project implementation
- Drive the development of road, rail and water infrastructure around Waterfall that will support the sustainable operation and growth of our assets
- Entrench portfolio resilience that will allow all properties to operate through electricity and water supply constraints
- Design underway for an intelligent, interconnected and instrumented (smart) city strategy
- Reduce tenants' total cost of occupancy at a building, precinct and portfolio level
- Entrench sustainability standards for new developments.

Human resources

Supporting the 'Keep a girl child in school' programme

Introduction

SDG goals

Governance oversight

Remuneration and nominations committee (remco), transformation social and ethics (TSE) committee, exco, dev exco and SA exco.

Strategic and operational risks and opportunities

- Promoting transformation in South Africa:
  - By meeting transformation targets in the seven pillars of the B-BBEE scorecard
  - By meeting targets in the employment equity plan as submitted to the Department of Labour
- To attract, motivate and retain high-calibre individuals and limit employee turnover.

Progress report

Performance highlights and lowlights

Highlights

- Launched our first annual wellness awareness programme
- Assisting lower occupational-level employees by contributing to school fees for their children

Lowlights

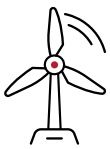
- Recruiting and retaining skills in designated groups in the real estate sector remains a challenge
- Capacity constraints until suitable candidates are recruited.

Our values

INTEGRITY

Honest, loyal and trustworthy

SUSTAINABILITY



Focused on the future

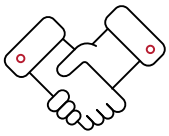
ACCOUNTABILITY

Taking ownership

CREATIVITY

Thinking out of the box

COLLABORATION



Working together

Human resources CONTINUED

Our approach

Our employees are our most valuable assets. While that is true for most companies, in the increasingly competitive real estate sector, the high calibre of our people is a key differentiator.

In return for their skills and initiative, we provide a workplace that is fair, stimulating and conducive to rewarding careers. We encourage all our people to reach their full potential through self-development programmes and by funding external specialised training courses and bursaries.

Aligning our people with our company values is essential to creating stakeholder value:

Our targets

Some of our people-related targets are driven by the Employment Equity Act while others are set by the company to attract and retain the calibre of people that underpin our sustainability.

We have a zero-tolerance stance to any form of harassment or discrimination. A formal policy, updated in FY19, provides anonymous reporting channels and sets out a clear process for disciplinary procedures and escalation.

During the year, no complaints were logged via the whistle-blower hotline and no instances of non-compliance were recorded to labour legislation, including any reports of discrimination and/or unfair practices.

Our performance

In our last report, we disclosed focus areas for the year ahead.

Focus area	Progress	Read more
Implementing the employee value proposition to ensure we attract, motivate and retain high-calibre individuals	Launched our annual wellness programme Subsidising school fees for qualifying employees	Page 28
Establishing a preferred culture for our employees	A cultural survey resulted in action plans for the new year	Page 26
Reviewing processes, policies and systems to ensure compliance and efficiencies	Policies were reviewed over the year. Changes to processes and systems will be implemented in FY20	See website for updated public policies

Building a diverse workforce

Mainly due to organic growth, our workforce increased by 10.3% to 150 full-time and temporary employees (2018: 136) at year end. The size of our workforce gives us the flexibility to continue improving our diversity levels, mainly through recruitment, internal promotions and transfers to create capacity for appointing historically disadvantaged individuals (HDIs). Since we have internalised our asset, property and development management functions, our company offers employees greater exposure to the vertical real estate value chain.

For us, diversity goes beyond regulatory targets. We believe a diverse workforce enhances our perspective, encourages integrated thinking and contributes to national transformation in the interests of all citizens.

Reflecting our commitment to improve diversity, 76.9% of 39 appointments over the past year were from African, coloured or Indian groups (59.0% African). Appointments outside these prioritised groups are individually approved by the chief executive officer (CEO) and based on scarce skills or a critical role that had to be filled and where no suitable HDI candidates were found.

We are making progress in achieving a representative balance at management level, although the pace is hampered by challenges in the recruitment process, natural attrition and organic growth. We are addressing this through our skills development programmes (see page 25).

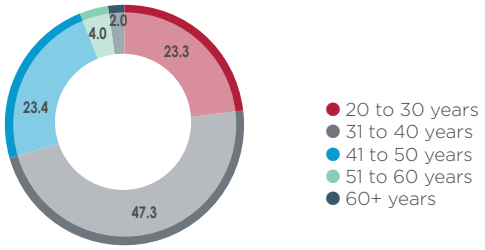
Our progress over the past three years is illustrated below:

%	2019	2018	2017
Employment equity			
White	38.7	47.6	50.0
African, Coloured and Indian	60.7	51.6	49.1
Foreign	0.6	0.8	0.9
Gender			
Female	48.0	54.8	55.3
Male	52.0	45.2	44.7
Management*			
African, Coloured and Indian	33.8	30.0	28.8
White male	40.3	38.0	40.7
White female	24.7	32.0	29.3
Foreign	1.2	1.2	1.2

Employment equity target and 2019 plan

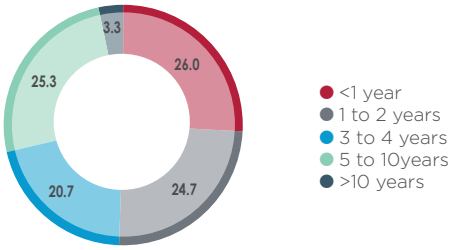
Our national EAP targets		Our 2019 EE plan		Our 2019 actuals	
	%	Number of employees	%	Number of employees	%
African	**78.5**	**58**	**38.4**	**62**	**41.3**
Male	42.7	34	22.5	31	20.7
Female	35.8	24	15.9	31	20.6
Coloured	**9.6**	**18**	**11.9**	**18**	**12.0**
Male	5.2	6	4.0	5	3.3
Female	4.4	12	7.9	13	8.7
Indian	**2.8**	**12**	**7.9**	**11**	**7.3**
Male	1.7	4	2.6	4	2.7
Female	1.1	8	5.3	7	4.6
White	**9.1**	**62**	**41.1**	**58**	**38.7**
Male	5.1	30	19.9	30	20.0
Female	4.0	32	21.2	28	18.7
Foreign	**0.0**	**1**	**0.7**	**1**	**0.7**
Total	**100.0**	**151**	**100.0**	**150**	**100.0**

Workforce – breakdown by age group (%)



Average age of workforce is 31.8 years.

Workforce – tenure (%)



Average tenure of workforce is 3,5 years

We adhere to the Employment Equity Act and promote fair, equitable and consistent labour practices. We also comply with labour laws, including those that prevent child labour and forced labour:

- Basic Conditions of Employment Act
- Labour Relations Act
- Skills Development Act
- Skills Development Levies Act
- Occupational Health and Safety Act.

In line with the Constitution of the Republic of South Africa, we respect the right of our people to freedom of association, and to join any collective bargaining association such as a labour union.

Employee turnover

Total employee turnover for the year is 17.5%, similar to prior year (2018: 17.6%). Exit interviews follow all resignations and results are presented at exco meetings, with appropriate action taken when required. The main reason for resignations were better career prospects. Included in our total employee turnover of 17.5% (2018: 17.6%) is our one-year learnerships.

Human resources CONTINUED

Garden Route Mall has one of the longest-serving teams in our portfolio, with an average tenure of eight years. Some employees have been part of Garden Route Mall since opening in 2005. Sonja Anderson started at the mall when her son entered school and 12 years later, he is a tertiary student.

Aligning reward to strategic objectives

Our remuneration policy, specifically the performance indicators under our long-term incentive (LTI) scheme, supports implementation of our strategy. These performance conditions were realigned in 2018 to support our revised strategy after converting to a real estate investment trust (REIT) (see remuneration report, page 60).

Each employee has a contribution plan linked to KPIs agreed with their line manager. A bottom-up/top-down approach is used to determine individual KPIs, ensuring alignment with the company strategy and growth objectives (broken down into discrete KPIs, see page 60).

Performance reviews drive a high-performance culture. The mandatory annual 360° performance assessment for each employee includes an evaluation on behavioural, role-related and specific criteria as part of a self-assessment exercise, with line manager and peer reviews. These results are consolidated, and an employee's rating is used in the annual salary review process. Discretionary bonuses are paid in October based on actual performance for the financial year ended 30 June.

Our reward philosophy is based on fair and transparent remuneration, ie equal pay for work of equal value, thus eliminating any discrimination between men and women.

We also offer attractive employee benefits that exceed regulatory requirements: four months' paid maternity leave, five days' family responsibility leave, subsidised lunches, death and disability cover, pension fund contributions as well as funeral and education cover for dependants. In the review period, we introduced subsidised school fees for the children of qualifying employees.

For the past three years, all employees received Attacq share awards to create an owner-manager culture. These share awards vest over three years, either as performance-based incentives or retention measures. On vesting, individuals can elect to sell all or part of their allocation or retain these shares. Executive shareholdings are detailed in the remuneration report and share register.

Development and growth

Our practice of using role profiles to create contribution plans (that define deliverables and how these are measured) is now well embedded in our culture, with employees benefiting from clearly defined performance objectives linked to our strategy.

At management level, training is externally facilitated and focused on key matters, such as recruitment and selection processes, managing people and group policies.

Self-development is a standard KPI and employees are responsible for designing their personal development plans, which form part of their annual performance evaluation process.

Formal and informal training follows the 70/20/10 principle: 70% is on-the-job training, 20% is channelled through mentorship and 10% is addressed by customised training. Each business unit has identified its training needs, for which our human capital team is developing specific solutions. A skills audit will be conducted in 2020 to identify any gaps in existing skills, and to crystallise measures to address the gaps.

Our policy is to promote internally where possible and reskill when required. Although our flat hierarchical structure limits vertical career promotions, deserving individuals are given additional responsibilities to support personal development, with commensurate remuneration. As we expand, we are confident that more opportunities for promotion and career development will emerge organically.

Training statistics

	2019	2018	2017	2016
Total training spend (R)	925 465	1 043 110	1 106 517	998 280
Number of training initiatives	148	110	300	337
Training hours	1 322	3 778*	2 097	2 890
Total training spend per employee# (R)	6 472	7 295	10 743	10 620
Training initiatives per employee#	1.0	0.8	2.9	3.6
Training hours per employee#	9.2	26.4	20.4	35.3

** Training hours include after-work time employees invest in their studies where we have paid for these courses.*
 # Calculation based on average number of employees for the year.

Training hours decreased by 65.0%, and training spend decreased by 11.3% as a number of employees received bursaries and we paid for short- to medium-term specialised training courses. Similarly, as much of the training we invest in is long term, the number of training initiatives increased by 34.5%. Examples of training supported by us include general tax courses, health and safety compliance, employment equity compliance, targeted recruitment and selection for managers, and effective project administration courses.

Succession planning

We recognise the importance of effective succession planning, particularly at senior levels. This ensures transitions are seamless, corporate knowledge is retained and personal potential is maximised.

CREATING A TALENT PIPELINE

We provided financial assistance to our employee **Tumi Ngwaze** to complete the second year of an honours degree in public relations. When asked about the support she received from Attacq, she replied, "Ngiyabonga kakhulu" (isiZulu for thanks a lot). Tumi's grandmother accompanied her to the graduation ceremony in April 2019.

We also financially supported other employees, eg **Jacob Maleka** who completed a certificate in operations management as well as **Enzo Oosthuizen** and **Nico Barnard** who obtained certificates in property development and investment.

Shelan Amaidas recently passed the initial test of competence through the South African Institute of Chartered Accountants. **Martin Alberts** completed a certificate in business accounting, while **Shamir Rampersadh** completed his degree in financial management.

Tumi Ngwaze and her grandmother

PROMOTING INTERNALLY

Hellen Selepe joined Attacq in 2017 as a cleaner and soon began to enquire about prospects in property management. She was given the opportunity to shadow handymen from the retail and commercial environment and found the retail environment better suited her. When the role of handyman at Mall of Africa become vacant, Hellen was the successful candidate. She aspires to be an operations manager.

Yasmeen Lorgat has worked with the property and asset management teams as legal adviser over the past 14 months and has proved very valuable. Her understanding of practical operational matters has assisted the teams greatly in concluding leases, service-level agreements and other legal matters. When the role of leasing manager at the Mall of Africa became vacant, Yasmeen indicated her desire to broaden her scope of knowledge and experience in the retail industry. We supported her decision and appointed her as the leasing manager.

Thabiso Msibi was appointed guest relations officer in 2016 when the Mall of Africa opened. After he began assisting the operations team at the mall in his spare time, he discovered his passion for operations and building maintenance. A year later, he was offered a chance to join the operations team as a handyman. He was soon promoted to senior handyman at Mall of Africa due to his dedication, leadership and co-ordination skills. Thabiso aspires to specialise in technical services.

Other success stories include **Sandri Loubser** who is completing the rigorous higher diploma in tax and will take on additional tax responsibilities; **Linda Meyburgh** who was promoted from personal assistant to office manager; **Mpumi April** who was promoted from administration assistant in marketing to personal assistant; **Jacob Maleka** who moved from handyman to assistant operations manager; and **Christy Hobson** who was promoted from legal adviser to head of legal.

Employee engagement

We strive to create an inclusive work environment that promotes productivity, efficiency and engagement among individuals and teams. This is mainly achieved by:

- A monthly CEO update, followed by an informal lunch
- Regular interaction between managers and employees to ascertain what drives and motivates them
- At Attacq's head office, communication is facilitated by an open-plan structure from CEO level
- Assessing and implementing flexible working arrangements where possible
- Investing in targeted development initiatives based on individual development plans
- Frequent social events, creating a culture of affinity and positive working relationships.

We assist and monitor employees to familiarise themselves with all company policies, including labour policies. A selection of new or amended policies are reviewed by the employment equity committee and published on the company intranet. Those without access to the intranet receive a printed copy. All communication is in the main business language, English, but translated into another official language when necessary.

Our employment equity committee is chaired by a staff member, supported by our human capital manager and our transformation manager. This is a statutory committee, and all members were trained to fulfil their roles properly.

We have also established a social committee with representatives from head office and each region to enhance our corporate culture and promote employee wellness (social, health, financial, etc). Attacq funds the committee's budget for a social calendar that currently includes annual women's day, Heritage Day function, 14 October (listing anniversary, recognition and awards ceremony) and monthly CEO update. We also organise functions for Easter and a family picnic in December.

Culture

At Attacq, we want our employees to be involved or engaged – only through an engaged workforce can we maximise stakeholder value. People connect with companies when their personal values or internal beliefs align with the company culture.

To ensure we have an engaged workforce, we set out to measure personal culture compared to the current company culture and desired culture. Assisted by an external facilitator, we compiled a five-question survey on our company values to discover the so-called 'unwritten ground rules'. Through small interactive groups, key issues were identified, and strategies developed to address these.

This is what our employees said about our culture

Value	Question	Response	Action plan
Integrity	Around here, when someone says they will do something ...	55% positive 28% negative 37% neutral	..., we do what we say ..., we do the right thing
Collaboration	Around here, when it comes to working across departments and teams ...	48% positive 23% negative 29% neutral	..., we truly are one
Accountability	Around here, when it comes to meeting targets and deadlines ...	54% positive 19% negative 27% neutral	..., we own it and we get it done
Creativity	Around here, when it comes to following through on new ideas ...	33% positive 35% negative 32% neutral	..., we are empowered to make change happen
Sustainability (career growth)	Around here, career growth opportunities are ...	28% positive 37% negative 35% neutral	..., I am empowered to grow – at work and in life as Attacq creates the platform for growth through formal and on-the-job training.

Our employees in Gauteng

Human resources CONTINUED

Wellness day

At Attacq, through our values of collaboration and integrity, the physical and emotional wellbeing of staff is enhanced and leads to the desired high-performance culture.

During the year, we introduced the annual wellness programme. This year, the theme was back to basics. Employees were spoiled with Attacq-branded goodies and three days of interactive wellness events that included health screenings, motivational speakers and physical activities.

This is what our employees said
"It was an awesome three days"
"Thanks ladies and a great big thank you to Attacq"
"Thanks everyone, it was an awesome day"
"The best wellness week ever, still so much fun in this weather"
"Thank you for the wellness day gift! Team Eikestad"

Fruit basket

To keep the spirit of wellness alive in Attacq, fruit is being provided to all staff members once a week. This initiative is not just about eating healthily, it also creates a culture of collaboration by forcing people to get up from their desks and engage while enjoying a quick snack.

Health and safety

Our CEO is the responsible person for the occupational health and safety of our workforce. We ensure that all scheduled occupational health and safety inspections (daily, weekly, monthly and quarterly) are performed as per the OHSA checklist register. In line with this act, Attacq has a health and safety committee, with trained health and safety representatives (officers) ensuring compliance. In 2019, nine employee volunteers were trained as fire marshals and another six were trained as first aiders.

Health

We are aware of the health issues around HIV/Aids, tuberculosis and malaria. While we have no formal policy because of the size of our workforce, we will provide support through an employee assistance programme if someone is directly affected.

Employees are invited to an annual company wellness day at which they have the opportunity to be tested for HIV/Aids. If they test positive, we will provide further support.

2020 looking ahead

- Develop a retention strategy aligned to workforce and talent segments
- Enable a disruptive, innovative culture by empowering employees to create, share and collaborate on ideas
- Implement an Attacq learning academy with tailor-made programmes at all levels, using digital platforms
- Implement integrated human resource technology for managers and staff
- Review all human capital policies
- Strong focus on employee wellbeing throughout the year.

Social and relationship resources

Children at the Bana ba Rona Early Childhood Development Centre

Social and relationship resources CONTINUED

Introduction

SDG goals

Governance oversight

TSE, exco, South African portfolio executive committee and developments executive committee.

Stakeholder profile

COMMUNITY	EMPLOYEES	FINANCIERS	GOVERNMENT, MUNICIPALITY AND REGULATORS	SHAREHOLDERS AND INVESTMENT ANALYSTS	SHOPPERS
All communities in the retail catchment areas of each asset in our South African portfolio	150 permanent and temporary employees	10 funders	National and local government departments, municipalities, regulators, industry associations	>6 400 shareholders, mainly in South Africa	>40 million shoppers

TENANTS	SUPPLIERS	MEDIA	BUSINESS AND DEVELOPMENT PARTNERS (JVs)	LAND LEASEHOLDERS	PROPERTY BROKERS
>700 existing and potential tenants	>80 product/ service providers	Global media across digital, print, radio and TV	Seven joint-venture partners	Waterfall	>300 brokers

Strategic and operational risks and opportunities

At present, these are concentrated around the national priority of enterprise community development:

- Identifying sustainable projects that meet market demand
- Adequate funding to support these initiatives
- Appropriate internal resources or external partners to provide required support.

Performance highlights and lowlights

Highlights

- 681 direct beneficiaries reached by investing R6.4 million and 402 employee hours (2018: 2 337 beneficiaries, R6.8 million and 309 employee hours respectively)
- To date, 415 jobs created through the Attacq Property Point initiative.

Lowlights

- Our B-BBEE scorecard declined to level 3 against new sector codes and after our conversion to a REIT. See page 41 for more information.

Our approach

Our social and relationship resources refer to the networks and relationships we have with our stakeholders. Based on our commitment to responsible corporate citizenship, our aim is to create value across the stakeholder engagement process – from the way we interact with tenants to the way we communicate with shoppers in our communities.

Our vision is to be a **socially responsible citizen** that contributes positively to uplifting the communities in which we operate.

We create value in the way we function in our communities as this influence:

- Fair labour practices and equal opportunities
- Preferential procurement strategies and broadening our supply chain
- Corporate social investment transforms communities positively through the Attacq Foundation.

Our targets

Some of our social targets are regulated, others were set by the company in the interests of strengthening relationships with the stakeholders who underpin our sustainability.

	2019	TARGET 2020	READ MORE
Office and mixed-use tenants' general satisfaction score	7.5/10.0^	We have changed the questionnaire to be more open-ended. We will therefore rebase this score in FY20	
B-BBEE level	3	3	
Enterprise and supplier development targets as per B-BBEE codes	Target achieved	Achieving target	
Socio-economic development targets as per B-BBEE codes	Target achieved	Achieving target	
Economic development*	11.2%	At least meet scorecard targets of 10.0% of total annual development spend on qualifying developments	

^ Survey conducted every 18 months; results of 2019 survey will be disclosed in FY20 report.

Social and relationship resources CONTINUED

Our performance

In our last report, we disclosed focus areas for the year ahead.

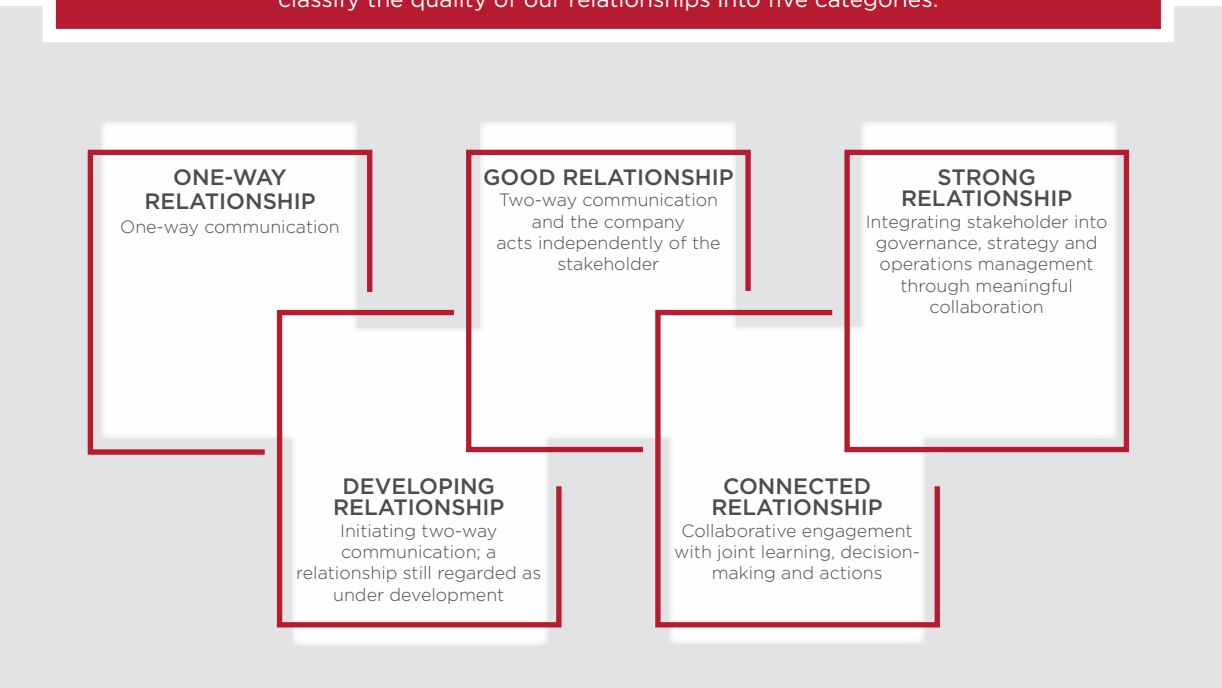
Focus area	Progress
Corporate restructuring, establishing a consolidated centre of excellence for our marketing team managing all the brands	Appointed new head of marketing, internalised marketing functions at most of our malls
Rebranding the Attacq Foundation as our centre for corporate social investment	The Attacq Foundation is positioned as our corporate social responsibility arm to drive education and training as well as responsible enterprise and supplier development initiatives

Key relationships

Our key relationships are those with stakeholders who have significant influence on how we do business and with whom we engage regularly. In FY19, our updated stakeholder engagement policy was approved by the TSE committee.

In line with King IV, we follow an inclusive approach and derive our strategy from understanding our stakeholders' needs, interests and expectations. These relationships enable us to identify risks and opportunities, and address these proactively to strengthen trust with our stakeholders.

The quality of our relationships supports or hampers our ability to operate, as almost every issue raised by our stakeholders can be a risk or opportunity in achieving our strategy. We classify the quality of our relationships into five categories:



COMMUNITY

Stakeholder, quality of relationship, frequency and method of engagement
Developing relationship
Various outreach programmes

Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Interacting with our communities enables us to understand their needs and further align our business with those needs to remain relevant • Job creation, social upliftment and investing in our communities **Contribution to value creation** • By investing in the community, we directly benefit from the support of its members	• Including small and medium enterprises in Midrand in the procurement process. Developments at Waterfall	• We have partnered with an online procurement tool to communicate opportunities to all small and medium enterprises • We are involved in the community through regional events and CSI projects

EMPLOYEES

Strong of relationship
Daily, monthly, ad hoc

Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Healthy organisational culture that motivates employees to perform improves engagement, fosters collaboration and strengthens commitment to embrace our values and strategic objectives **Contribution to value creation** • Provide talent, knowledge and skill by embracing company values	• Advancement prospects within a flat hierarchical structure • Engagement across all levels • Transformation and employment equity • Collaboration across all departments • Living our values	• Personal growth is encouraged by promoting innovative thinking and collaboration with other teams and individuals as well as training • Monthly CEO update, including Q&A opportunity • Regular visits by senior management and executives to our regional malls • Transformation is a priority, with all non-equity appointments presented to the CEO for approval

Social and relationship resources CONTINUED

Key relationships (continued)

FINANCIERS

Stakeholder, quality of relationship, frequency and method of engagement
Strong relationship with principal financiers and connected relationship with remaining financiers
Ad hoc meetings, compliance with financial covenants' communication, annual meetings after results presentation

Benefits of engaging/risk of poor engagement

- Access to debt capital, trust in management, supportive of our business strategy, understanding business results, financial risk and funding strategy

Contribution to value creation

- Provide debt capital

Main discussion points

- Attacq's financial performance, position and credit quality to understand the serviceability of debt
- Credit quality of our tenants, calibre of management
- Understanding the group's strategy

Our actions

- Regularly providing accurate information to demonstrate the value of our security and our continuing ability to meet obligations (debt covenants, loan-to-value, interest cover ratio)

GOVERNMENT, MUNICIPALITY AND REGULATORS

Stakeholder, quality of relationship, frequency and method of engagement
Developing and maintaining good relationships
Ad hoc, formal reports as required

Benefits of engaging/risk of poor engagement

- Streamline approval process
- Comply with laws and regulations to avoid fines and penalties

Contribution to value creation

- Municipalities: providing utilities and services as well as building approvals

Main discussion points

- Local council: timeous receipt of approvals

Our actions

- We remain committed to ensuring the highest levels of compliance to all legislation.
- We engage regularly with government, regulators and improvement districts to ensure our developments are supported by the appropriate infrastructure. This includes detailed traffic impact assessments.

SHAREHOLDERS

Stakeholder, quality of relationship, frequency and method of engagement
Investment analysts: mostly strong relationships
Presentations, roadshows, integrated report, press releases, annual general meetings, one-on-one meetings, SENS announcements, newsletters, Attacq website

Benefits of engaging/risk of poor engagement

- Create a larger, more diverse shareholder base, increasing share liquidity and enhancing access to capital – this will ultimately result in the Attacq share trading at a fair price

Contribution to value creation

- Provide equity capital

Main discussion points

- Attacq strategy
- Rent reversions
- Retail environment
- AttAfrica liquidity into shareholder structure and our exit strategy
- Developments at Waterfall and its pipeline
- MAS investment

Our actions

- Concerns raised were addressed by direct feedback (email/meetings/presentations).
- In addition to regular engagement, we issued topical newsletters and notices/updates and hosted a site visit to Lynnwood Bridge precinct, specific client developments and Ellipse show unit

SHOPPERS

Stakeholder, quality of relationship, frequency and method of engagement
Good relationship
Proactive engagement through appropriate mediums

Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Understanding shopping patterns, consumer experience and requirements, as well as the impact of online shopping and relevant retail competitors in each region **Contribution to value creation** • Consumer behaviour affects the tenant's turnover and therefore future sustainability and potential rental income, with an indirect impact on the value of our buildings	• Remaining relevant in a competitive environment • Changing the way in which we communicate to shoppers and the mediums used	• Learn and improve campaigns, activities, initiatives based on shopper, customer or mystery-shopper feedback

TENANTS

Stakeholder, quality of relationship, frequency and method of engagement
Developing and connected relationships
Daily, monthly, ad hoc, twice-yearly roadshow, third-party tenant satisfaction surveys

Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Tenant retention and expansion • Implement early renewal strategy to improve retention and weighted average lease expiry • Convert potential tenants to actual tenants **Contribution to value creation** • Tenants are our primary clients, providing the rental income that underpins our business	• Cost of occupancy at tenant level and how to reduce the costs • Partnering with tenants to restructure leases and drive down cost of occupancy • Early renewals	• We continually invest in cost-saving initiatives for electricity and water. We remain committed to using green building principles in our developments • Closer relationships with our clients to identify early-renewal potential and address client risk proactively where possible

Social and relationship resources CONTINUED

Key relationships (continued)

DEVELOPMENT JOINT VENTURE PARTNERS

Stakeholder, quality of relationship, frequency and method of engagement
Connected relationships
Formal regular meetings, board meetings, site visits, progress reports, on-site meetings

Benefits of engaging/risk of poor engagement

- Close working relationships to deliver quality developments
- Ongoing working relationship to secure new joint ventures and deals

Contribution to value creation

- Joint venture partnerships mean increasing the roll-out tempo of Waterfall precinct which will translate into increased rental income

Main discussion points

- Development opportunities
- Contribution to joint-venture partnership
- Alignment of interest

Our actions

- Open discussions with interested parties to see if interests are aligned and whether synergies can be created by forming a business relationship

LAND HOLDER

Stakeholder, quality of relationship, frequency and method of engagement
Strong relationships
Regular interaction

Benefits of engaging/risk of poor engagement

- Retain and build the relationship

Contribution to value creation

- Land holder of our key driver, Developments at Waterfall and land holder to a majority of our assets in our South African portfolio

Main discussion points

- The roll-out and management of Waterfall precinct
- Approvals for proposed new developments

Our actions

- Regular one-on-one meetings ensure proactive management of this vital relationship

SUPPLIERS

Stakeholder, quality of relationship, frequency and method of engagement
Good relationship
Performance evaluations, penalties and bonus where applicable, effective feedback loop created through monthly performance tracker

Benefits of engaging/risk of poor engagement

- By maintaining good relationships and open communication with our suppliers and service providers, we benefit from high-service levels that enhance our service to tenants and shoppers

Contribution to value creation

- High-service levels and quality products enhance our service to tenants and shoppers

Main discussion points

- Fair and transparent tender processes
- Service level agreements

Our actions

- We ensure effective processes are applied in selecting suppliers and service providers, as well as for assessment, certification and payments

MEDIA

Stakeholder, quality of relationship, frequency and method of engagement
Developing relationships
Ad hoc

Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Building the Attacq brand **Contribution to value creation** • Brand awareness increases access to potential tenants and development opportunities	• Current, relevant, accurate and timeous information	• Inviting the media to results breakfasts, site visits and various functions • One-on-one interaction via email, telephone • Providing press releases to media with relevant, accurate information

PROPERTY BROKERS

Stakeholder, quality of relationship, frequency and method of engagement
Developing and connected relationships
Ongoing interaction

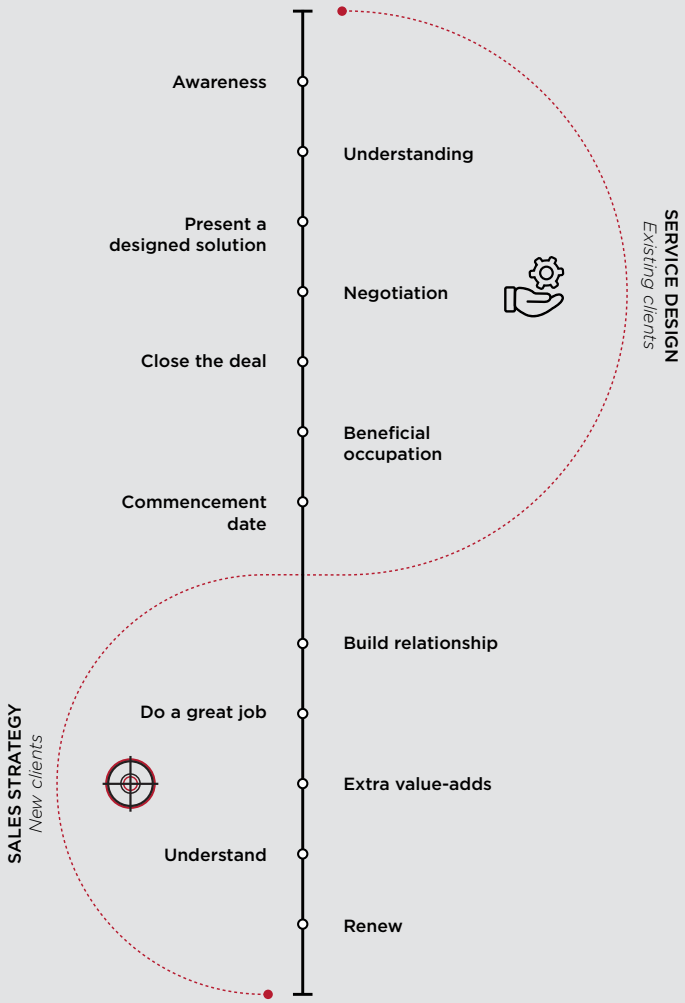
Benefits of engaging/risk of poor engagement	Main discussion points	Our actions
• Long-term relationships with brokers reduce vacancies (short, medium and long term) **Contribution to value creation** • Fill vacant space by being top of mind when showing potential clients around • Provide valuable market intelligence	• Stronger relationships • Being top of mind in all deal-making • Paying commission • Timely provision of information	• Greater social media presence • Correct staffing • Word-of-mouth from structuring creative and nimble deals

Social and relationship resources CONTINUED

ADDING VALUE FOR TENANTS

In the review period, our asset, property and development teams completed a comprehensive programme aimed at adding value for existing and new clients. The programme was closely linked to our key drivers (South African portfolio and Developments at Waterfall).

We believe that if we build sustainable relationships with our client while delivering exceptional service, our understanding of their evolving needs will be a natural outflow of our connection. When the time comes to renew lease agreements, we want to be the logical choice because of our established connection with these tenants.

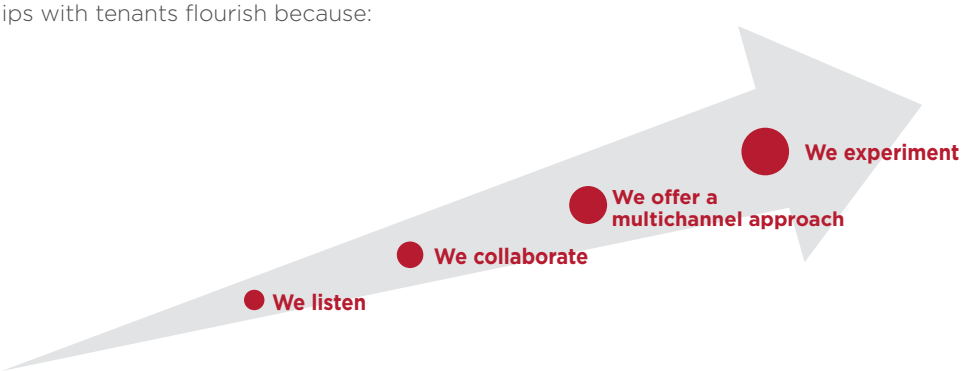


Understanding our tenants

We focus on a close and proactive working relationship with our tenants to understand and respond promptly to their business needs. We use a tiered approach, with tenant feedback escalated from property manager/general manager to heads of property and asset management to our chief operating officer. We believe that fostering good relationships with our tenants underpins ongoing, mutually beneficial business.

Tenant relationship

Our relationships with tenants flourish because:



Our multidisciplinary asset management team has been structured to align the interests of all parties in considering lease terms and conditions, the long-term financial impact and sustainability of each agreement. In line with our core values, the focus is on continually improving our relationship with our tenants.

Our chief operating officer and asset managers meet with key tenants and retailers on our biannual tenant roadshow to discuss business operations and new opportunities or expansions.

Every 18 months, independent consultants conduct tenant satisfaction surveys on our mixed-use and commercial portfolios to help us understand their views. In 2018, the general tenant satisfaction score increased to 7.5 (2017: 7.4) out of 10, with specific actions to be taken to improve these levels. Our next review, with more open-ended questions, was performed in August 2019 and we are waiting for final feedback from our consultants.

The rising cost and availability of electricity and water remain a challenge for us and, in turn, for our tenants. Electricity accounts for 10.2% (restated 2018: 10.5%) of the occupancy cost of a building, increasing the burden on our tenants as we recover these costs from them (see natural resources, page 5).

Social media

Our social media platforms are important channels of communication. With a growing base of followers and interactions on our social media pages, we are able to share relevant news and information with the broader Attacq community and, in turn, benefit from their input and feedback.

Investing in our communities

Our communities are vital to us, as their growth and stability underpin our business sustainability. Our corporate social investment is therefore focused on education and training to address skill shortages in the industry and broader society.

Volunteerism is an important element of our corporate citizenship. Supporting issues that our people are passionate about aligns with our values and strengthens the communities that are home to our employees and consumers. During the year, our employees invested 402 hours (2018: 309) of their time in corporate social investment programmes, reaching 681 direct beneficiaries (2018: 2 337) and thousands of indirect beneficiaries, supported by an investment totalling R6.4 million (2018: R6.8 million) from Attacq.

INVESTING IN OUR COMMUNITIES

Direct beneficiaries	Indirect beneficiaries	Employee hours spent	Total investment
681	> 1 000	402	R6.4 million

Supplier development

Understanding that smaller businesses often struggle to access capital, we granted R3.1 million in long-term loans and equity investments for six small to medium enterprises. We monitor these enterprises through specific performance criteria which are contractually agreed.

During the year, representatives of some small and medium enterprises in Midrand questioned their limited participation in procurement opportunities. To address this, we have created an online procurement tool to communicate procurement opportunities. www.attacq.procure.co.za/default.aspx.

The Attacq Foundation

In 2018, we collaborated with the Balwin Foundation, a non-profit company focused on training and skills development, to launch a 12-month horticultural learnership (registered as NQF level 4) for 70 unemployed youth. This is one of the country's biggest concerns, with the official unemployment rate rising to 27.6% in March 2019. To put this into context, in just the first quarter of calendar 2019, another 149 000 people of working age entered the job market. This highlights the critical need for programmes that specifically address skills development and youth upliftment to increase their readiness for work and employability.

Given the success of the first learnership, which ended in April 2019, we extended the programme with another 12-month learnership focused on the environment (national certificate in environmental education, training and development practices). For this NQF5 learnership, the Wildlife and Environmental Society of South Africa (WESSA) was appointed as the training implementation partner, given its excellent record in this field.

We specifically selected an education-focused learnership to equip the 30 candidates (selected from those who completed the horticultural learnership) with the tools to become future educators in the environmental sector or further afield.

To provide meaningful workplace-based experience, we have funded WESSA to partner with entities in the environmental, conservation, eco-tourism and community service sectors to host one or more learners for a year. This will enable participants to develop their professional networks and enhance their opportunity to be employed or gain further training in the sector.

Post year end, the Attacq Foundation hosted its first joint initiative, the Waterfall Freedom Fun Run, with the Sage Foundation. This was linked to the national 'Keep girls in school' initiative, given the fact that rural girls aged 12 to 18 miss up to 20.0% of their high-school education because of a lack of access to feminine hygiene products.

The inaugural event in July 2019 attracted some 480 participants, and other corporates such as Premier Foods and Dis-Chem (Mall of Africa). We collected over 2 000 sanitary packets, which the Attacq Foundation matched to benefit 360 secondary-school girls for 12 months. Our aim is to increase participation for the 2020 event to benefit 1 500 girls.

As key role players in their communities, our malls play a vital role in driving social programmes and participating in projects such as the #keepaGirlChildInSchool and Attacq the Future.

Other initiatives in the last year are summarised below.

	Duration	Skills acquired	Beneficiaries
Ukukhula programme – phase 2	12-month learnership	NQF 5 qualification environmental education, training and development practices	30
Ukukhula programme – phase 2 part 2	10-day short courses	Plastering, painting, tiling and bricklaying	20
Institute of Real Estate Management South Africa winter school programme	10-day course	Professional designation CPM (certified property manager)	20
Woman Property Network bursaries		Tertiary qualifications in property-related courses	23
Bana ba Rona Foundation	Ongoing	Early childhood development	80 learners, 1 to 5 years' old, with ten employees

Property Point

Small businesses are critical to a thriving economy. We continued our relationship with Property Point, which develops upcoming entrepreneurs.

Last year, five participants graduated from the second Attacq Property Point programme. The programme runs over two years and participants concluded new business contracts to the value of R171.0 million, collectively creating an employment equivalent of 415 full-time positions.

Our third Attacq Property Point programme, comprising eight businesses (mostly in Gauteng, in fields ranging from quantity surveying to graphic design), began in March 2018.

Attacq Property Point enterprise development programme (FY15 to FY19) – beneficiary companies	
Number of companies selected to participate	25
Total revenue generated	R171.3 million
Median annual revenue growth rate	43.8%
Number of beneficiary companies awarded contracts by Attacq	8
Total value of contracts awarded	R204.6 million
Full-time jobs created	415

Our B-BBEE rating	**2019**	2018	2017
B-BBEE rating year	**2019**	2019	2018
B-BBEE level achieved	**3**	4	2
Date certificate issued	**26 Sept 2019**	15 Aug 2019	3 May 2018
Ownership			
Black ownership – economic interest	**19.1%**	17.2%	18.2%
Black women ownership – economic interest	**7.2%**	5.2%	8.0%

Before FY18, we were a capital growth company and we were not measured against the property sector scorecard for property owners like our REITs peers.

In FY18, Attacq converted to a REIT and was then measured against the property sector scorecard for REITs with internal management, with two additional measurements namely employment equity and skills development. The initial impact of this reclassification resulted in a level 4 B-BBEE rating.

To comply with new legislation, our B-BBEEE verification was performed within three months of the year end. The outcome of our latest audit is a level 3 rating.

Our current B-BBEE scorecard was independently verified and is valid until September 2020.

Investing in our supply chains

In line with the amended property sector codes, Attacq is committed to enhance spending with SMMEs that are black-owned and controlled. We are investing in our future supply chain through our relationship with Property Point, where we identify and develop suppliers of the future. This is done in consultation with procurement teams to ensure sustainability.

2020 looking ahead

- Attacq achieved a level 3 B-BBEE verification based on FY19 results
- Strengthen the position of the Attacq Foundation in all projects relating to enterprise and supplier development, skills development and socio-economic development (CSI) across our footprint
- The Attacq Foundation to join the Barron Corporate Run4Good as the sole beneficiary of all proceeds raised.

Property Point's first decade

In its first decade (2008 to 2018), Property Point has made a difference in enterprise and supplier development. It has enabled small businesses to grow through entrepreneurial programmes that assist entry to markets, create jobs and develop effective leaders and entrepreneurs.

To mark this milestone, Property Point commissioned independent researchers to determine the impact its programme has had over the past ten years. The results are highly encouraging, and we are proud to be associated with such a successful initiative.

Property Point highlights 2008 to 2018	
R1.58 billion cumulative contribution to total GDP	**R1.14 billion** cumulative access to markets
2 244 jobs created (direct and indirect)	**78.0%** accelerated revenue growth in year 2 after a business joins the programme
R14.20 return on investment for every R1.00 spent on Property Point sponsorship	**168** businesses accelerated on the programme

In addition, the research showed that for every R1 million spent by funders (such as Attacq), the programme through its beneficiaries created 15 jobs. In 2018 alone, businesses on the programme contributed R59.0 million to all forms of taxes and R220.0 million to household income. Over ten years, the cumulative contribution rises to R179.0 million in taxes and R662.0 million to household income, underscoring the benefits for each business and to the national economy.

Intellectual resources

Attacq employees with schollars on the Attacq the Future programme

Introduction

SDG goals

Governance oversight

Transformation, social and ethics committee; audit and risk committee; combined assurance forum, exco, development executive committee and South African portfolio executive committee.

Strategic and operational risks and opportunities

- Cultivating a culture of thoughtful employees who are able to understand the local and global operating context and develop innovative solutions for our precincts
- Understanding and managing the potential impact of disruptive technology on our business model
- Continuously aligning our internal processes to business processes to deliver seamless data and results.

Performance highlights and lowlights

Highlights	Lowlights
• Received the SAPOA award for best industrial development for Cummins South Africa regional office, our fifth consecutive year of winning a SAPOA building of the year award for a Waterfall development • Mall of Africa was voted "coolest" mall in South Africa by Sunday Times' GEN NEXT survey • Included in the FTSE/JSE Responsible Investment Index for the third consecutive year and in the Top 30 Index for the first time • 2018 MSCI awards for the top-performing portfolio in the office (fourth consecutive year) and industrial sector (third consecutive year) based on three-year annualised total return.	• The need to continue fostering a culture of learning and improving and adopting new processes. Internal business processes not agile enough for ever-changing environment in which we operate.

Our approach

Our intellectual resources are defined as the knowledge-based intangibles that drive our business, including:

- Organisational capital such as tacit knowledge, systems, policies and procedures
- Intellectual property, such as our brand, reputation and systems.

We create value by applying our intellectual resources to meet our tenants' expectations, manage our assets and develop our flagship Waterfall precinct.

Our performance

In our last report, we disclosed focus areas for the year ahead.

Focus area	Progress
MyBuildings, a management tool and mobile application, rolled out to all buildings	See case study, page 45
Continue to integrate reports on shopper behaviour using advanced data analytics	We incorporate each tenant's data tracking report to assist the tenant with store improvements, better merchandising and better understanding of the shopper
Design an optimal information technology architecture, with specific focus on how we manage our Waterfall development	A flythrough Waterfall model has been designed with the assistance of architects to assist with the roll-out of Waterfall

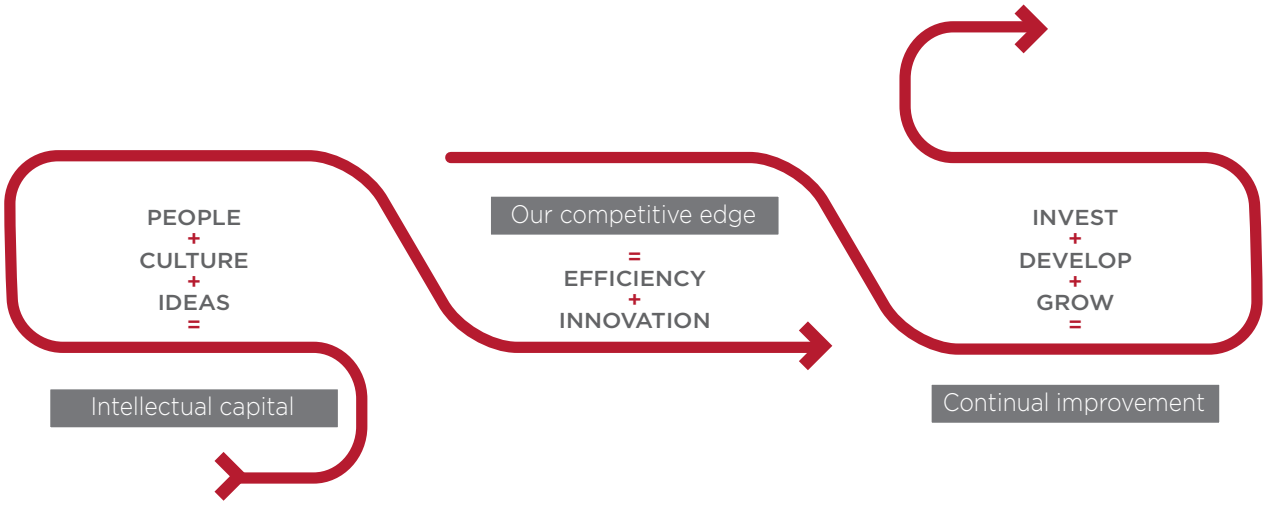
The collective knowledge of our people powers our business philosophy and enables us to realise our objectives. Their skills and energy add value to our store of human resource while their innovations and expertise support our store of intellectual resource. For both resources, the contributions of our people generate outcomes that support the business of Attacq, which in turn enables the company to deliver benefits for all stakeholders, starting with our people.

Intellectual resources CONTINUED

Our corporate culture is founded on the success and motivation of individuals, understanding that motivated people become a collective force, focused on continual improvement.

Effectively deploying our intellectual resources is the heartbeat of who we are as a company.

We are uniquely positioned with access to significant development opportunities. For our people, this presents challenges and opportunities for growth, translating into sustainable returns for shareholders and sustainable benefits for all stakeholders.



Activities during the year

In terms of applying our intellectual resource to our strategic pillars of invest, develop, grow, highlights of the review period are summarised below. Given their overlapping nature, we have not separated our activities under a specific pillar.

Dealmaking

- We continue to attract top-tier tenants to Waterfall based on its unique location, our excellent relationships in the market and ability to move swiftly. Given the sluggish economy, we creatively tailor transactions to suit the requirements of new tenants and our growth strategy.
- Innovative thinking is applied to unlock development opportunities, including the required funding.
- As we own the process from inception to conclusion, we ensure sustainable solutions are aligned with our strategy and unlock shareholder value.

Attracting well-known tenants, namely: City Lodge, ContinuitySA, PSG Wealth, Sage and Spaces

Developments

- We develop quality buildings, delivered on time and within budget.
- By embedding sustainability into the design of each building, we are reducing the environmental impact while increasing operational efficiency across its life cycle.
- Our customer-journey approach to identifying, constructing and managing each asset ensures our tenants can relocate smoothly to their new corporate homes in the Waterfall precinct.
- We continually invest in our human resources by attending local and global conferences around the built, green and smart environments to ensure our Developments at Waterfall and our South African portfolio are always at the forefront of modern property trends and innovations.
- We have seen a significant improvement in our preferential procurement spend over the last 12 months by using technology to vet and manage our supplier, consultant and contractor database.

2019 SAPOA award for best industrial development for Cummins Southern Africa regional office

Seven new developments in completing stages of green-building certification and eight existing buildings going through EBP certification

Asset management

- In a challenging economy, we continue to record some of the lowest portfolio vacancy rates in our industry. We believe this reflects the strength of our customer journey map, and teams focused on delivering outstanding service to our tenants and shoppers alike.
- How do we know if we are providing a great client experience service? By investing in technology and analytics, we have a consolidated view of all issues that may detract from our tenants' experience. We quantitatively track a range of metrics from occupational health and safety requirements to how long it takes to change a light bulb for a tenant.

- Our proactive asset management approach, enhanced by the latest technology and trend analysis, maintains the high level of demand from shoppers and tenants alike, ensuring steady capital growth across our portfolio.
- Identifying new income streams, apart from traditional rental income, is key in our competitive environment. We are successfully marketing common spaces for pop-up stores, advertising, social and media events and exhibitions.
- Management systems – by engaging with stakeholders, we identify their information requirements. Our flexible approach addresses these changing requirements by pooling all our data to enable users to extract what they need. In addition, they benefit from trend analysis for informed insight that drives tactical changes. To enhance business-as-usual operations and efficiencies for all staff, we have deployed specific tools across the portfolio to unlock further synergies. To mitigate the growing trend of data breaches and cyber-security incidents, proactive security and network protection measures are in place.

2018 MSCI awards for the top-performing portfolio in the office (fourth consecutive year) and industrial sector (third consecutive year) based on three-year annualised total return.

2019 Mall of Africa was voted "coolest" mall in South Africa in Sunday Times GEN NEXT survey.

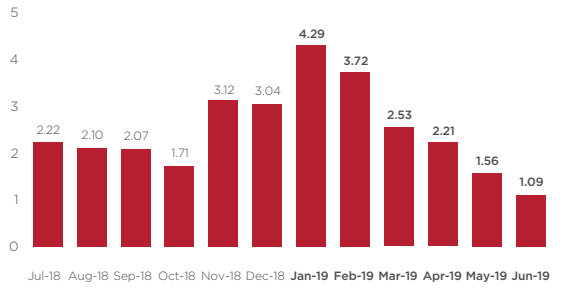
MyBuildings improve efficiencies

As a management tool, MyBuildings proved its worth in 2019 by enabling the operations team to monitor queries and track preventative maintenance, ultimately providing a better service to our tenants and reducing costs from breakdowns:

- In 2018, over 1 800 items were lodged with a mean closure time of 3.5 days
- For 2019, more than 8 700 items were lodged with a mean closure time of 2.5 days.

In 2019, almost five times more work was done and 30.0% faster.

Average task closure time



ROBOTS AT ATTACQ

This is Atticus – our first reporting robot. Built on the principles of robotic process automation, Atticus will save our employees time by streamlining repetitive tasks (defined input + defined output) such as:

- Extracting data and compiling reports
- Capturing invoices
- Following up on overdue accounts via email.

This facility will first be deployed to the operations team: in recent months, Atticus has been 'trained' to interact with MyBuildings data, organise this into meaningful graphs that can facilitate decisions and automatically compile reports. It also interacts with the email system which means reports will be automatically sent to the operations team at regular intervals (from annually to hourly).

2020 looking ahead

- Embed key insights from our customer journey process into our values and our culture
- Improve business operations to cultivate a culture of agility.

Corporate governance

Our approach

We believe that achieving the highest standards of corporate governance is key to the sustainability of our business, realising our vision and strategy, as well as creating and sustaining stakeholders' value in the short, medium and long term.

Our governance structures are focused on achieving the desired outcomes recommended by King IV: ethical culture, good performance, effective control and legitimacy.

Validating our approach, we were included in the FTSE/JSE Responsible Investment Index (J113) (FTSE4Good) for the third year. During 2019 we were also the only property company to be included in the FTSE/JSE Responsible Investment Top 30 index (J110). For the second year, we received a 100.0% compliance rating for the governance section of the assessment.

Ethical culture

The board subscribes to the highest standards of ethical behaviour, best practices and controlling the affairs of the company. It sets a clear example for management and employees and safeguards the company's integrity and reputation.

The directors' code of ethics and conduct was approved in 2018 and the directors abide by the values underpinning all our activities. They do not condone any unethical behaviour such as corrupt, illegal or collusive practices. The board is committed to the principles outlined below:

- **Transparency:** We maintain an environment of openness and transparency to promote the confidence of all stakeholders including but not limited to shareholders, employees, financial service providers, regulatory bodies, the public and media
- **Accountability:** Our activities must withstand scrutiny by shareholders, the public, media and other stakeholders
- **Integrity and fairness:** These must be hallmarks in dealing with all stakeholders including fellow directors, shareholders and employees as well as individuals and institutions outside Attacq.

Across Attacq, ongoing adherence to these principles is monitored by the TSE committee which reports regularly to the board. In the review period, this committee updated several group policies in line with best practice, covering employees and suppliers, on anti-corruption, gifts and whistle-blowing.

This committee also monitors our compliance to applicable legislation, best practice and internal standards, supported by periodic reviews by internal audit. No instances of non-compliance were recorded in the review period.

Our targets

Board/committee targets	Progress	Read more
Compliance with King IV	Fully compliant	King IV checklist page 74
Compliance with JSE Listings Requirements	Fully compliant	
Compliance with Companies Act	Fully compliant	
Board gender diversity	Target 30.0% 2019 actual 30.0%	
Board racial diversity	Target 30.0% 2019 actual 30.0%	
Board and committee evaluation	Scheduled for November 2019	
Audit and risk committee	• REIT governance and compliance • Internal audit plan approved and monitored • Interim and final financial results	
Combined assurance forum	• Strategic and material operational risks defined, including tolerances and opportunities	
Transformation, social and ethics committee	• Skills development and training for our people and non-Attacq staff • Environmental sustainability • Enterprise and supplier development • Full compliance with legislation, and social and ethics requirements of relevant legislation	
Remuneration committee	• Continually improve remuneration disclosure and address any stakeholder concerns • Malus and clawback provisions have been included in the remuneration policy	
Investment committee	• Residential development opportunities • Revisit capital structure and funding strategy • Investment criteria • Regular evaluation of core and non-core assets	

Our performance

The board adds value by applying its collective knowledge and experience to ensure that our strategy is fulfilled. Refer to each resource in the 2019 integrated report.

TRANSITION TO KING IV AND COMPLIANCE

As a responsible corporate citizen, committed to high standards of governance, ethics and integrity, we have adopted King IV. By shifting the focus to an outcomes-based approach, King IV is driving transparency, enhanced accountability, strong risk management and effective leadership – all standards we fully support.

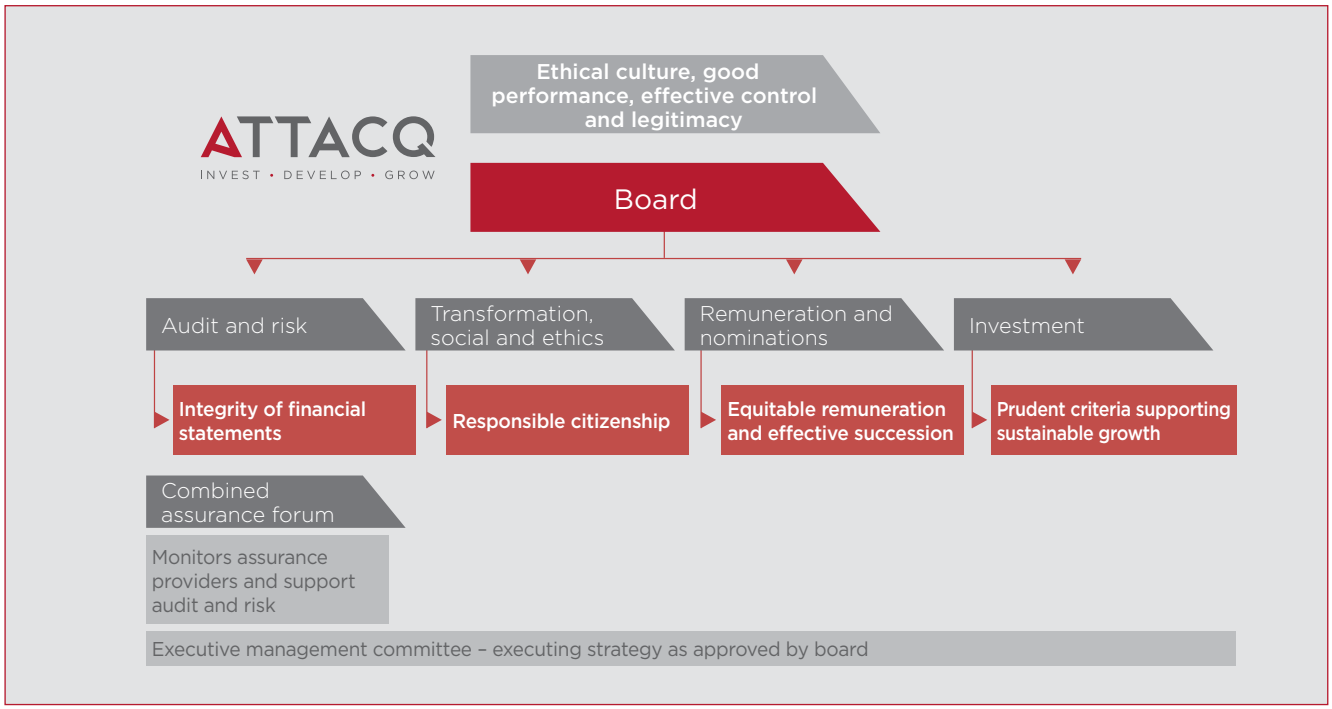
Our business processes and standards fully comply with the principles of King IV (refer to our sustainability report for the detailed King IV checklist). In addition, we also comply with all applicable legislation and regulations, including the Companies Act and JSE Listings Requirements.

Corporate governance CONTINUED

Our governance framework

The board has established committees with specific mandates to support it in fulfilling its duties, while retaining effective control and accountability. The board has delegated day-to-day business management to our exco.

Board of directors



The role of the board

The board is our highest decision-making body. As the ultimate custodian of governance, it keenly understands its responsibility to all stakeholders to create sustainable value.

This begins with the strategy to create that value and includes avoiding or preventing any actions that will destroy value. It extends to ensuring the group's activities have a beneficial impact for all stakeholders – from the shareholders whose support underpins our growth to the communities who give us our social licence to operate.

To ensure the board can achieve the desired outcomes of an ethical culture, good performance, effective control and legitimacy, it delegates authority to its committees or management. Through a detailed and formal delegation-of-authority framework, responsibilities are clarified and effectively exercised, but the board remains ultimately responsible.

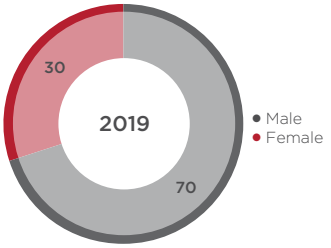
Corporate governance

Board composition

Effective 2 April 2019, Keneilwe Moloko resigned from the board as an independent non-executive director. Keneilwe was a member of the TSE committee. Effective 4 September 2019, Ipeleng Mkhari was appointed as a member of the TSE committee, with Raj Nana resigning as a member of the TSE committee and appointed as Jackie van Niekerk's alternate.

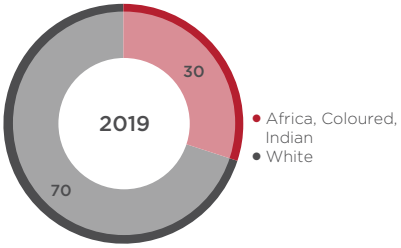
The board acknowledges the importance of diversity in driving its effectiveness, targeting female representation of at least 30.0% (2018: 20.0%) under the company's gender diversity policy.

Board gender diversity (%)



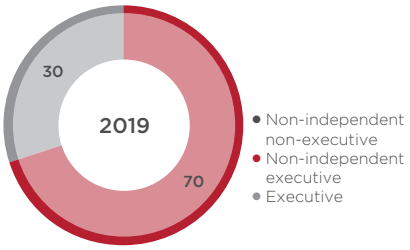
The board has also adopted a formal policy on promoting race diversity, initially targeting at least 30.0% (2018: 30.0%) representation. Transformation and diversity are a key focus for the board, assisted by the nominations committee.

Board racial diversity (%)



All non-executive directors are independent. During the year, the board considered the independence of Pierre Tredoux and Johan van der Merwe who have served on the board for nine years or more and are satisfied that each exercise objective judgement and remain independent.

Board independence (%)



Extract from the corporate governance review and remuneration report

Board of directors

Pierre Tredoux (62)

Independent non-executive chairperson

Appointed: February 2005, chairperson 2012
Qualification: CA(SA)
Committees: Investment, remuneration and nominations
External directorship: Barnstone Group (executive)

Brett Nagle (42)

Independent non-executive director

Appointed: July 2015
Qualification: CA(SA)
Committees: Investment, audit and risk
External directorship: Safe Mode Investments Proprietary Limited

Hellen El Haimer (45)

Lead independent non-executive director

Appointed: August 2013
Qualifications: BSoc.Sc, LLB Hons (strategic management), AdvDip in property investment
Committees: Audit and risk, transformation, social and ethics
External directorships: FM Institute Proprietary Limited Rhyco Risk Projects

Stewart Shaw-Taylor (67)

Independent non-executive director

Appointed: November 2012
Qualification: CA(SA)
Committees: Investment, audit and risk
External directorships: Hyprop Investments Limited, Newpark REIT Limited

Thys du Toit (60)

Independent non-executive director

Appointed: August 2013
Qualifications: BSc (Agric), MBA
Committee: Remuneration and nominations
External directorships: Non-executive director of Old Mutual Limited, director of Rootstock Investment Management Proprietary Limited.

Johan van der Merwe (54)

Independent non-executive director

Appointed: May 2008
Qualifications: CA(SA), MCom (Tax), MPhil (Finance)
Committee: Remuneration and nominations
External directorship: Co-CEO of African Rainbow Capital Investments Limited

Ipeleng Mkhari (45)

Independent non-executive director

Appointed: March 2018
Qualification: BSc
Committee: Transformation, social and ethics (appointed 4 September 2019)
External directorships: Motseng Investment Holdings Proprietary Limited (CEO), KAP Industrial Holdings Limited, Nampak Limited

Melt Hamman (48)

Chief executive officer (CEO)

Appointed: July 2013 (CFO and board member) June 2018 (CEO)
Qualification: CA(SA)
Committees: Investment, executive management

Raj Nana (36)

Chief financial officer (CFO)

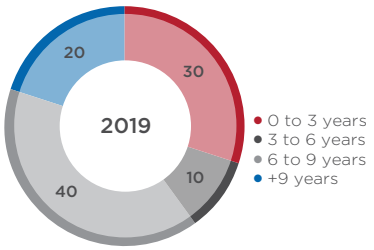
Appointed: April 2014, June 2018 (CFO and board member
Qualification: CA(SA)
Committees: Investment, transformation, social and ethics (resigned 4 September 2019 and appointed as Jackie van Niekerk's alternate), executive management

Jackie van Niekerk (36)

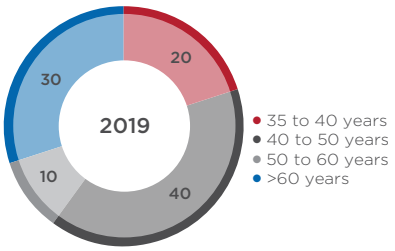
Chief operating officer (COO)

Appointed: April 2017 (COO), June 2018 (board member)
Qualification: BCom
Committees: Investment, transformation, social and ethics, executive management

Board tenure (%)



Board by age group (%)



Average tenure 6.1 years (2018: 5.8 years)

Average age 42 years (2018: 42 years)

For more information please refer to our sustainability report

Extract from the corporate governance review and remuneration report CONTINUED

Executive management

1. Giles Pendleton (46)

Chief development officer

Appointed: March 2018
Qualifications: National HDip building
Committees: Investment, executive management

2. Peter de Villiers (41)

Chief investment officer and interim company secretary

Appointed: July 2013, June 2018 (CIO), April 2019 (interim company secretary)
Qualifications: CA(SA), CFA
Committees: Investment, executive management

3. Raj Nana (36)

Chief financial officer (CFO)

Appointed: April 2014, June 2018 (CFO) and board member
Qualification: CA(SA)
Committees: Investment, transformation, social and ethics (resigned 4 September 2019 and appointed as Jackie van Niekerk's alternate), executive management

4. Jackie van Niekerk (36)

Chief operating officer (COO)

Appointed: April 2017 (COO), June 2018 (board member)
Qualification: BCom
Committees: Investment, transformation, social and ethics, executive management

5. Melt Hamman (48)

Chief executive officer (CEO)

Appointed: July 2013 (CFO and board member)
June 2018 (CEO)
Qualification: CA(SA)
Committee: Investment, executive management

Board gender diversity (%)

70%
Male

30%
Female

Board racial diversity (%)

70%
White

30%
African, Coloured, Indian

Board independence (%)

70%
Independent, non-executive

30%
Executive

For more information please refer to our sustainability report

Board attendance

In line with our memorandum of incorporation, the board is required to have quarterly meetings. In the past year, it met four times, and participated in a two-day annual strategic session. Attendance at scheduled meetings was 90.7%, with 90.0% attendance for the strategic session.

Independent non-executive directors	Meetings attended	Executive directors	Meetings attended
Pierre Tredoux (chair)	4/4	Melt Hamman	4/4
Hellen El Haimer (lead independent)	4/4	Raj Nana	4/4
Thys du Toit	3/4	Jackie van Niekerk	4/4
Ipeleng Mkhari	3/4		
Brett Nagle	4/4		
Stewart Shaw-Taylor	4/4		
Johan van der Merwe	4/4		
Keneilwe Moloko*	1/3		

** Resigned on 2 April 2019.*

Key roles and functions

There is a clear distinction between the responsibilities of the chairperson and the CEO, set out in the board charter and evidenced by the CEO having his own KPIs and employment agreement. At board level, there is a clear balance of power and authority to ensure that no one director has unfettered powers in decision making.

- **Chairman**, Pierre Tredoux, leads the board and liaises between that body and management through the CEO.
- **Lead independent director** – in line with King IV, the board appointed Hellen El Haimer in February 2018 as lead independent non-executive director. She chairs the board in the absence of the chairman, or where his independence is considered impaired. She can also co-ordinate the activities of independent directors and fulfil other duties as required. Hellen was reappointed in this position during the September 2019 board meeting.
- **Chief executive officer**, Melt Hamman, is responsible for the day-to-day management of Attacq and for implementing our strategy and vision as approved by the board. He is also the liaison between management and the board. He was appointed CEO in June 2018 after five years as chief financial officer.

Directors' skills matrix

Director	Property development	Property asset management	SA retailer knowledge	SA corporate knowledge	International markets	Tax	Financial markets	Financial accounting	Risk management	Funding	Investment management	Marketing	Legal and regulatory	Information technology	ESG
Pierre Tredoux	✓	✓	✓	✓	✓	–	✓	–	✓	–	✓	✓	✓	✓	✓
Hellen El Haimer	✓	✓	✓	✓	–	–	–	–	✓	–	–	✓	✓	✓	✓
Stewart Shaw-Taylor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	✓
Thys du Toit	–	–	✓	✓	✓	–	✓	–	✓	–	✓	✓	–	–	✓
Johan van der Merwe	–	–	✓	✓	✓	✓	✓	✓	✓	–	✓	✓	–	–	✓
Brett Nagle	–	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	✓	–	✓
Ipeleng Khari	✓	✓	✓	✓	–	–	–	–	–	–	✓	✓	–	–	✓
Melt Hamman	✓	✓	✓	✓	✓	–	✓	✓	✓	✓	✓	–	✓	–	✓
Raj Nana	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	–	✓	–	✓
Jackie van Niekerk	✓	✓	✓	✓	✓	–	–	–	✓	✓	–	✓	✓	✓	✓

Board appointment and re-election

The board follows a formal and transparent process in appointing new directors, with due consideration of succession-planning requirements. The nominations committee proposes any appointment to the full board for consideration. New appointees are evaluated on their skills, knowledge, experience and ability to interrogate the company's strategy.

New directors receive a formal induction to the company and its business. Where necessary, the board appoints a mentor to guide them through their responsibilities.

Any director appointed during the year may only hold office until the next annual general meeting, when they will be required to retire and may offer themselves for re-election. Raj Nana and Jackie van Niekerk who were appointed in 2018 will be up for election at the November 2019 AGM.

In terms of the company's memorandum of incorporation, one-third of directors retire by rotation each year and are eligible for re-election by shareholders at the annual general meeting (AGM). Accordingly, the board has recommended the election of the following retiring directors: Pierre Tredoux, Johan van der Merwe, Stewart Shaw-Taylor and Hellen El Haimer to the November 2019 AGM.

The retirement age for non-executive directors is 70. Directors older than that can remain on the board, and their performance will be reviewed annually with the nominations committee recommending they retire and be re-elected at every AGM. The period in office of directors is reviewed individually by the board on the recommendation of this committee.

Board evaluation

To continuously improve the board's effectiveness, the chairperson assesses board members individually and shares his views with the nominations committee. The lead independent director assesses the chairperson and tables her findings at the nominations committee.

During the May 2019 audit and risk committee meeting the committee considered and satisfied itself with the effectiveness of the CFO, Raj Nana. The committee confirmed that Raj is performing efficiently and has the necessary experience and expertise, making him suitable for the position.

Board and committee effectiveness assessments were conducted in November 2018 and concluded that the board and each of its committees was functioning effectively. The following areas of improvement were highlighted in our previous integrated report, with progress summarised below:

Board relationship with executive management

There has been progress in strengthening the relationship between the board and executive management. The chairperson of the board and the CEO meet on a monthly basis and an informal breakfast before every board meeting enables directors to liaise and interact with executive members as well as senior management. Exco members and senior management frequently present to board and subcommittee meetings on their field of expertise.

Management succession

Our management succession plan was tested when Morné Wilken, our previous CEO, resigned in October 2017. Melt Hamman, who joined Attacq as CFO in July 2013 was appointed as interim CEO and the board agreed that he was the most suitable successor to fulfil the role of CEO from 19 June 2018. Raj Nana, the previous investment officer, was identified as the ideal candidate to be promoted to CFO and his appointment was confirmed by the board on 19 June 2018. In regard to key positions, remedial plans are in place to steer the business until suitable candidates can be employed in positions that do arise. During the year certain individuals were identified to act as an interim successor for all exco and executive director's roles.

After evaluating its performance for the review period, the board is satisfied it has fulfilled its responsibilities in line with its charter for the reporting period.

Board committees

Non-executive directors have unrestricted access to corporate documentation as well as management. Where required, and at the company's expense, they may obtain independent, professional advice on matters relevant to their responsibilities.

Audit and risk committee

Refer to page 6 of the AFS for the full audit and risk committee report, on www.attacq.co.za

Members	Meetings attended	Meeting attendance for FY19	Appropriate skills and experience of committee members
Independent non-executive directors		Four statutory meetings plus one additional meeting was arranged to review the integrated report as requested by the board 88.2% attendance Internal and external auditors are standing invitees of the committee	• Taxation • Financial markets • Financial accounting • Risk management • Funding
Stewart Shaw-Taylor (chairperson)	4/5		
Hellen El Haimer	5/5		
Brett Nagle	5/5		
Keneilwe Moloko (resigned from committee October 2018)	0/2		

Roles and responsibilities*	Overview for the year	Looking ahead
• Assures the board on the reliability of financial information by monitoring external audit functions, including independence • Assures the board on the adequacy and efficiency of internal controls by monitoring the internal audit function • Ensures significant business, financial and other risks have been identified and are being managed correctly • Reviews and recommends the group's solvency and liquidity to the board for approval • Ensures high standards of governance, reporting and compliance and statutory filings, eg tax and CIPC	• REIT governance and compliance • Internal controls and its effectiveness • External valuators and property valuations • External audit reports and material matters • Interim and annual results for recommendation to the board for approval • SENS releases for interim and annual results • Audit fees and effectiveness of external audit function • Internal audit plan and effectiveness of internal audit function • Risk policies and strategies, ensuring effective management principles are in place • Enterprise risk management dashboard indicating key risks and mitigating actions • Regulatory compliance as reported by the chairperson of the transformation, social and ethics committee • 12-month rolling forecast cash flow and solvency and liquidity of Attacq for recommendation to the board for approval • Adoption of new IFRS	• Continued focus on REIT governance and compliance • Continued focus on the interim and annual financials, internal controls and risk management • Ongoing review of solvency and liquidity

Resource focus area for committee	Strategic matter focus area for committee	Committees monitors the following strategic risks
		• Meeting shareholder expectations • Availability of capital

The committee is satisfied it has fulfilled its responsibilities as per its terms of reference for the reporting period.

** Refer to www.attacq.co.za for board committee charters.*

Transformation, social and ethics committee

Members	Meetings attended	Meeting attendance for FY19	Appropriate skills and experience of committee members
Independent non-executive directors		Four statutory meetings 85.7% attendance	• Marketing • Legal and regulatory • Information technology • ESG
Hellen El Haimer (chairperson)	4/4		
Keneilwe Moloko (appointed to committee October 2018; resigned from committee and board April 2019)	0/2		
Executive directors			
Melt Hamman (resigned August 2018)	n/a		
Raj Nana (appointed August 2018; resigned September 2019 and will in future act as alternate to Jackie van Niekerk)	4/4		
Jackie van Niekerk	4/4		

Roles and responsibilities*	Overview for the year	Looking ahead
• Monitors compliance with legislation, including recommended practices and regulations as per King IV and the Companies Act • Oversees and monitors activities in community development, ethics, transformation, sustainability and environmental matters, good corporate citizenship, occupational health and safety and stakeholder relationships	• Reviewed committee charter, policy and framework • Monitored all matters relating to B-BBEE scorecard and compliance, as well as plans to improve transformation • Monitored socio-economic development and enterprise development spend • Monitored compliance with company code of ethics and legislation (including anti-corruption measures, whistle-blowing reports, insider trading) • Approved revisions to anti-corruption, whistle-blowing and gifts policies • Reviewed employment equity and fair labour practices • Monitored the group's sustainability, standard of good corporate citizenship • Approval of the stakeholder engagement policy	• Skills development and training for our people and non-Attacq staff • Environmental sustainability • Enterprise and supplier development • Governance, compliance with legislation, and social and ethics requirements of relevant legislation

Resource focus areas for committee	Strategic matter focus area for committee	Committees monitors the following strategic risks
		• Transformation targets • Impact disruption of technology • Protection of property rights

The committee is satisfied it has fulfilled its responsibilities as per its terms of reference for the reporting period.

** Refer to www.attacq.co.za for board committee charters.*

Remuneration and nominations committee (remco)

Members	Meetings attended	Meeting attendance for FY19	Appropriate skills and experience of committee members
Independent non-executive directors		Four statutory meetings 100.0% attendance	• ESG • South African corporate knowledge
Johan van der Merwe (chairperson)	4/4		
Pierre Tredoux	4/4		
Thys du Toit	4/4		

Roles and responsibilities*	Overview for the year	Looking ahead
• Governs reward policies and sets foundation of remuneration principles, which in turn determine reward processes • Ensures remuneration is structured to be fair and equitable, and aligned with best market practices • Approves consolidated annual increases, short-term incentive pool and number of share awards to be allocated • Oversees good governance on executive remuneration, ensuring executive behaviour is aligned with group strategic objectives and stakeholder interests • Considers suitable nominations for appointment to the board as well as succession planning for board members and executive management	• Progress with gender and race diversity on the board • Following the REIT conversion, the committee reviewed performance criteria for the long-term incentive scheme to ensure alignment between performance targets and company strategy • KPIs for the CFO were agreed in February 2018 and were implemented in determining the STI which was paid during October 2018 • Performance criteria were agreed with CEO, CFO and COO and their performance for FY19 will be measured against these targets • In September 2018, remco reviewed company performance for that year in terms of rewarding employees. As the company's performance did not meet targeted returns, the short-term incentive pool was decreased. Refer to the remuneration implementation plan for more detail	• Under King IV, remco has additional responsibilities, especially on disclosure. As such, the committee will focus on meaningful disclosure and addressing any stakeholder concerns when the remuneration policy and implementation report are presented for non-binding votes at the AGM • The proposed remuneration policy will include malus and clawback conditions • Continued focus on gender and race diversity at board level and throughout the company • Evaluations of the board and committees are due for review in November 2019 and will be overseen by the committee. Our lead independent director, Hellen El Haimer, will facilitate the chairperson's review • The annual salary review process will be assessed and approved by the committee. This includes the approval of increases, short-term incentive pool and number of shares awards to be allocated • Rotation of directors and directors' fees will be recommended to board for final submission to the AGM for approval

Resource focus areas for committee	Strategic matter focus area for committee	Committee monitors the following strategic risks
		• Meeting shareholder expectations

The committee is satisfied it has fulfilled its responsibilities as per its terms of reference for the reporting period.

** Refer to www.attacq.co.za for board committee charters.*

Investment committee

Members	Meetings attended	Meeting attendance for FY19	Appropriate skills and experience of committee members
Independent non-executive directors		Although no statutory meetings are required, ten meetings were held 88.8% attendance Only two of the executive directors can vote on a transaction, ie they cannot tie or overrule the non-executive directors' decisions Other members are non-voting members	• Property development • Property asset management • South African retailer knowledge • South African corporate knowledge • International markets • Investment management
Pierre Tredoux (chairperson)	9/10		
Brett Nagle	9/10		
Stewart Shaw-Taylor	9/10		
Executive directors			
Melt Hamman	8/10		
Raj Nana	9/10		
Jackie van Niekerk	10/10		
Other members			
Giles Pendleton	7/10		
Peter de Villiers	10/10		

Roles and responsibilities*	Overview for the year	Looking ahead
• Reviews the group's investment strategy, setting targets and criteria • Assesses investment proposals for development, acquisitions and disposals • Assesses bank and loan funding, including debt restructuring	• The committee meets on an ad hoc basis to decide on acquisitions, developments and disposals. It focused on capital allocation, funding metrics (including interest cover ratios as well as gearing and loan-to-value ratios), initial yields and internal rates of return when approving transactions • A review on past investments and how these actually performed against initial approved criteria	• Residential development opportunities • Funding strategy, specifically the impact on future distributable earnings and interest cover ratio • Investment criteria (initial return, internal rate of return, yields) • Recycling of capital by identifying core and non-core assets • Capital allocation

Resource focus areas for committee	Strategic matter focus area for committee	Committee monitors the following strategic issues
		• Meeting shareholders expectations

The committee is satisfied it has fulfilled its responsibilities as per its terms of reference for the reporting period.

** Refer to www.attacq.co.za for board committee charters.*

Combined assurance forum (CAF)

The main responsibility of the combined assurance forum is to support the audit and risk committee by overseeing assurance providers. It also ensures the combined assurance model provides a co-ordinated approach to related activities and addresses significant risks facing the company.

Conflicts of interest and share dealings

A director or prescribed officer is prohibited from using their position or access to confidential, price-sensitive information to benefit themselves or any related third party. They are also required to inform the company secretary timeously of any actual or potential conflicts of interest they may have with particular items of business, or other directorships. Comprehensive registers of all directors' interests are continuously updated, signed by the director and details noted by other board members at every meeting.

We have a policy regulating dealings in Attacq shares by directors and relevant employees. No director or relevant employee may deal, directly or indirectly, in the company's shares based on unpublished, price-sensitive information or in prohibited periods as defined in the JSE Listings Requirements.

Company secretary

Tasja Kodde resigned as company secretary with effect from 12 April 2019. Peter de Villiers was appointed as the interim company secretary until such time as a new company secretary has been appointed. The board is satisfied he has the required competence, qualifications and expertise to fulfil the role. He is not a director of the company. The board is comfortable that he maintains an arm's-length relationship with the executive team, board and individual directors as per the JSE Listings Requirements and King IV.

Governance of information and communication technology (ICT)

As we progress into the 4th industrial revolution, the rate of change is accelerating and staying relevant becomes an ever-increasing challenge. New technologies also brings about threats: growing connectedness facilitates cybercrime and business disruption through various mechanisms. Equally, opportunities presented by emerging technologies must be investigated and implemented responsibly with a security-first mindset.

Connectedness has enabled the business to accelerate outcomes and make data-driven decisions previously not possible, ensuring the objectivity that allows us to reach the correct decision.

A key focus for us is increasing our levels of service delivery to our tenants. We recognise that engagement is all about the experience, and a positive service-delivery experience can be a major drawcard to our portfolio. This is made possible through new technology initiatives that have already been successfully implemented: automated reporting driven by business intelligence tools and robotic process automation.

Our ICT governance was independently assessed in the previous financial year as fully compliant with King IV (principle 12). Effective use of this infrastructure is monitored by the CAF and the audit and risk committee, reporting to the board. The board in turn is responsible for ensuring that information and ICT systems align with our strategy.

Remuneration report

Part 1: Background statement

Remuneration strategy

In the 2018 financial year, we revised our long-term incentive (LTI) performance conditions and targets to align with our adjusted strategy as a REIT.

Our reward philosophy is based on fair and transparent remuneration for all employees, and formulated to attract, retain, motivate and reward high-calibre employees. Remuneration components are designed to reward excellent team and individual performance, while aligning with our strategic objectives, values and habits.

Guaranteed remuneration is mostly positioned at the market median, with key and critical skills remunerated at the higher end of median scales.

To track employee performance, our remuneration model focuses on contribution plans linked to each role profile with clear KPIs. These individual KPIs are associated with a divisional contribution plan that supports the company strategy including the growth objectives.

In line with the requirements of King IV, the remuneration policy and the remuneration implementation report were presented to shareholders for two separate non-binding advisory votes at the 15 November 2018 annual general meeting (AGM). The favourable endorsement of the remuneration policy and the remuneration implementation plan was received from shareholders at the AGM with votes totalling 86.8% and 99.7% respectively.

The remuneration policy and implementation report will again be presented to shareholders for two separate non-binding advisory votes at the 14 November 2019 AGM. In the event that more than 25.0% of shareholders vote against either of these resolutions, remco will engage with them to understand their objections and concerns on our remuneration policy and accompanying implementation report.

Remco may engage with shareholders using various means of communication and will provide more detail, explain certain elements in the policy and/or remuneration implementation report to clarify any concerns that could have caused them to vote against these resolutions. Remco has the discretion to take the necessary steps to address valid and reasonable concerns raised by shareholders. The process to address these matters will be fully disclosed as part of the shareholder engagement process in the remuneration report for the next financial year.

Part 2: Overview of remuneration policy

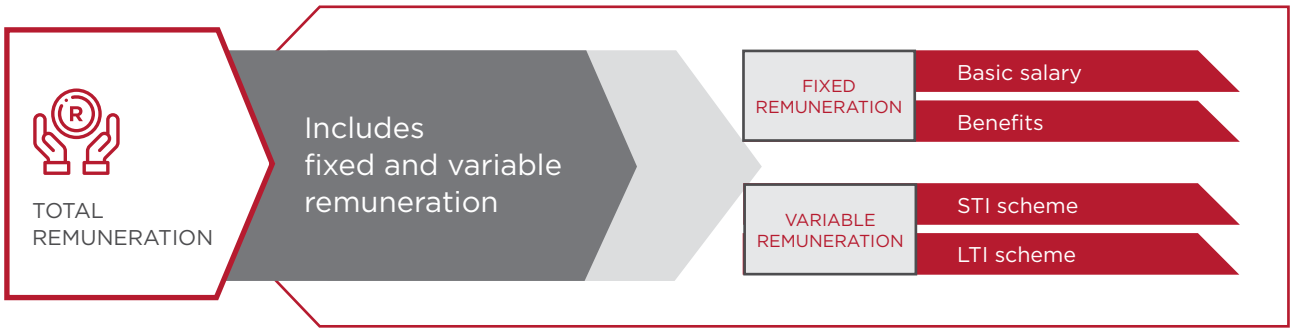
Key principles underpinning our remuneration policy

Our philosophy is to structure remuneration in a way that ensures a fair and equitable level of pay for all employees, and which is formulated in a manner which attracts, retains, motivates and rewards high-calibre employees. Through the various components of remuneration, high and sustainable levels of team and individual performance, which are aligned with the strategic direction and values of the group, are encouraged.

Employees' total remuneration includes guaranteed total package (GTP), short-term incentives (STI) and LTI. Key principles shape our remuneration philosophy:

- A critical success factor for the organisation is the ability to attract, motivate, reward and retain the talent required to achieve strategic and operational objectives and who believe in and live by the group values and habits. Total reward, including fixed (guaranteed) and variable (both short and long-term incentives) pay are used to this end
- The GTP includes the basic salary and benefits that accrue monthly. The GTP is aligned with job requirements as well as the competence and experience of employees
- A STI scheme, which is based on specific deliverables, is viewed as a strong driver of performance. A portion of management's reward is variable and is determined by the achievement of the group's financial and non-financial performance as well as the individual's personal contribution to the performance
- An LTI plan aligns the objectives of employees and shareholders for a minimum period of three years
- Remuneration should align closely and transparently with the agreed company strategy and be reviewed regularly considering changes in the company strategy
- Remuneration should be transparent and understandable, both for stakeholders and for internal use and application
- Remuneration should be equitable, and balance internal equity (all employees being fairly rewarded for their roles in the organisation), and external equity (all employees being fairly rewarded in terms of the market)
- Remuneration should promote risk management and adequately balance risk and reward.

Remuneration policy snapshot



Elements of remuneration

Fixed remuneration

- The strategic purpose of GTP is to attract and motivate high-calibre employees in a competitive market and to recognise their skills, experience and contribution to group performance
- The GTP of each employee is based on their role and responsibilities
- GTP is paid monthly on a cost-to-company basis
- GTP represents payment for satisfying each employee's day-to-day job requirements
- The company does not rigidly adhere to market benchmarks, but does consider pay levels of companies in the real estate sector as well as other companies of comparable size and scope
- Employees have access to several benefits: leave, four months' paid maternity leave, subsidised lunches, death and disability cover, pension fund contributions as well as funeral and education cover for dependants
- GTPs are reviewed annually with changes effective 1 October; however, the company is not obliged to award an increase following the annual salary review
- Annual increases are based on several factors, including inflation, financial performance of the group, market movements, and are expressed as a percentage increase to individual GTP
- Annual increases thus consider:
  - Cost-of-living adjustments
  - Market adjustment and/or parity increases that seek to address internal inequalities, particularly in terms of pay scales

- The degree to which market-related pay levels have moved since the last review and other external considerations
- Affordability and business strategy considerations
- The outcome of each employee's annual review.

Variable remuneration

STI scheme

The strategic purpose of the STI scheme is to reward staff for delivery of annual goals, to strive for superior performance and to achieve specific targets that support the business strategy, particularly distributable earnings and dividends and to encourage behaviours that are consistent with group values and habits and which are aligned with the best interests of all stakeholders. Performance is assessed against specific KPIs that relate to achieving key financial and/or non-financial measures, including personal objectives.

The bonus pool quantum is reviewed each financial year and is approved by Remco on an annual basis considering actual Group performance over the preceding financial year. Individual bonuses are payable annually in October following a review of the financial and non-financial performance of the company, the respective business unit and personal objectives specific to the individual.

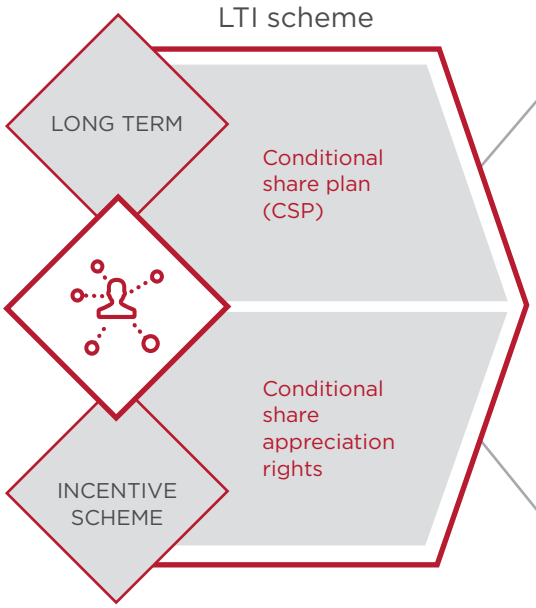
STIs are typically in the form of cash and employees must be in service on the date of payment. An individual's bonus amount exceeding six months' GTP, is deferred and the amount exceeding six months' salary will be paid in two equal tranches during March and June of the following year. These deferred amounts accumulate interest at prime less 3.0%. Deferred balances are forfeited if the employee leaves the group. Commissions are payable as an incentive for leasing staff and considered part of their STI.

The measurement period for assessing performance is normally 12 months, coinciding with the group's financial year. Distribution of the bonus pool is based on the group's performance, employees' GTP and personal performance score (individual and divisional key performance areas). The bonus pool will not exceed 50.0% of annual group GTP.

LTI scheme

Our LTI scheme aligns our strategic objectives with employee performance to unlock shareholder value for a sustained period. It is the mechanism used to retain top performers and key employees who are vital to our organisation. Remco believes the best way to retain these individuals through our LTI scheme is to focus on the unvested value of an individual's share allocations.

Conditional share plan (CSP) options are awarded to employees based on specific performance conditions agreed by remco. The quantum of options that will vest at maturing date is based on the actual performance of the company for the rolling three-year period. Vesting LTIs are staggered on a 60%/20%/20% split, vesting over a three, four and five-year period respectively. This supports remco's view of creating an employee-owner culture in Attacq, with a balanced view between short and long-term decisions.



Performance shares
These shares have specific financial and non-financial performance conditions. These will vest if predetermined performance metric and continued employment conditions are met.

Retention shares
No performance conditions are linked to these shares. These shares are aimed at employee retention and require the continued tenure of the participant until the predetermined vesting period has expired.

Share appreciation rights (SARs)
These shares represent the right to any increase in the value of a certain number of shares between award date and exercise date. The vesting of SARs is subject to employment and agreed performance conditions.

Furthermore, participants are provided with the opportunity of receiving shares in the company (shares) through the award of conditional rights to shares (conditional shares) and share appreciation rights (SAR). Conditional shares take the form of either performance shares, which require performance measured against specific performance metrics, or retention shares, which are aimed at addressing specific retention risks, and require the continued tenure of the participant until the expiry of the predetermined vesting period.

The conditions applicable to the vesting of performance shares, retention shares and SARs are as follows:

- Performance shares will vest if predetermined performance metrics (performance conditions) and continued employment for a predetermined period of time (employment conditions) are met
- Retention shares are awarded to address specific retention risks, or to specifically address sign-on requirements. The vesting of retention shares is subject to the fulfilment of the employment conditions by the participant
- SARs are a right to the increase in the value of a certain number of shares between the award date and the exercise date. The vesting of SARs is subject to the employment conditions and predetermined performance conditions.

Performance shares, retention shares and SARs will vest after a minimum period of three years in tranches of 60%/20%/20% in years three, four and five respectively. SARs vest after three years and expire two years thereafter. The participant can exercise these options between vesting date and expiration date. SAR's not exercised within a two-year period following the vesting date will lapse. Performance shares and retention shares are option type instruments, and settlement can occur in cash or equity.

Awards are made on an annual basis to ensure long-term shareholder value creation. Retention shares are awarded on an ad hoc basis as determined necessary by remco or the executive directors.

With the company's conversion to a REIT, amendments to existing performance conditions and targets were approved by remco in June 2018 to accommodate the company's changed business model. The revised performance conditions and targets create an alignment between the company's strategic objectives and the LTI scheme. In line with our LTI scheme, employees may not be prejudiced if performance criteria linked to an allocation are changed.

The performance criteria for 2018 share option allocations are shown below. These will be applied to 60.0% of the share options, ie the three-year employment condition, which will vest in 2021.

Performance conditions	Weighting %	Threshold 30.0%	Target 100.0%	Stretched target 150.0%
Financial	**80.0**			
Growth in DPS relative to peer group over a three-year period*	35.0	100.0%	110.0%	120.0%
Share price performance relative to peer group over a three-year period*	35.0	90.0%	100.0%	110.0%
Annual average development surplus for a rolling three-year period	10.0	R48.0 million	R96.0 million	R120.0 million
Non-financial	**20.0**			
Transformation (based on revised property sector codes) as at date of vesting	10.0	Level 4	Level 3	Level 2
Annual average Waterfall bulk roll out for a rolling three-year period	10.0	28 000m^2	60 000m^2	72 000m^2

* *Emira Property Fund; Growthpoint Properties Limited; Hyprop Investments Limited; Redefine Properties Limited and Liberty Two Degrees Limited.*

Linear vesting is applied to performance between the different vesting scales. The proposed vesting scale is:

- Threshold achievement (minimum level of performance for any incentive to vest) – 30.0% vesting
- Target achievement (level of performance to pay an on-target incentive) – 100.0% vesting
- Stretched achievement (exceptional performance in the current business environment) – could attract vesting greater than 100.0% up to 150.0%.

Participants are not entitled to any shareholder rights prior to exercising their vested share awards. If the company is in a closed or prohibited period on the vesting date, exercising these options will be postponed to the first business day after the closed or prohibited period has been lifted. This is in line with scheme rules.

Based on the strategic objectives of the company, management recommends to the annual September remco meeting the three-year performance criteria for the LTI awards issued during that year. This will be in line with projected company growth communicated to the market.

Malus and clawback

As from 1 July 2019 the group applies malus and clawback provisions in respect of all variable pay awards made to applicable employees. These provisions enable the reduction or cancellation of unvested share awards or deferred bonus payments (malus) and the recovery of variable compensation already paid out (clawback) if certain trigger events occur. This is a powerful risk adjustment method, which shows commitment to recovering variable pay where there has been misconduct.

The remco may apply malus, on or before the vesting date of a share award or bonus payment, to reduce the quantum in whole or in part after a trigger event occurs which, in the judgement of the remco, has arisen during the relevant period under review. Malus provisions will be applicable to all employees qualifying for a deferred STI payment as well as all employees with a share award allocation exceeding 30 000 Attacq shares during a specific financial year.

Remco may apply clawback to recover awards that have vested because of a trigger event, which in the judgement of the remco, has arisen during the relevant period under review. Clawback provisions will be applicable to executive directors, prescribed officers and certain members of senior management.

Where remco determines that a trigger event has occurred, it may, at its discretion, reduce the unvested variable compensation already awarded to an employee or, for a period of two years after the vesting of an award, claw back the value thereof from the recipient. Decisions made by remco in this regard are final and binding.

The circumstances under which remco exercises such discretion may include:

- A material misstatement of the annual financial results, resulting in a material downward restatement of the audited consolidated financial statements
- Fraud or gross misconduct by an applicable employee which has had, or may have, a significant negative impact on the value or reputation of Attacq or any group company
- It is determined that any information used in the process of, or the performance metric(s) used in, the quantum of an incentive paid to an employee is (are) found to have been materially misstated or based on any material misrepresentation.

Executive directors' remuneration

Remuneration for our executive directors is structured on a total remuneration basis that includes GTP, STIs and LTIs. These rewards are linked to agreed objectives set by the board on an annual basis and designed to support achieving the company's strategy, growth targets and performance levels.

Salient terms and conditions of existing executive directors' employment agreements include:

- The notice period for the CEO is six months and three months for the COO and CFO respectively
- If an executive director is dismissed after a disciplinary procedure, a shorter notice period could apply without entitlement for compensation for the shorter notice period
- Contracts do not commit the company to pay on a termination arising from a director's failure to fulfil their duties
- In exceptional situations of terminating executive directors' services, contracts provide for remco, assisted by labour law advisers, to oversee settlement of terms
- Remco has discretion to declare a director leaving the company to be a 'good leaver' as defined in the respective rules of the scheme.

A revised STI structure for Melt Hamman was agreed by remco during February 2018 meeting and replaced the previous STI scheme as per the CFO's employment agreement, signed during June 2013. The previous STI structure was based on the Group strategy as a capital growth fund.

As per the STI structure, if 100.0% of the agreed KPIs are met, a multiple of 12 (twelve) times monthly GTP will be awarded in October 2018, applied on a linear level and capped at 18 times monthly GTP. In September 2018 remco reviewed the group and Melt Hamman's actual performance against the set KPIs (refer to the implementation report) and the STI awarded was fully settled during the 2019 financial year.

With the appointment of Melt Hamman as CEO, Raj Nana as CFO and our COO, Jackie van Niekerk as executive director on 19 June 2018, the following GTP and KPIs were agreed.

GTP* – CEO	Rand*	Increase
Melt Hamman		
1 July 2018 to 30 Sept 2018	4 200 129	
1 Oct 2018 to 30 Sept 2019	4 389 000	4.50%
1 Oct 2019 to 30 Sept 2020	4 586 500	4.50%
1 Oct 2020 to 30 Sept 2021	4 792 000	4.48%

* *Excluding pension admin costs, training and other.*

This GTP includes all benefits as well as any fees payable by MAS to Melt Hamman in his capacity as non-executive director.

GTP* – CFO	Rand*	Increase
Raj Nana		
1 July 2018 to 30 Sept 2018	2 280 000	
1 Oct 2018 to 30 Sept 2019	2 400 000	5.26%
1 Oct 2019 to 30 Sept 2020	2 736 000	14.00%
1 Oct 2020 to 30 Sept 2021	3 120 000	14.04%

* *Excluding pension admin costs, training and other.*

The annual GTP increases for Raj Nana exceeds the increases for Melt Hamman in order to close the GTP gap between the two executive directors. Based on the September 2019 GTP the CFO earns 54.7% of the CEO's GTP and by October 2021 the ratio will increase to 65.1%.

Both the CEO and CFO's GTP will be reviewed during October 2021 taking market related remuneration into account.

GTP* – COO	Rand*	Increase
Jackie van Niekerk		
1 July 2018 to 30 Sept 2018	2 600 000	
1 Oct 2018 to 30 Sept 2019	2 600 000	0.00%
1 Oct 2019 to 30 Sept 2020	2 736 000	5.23%

* *Excluding pension admin costs, training and other.*

The GTP for Jackie van Niekerk was agreed for the period ended 30 September 2019 and her potential increase effective from 1 October 2019 will be agreed during October 2019.

The KPI targets for the three executive directors are disclosed below. The actual performance for the year ended 30 June 2019 will be assessed versus the targets and any STI payment will be settled during the 2020 financial year.

KPIs for 2019	Weighting %	Target (100.0%)	Stretched target (150.0%)
Melt Hamman			
Financial	**70.0**		
DPS growth	50.0	9.35%	10.63%
Interest cover ratio	20.0	>1.5 times	>1.7 times
Non-financial	**30.0**		
Development roll-out completed in the financial year based on the group's effective share	20.0		
– Retail, office and mixed-use, industrial, hotel	15.0	70 000m²	90 000m²
– Successful sale of residential units	5.0	200 units	300 units
Transformation	10.0		
– Transformation (based on new charter) as at date of vesting	5.0	Level 4	Level 3
– Actual staff composition to be in line or better than EE plan as noted by transformation, social and ethics committee and submitted to Department of Labour	5.0	50.0% of staff complement as per EE plan	

KPIs for 2019	Weighting %	Target (100.0%)	Stretched target (150.0%)
Raj Nana			
Financial	**55.0**		
DPS growth	40.0	9.35%	10.63%
Debt management	15.0		
– Interest cover ratio	7.0	>1.5 times	>1.7 times
– Gearing ratio	2.0	35.0%	32.0%
– Debt expiry profile	2.0	>3 years	>4 years
– Weighted average cost of funding	2.0	<prime less 1.0%	<prime less 1.5%
– Interest rate hedging	2.0	>70.0%	>90.0%
Non-financial	**45.0**		
Risk and compliance	10.0	Positive feedback from audit and risk committee, external audit and internal audit	
People development	6.0	360° evaluation from direct reports and implementation of personal development plans for the individual and their staff	
Reporting	10.0	Timely, quality reporting as rated by the chairperson of each committee and an excellent rating in EY's Excellence in Integrated Reporting Awards 2019	
Actual staff composition to be in line or better than EE plan as noted by transformation, social and ethics committee and submitted to Department of Labour	4.0	50.0% of staff complement as per EE plan	
Strategic support to the CEO and collaboration with the rest of exco	15.0	360° evaluation from fellow exco members	

KPIs for 2019	Weighting %	Target (100.0%)	Stretched target (150.0%)
Jackie van Niekerk			
Financial	**65.0**		
DPS growth	30.0	9.35%	10.63%
Property and asset management	10.0		
– Trading density growth for the year	4.0	3.0%	5.0%
– Vacancies as at reporting date	3.0	4.0%	2.5%
– Arrears as at reporting date	3.0	2.5%	2.0%
– New business development	25.0	40 000m²	50 000m²
Non-financial	**35.0**		
Risk and compliance	3.0	Positive feedback from audit and risk committee, external audit and internal audit	
IT and process environment	3.0	IT and process enhancements	
People development	3.0	360° evaluation from direct reports and implementation of personal development plans for the individual and their staff	
Reporting	3.0	Timely, quality reporting as rated by the chairperson of each committee and an excellent rating in EY's Excellence in Integrated Reporting Awards 2019	
Strategic support to the CEO and collaboration with the rest of exco	15.0	360° evaluation from exco	
Actual staff composition to be in line or better than EE plan as approved by transformation, social and ethics committee and submitted to Department of Labour	4.0	50.0% of staff complement as per EE plan	
Transformation (based on new charter) as at date of vesting	4.0	Level 4	Level 3

If 100.0% of the KPIs are achieved, then an STI equivalent to six times monthly GTP will be payable to the respective executive director. A linear approach will be followed between reaching the target (100.0%) and the stretched target (150.0%). Certain non-financial performance metrics, as indicated above, are capped at target level (100.0%). A minimum of 50.0% of the KPIs have to be achieved to qualify for an STI reward.

As part of appointing Melt Hamman as CEO, Raj Nana as CFO and our COO, Jackie van Niekerk as executive director, remco approved retention conditional share options. Melt Hamman was awarded 1 000 000 options and Raj Nana and Jackie van Niekerk were awarded 500 000 options each. No additional LTIs were awarded to the executive directors during the 2019 financial year. The performance conditions linked to these retention awards are shown below:

KPIs for the awards to be vested in October 2021	Weighting %	Target (100.0%)	Stretched (150.0%)
Compounded DPS growth for the three years ending 30 June 2021	50.0	20.0%	27.5%
Cumulative development roll-out over a rolling three-year period ending 30 June 2021*	12.5	210 000m²	270 000m²
Cumulative residential developments over a rolling three-year period ending 30 June 2021	12.5	500 units	600 units
Interest cover ratio for the year ending 30 June 2021	25.0	2.00 times	2.35 times

* *Effective share of PGLA for newly completed buildings.*

- These options will not have a strike price linked to them
- To qualify for these conditional share options, the executive director has to achieve at least 50.0% of their LTI KPIs over the rolling three-year period
- A linear approach will be followed between 50.0% and 150.0% with a cap at 150.0%
- At vesting the executive directors will only be allowed to sell shares to cover the taxable amount on this incentive
- Executive directors will be required to retain the issued shares of this award in their share portfolio for three years from vesting, regardless of whether they leave the employ of the company.

LTIs are calculated taking into account the value of the unvested portfolio of executive directors, capped at a maximum multiple of annual GTP of 3.5 times for the CEO and 3.0 times for the CFO and COO.

Remuneration of non-executive directors (NEDs)

The strategic purpose of NED remuneration is to attract and retain non-executives of suitable expertise to constructively challenge the executives in delivering the group's strategy. NEDs' remuneration is a function of the number of meetings attended in a one-year cycle from the start of each financial period. Fees are based on an assessment of the NEDs' time as well as their responsibilities and risk as directors.

Our policy is to pay competitively for the role, while recognising the required time commitment. For this reason, and to ensure fairness, fees are benchmarked against a suitable comparator group of JSE-listed companies.

In line with the provisions of King IV, NEDs do not participate in any performance-related remuneration and they do not receive any benefits, nor do they participate in any LTI plans except where they previously held executive office and remain entitled to unvested benefits arising from their period of employment. NEDs do not receive remuneration other than the fees but are entitled to be paid all reasonable travelling, hotel and other expenses properly incurred in attending meetings of the board, its committees, general meetings or otherwise in connection with the business of the group.

Remco reviews NEDs' fees annually based on benchmarking provided by external service providers. These recommendations are made to the board, which in turn proposes fees for approval by shareholders at the AGM.

Proposed fees for the 2020 calendar year will be recommended by the board to the shareholders at the November 2019 AGM.

Annual fees	Recommended calendar 2020 R	Approved calendar 2019 R
Chairperson	445 200	424 000
Lead independent NED	386 400	368 000
Board member*	336 000	320 000
Audit and risk committee		
– Chairperson	157 500	150 000
– Member	126 000	120 000
Investment committee		
– Chairperson	105 000	100 000
– Member	84 000	80 000
Remuneration and nominations		
– Chairperson	52 500	50 000
– Member	42 000	40 000
Transformation, social and ethics committee		
– Chairperson	52 500	50 000
– Member	42 000	40 000
Fees per ad hoc meeting		
Investment committee		
– Chairperson	26 250	25 000
– Member	21 000	20 000
Audit and risk committee		
– Chairperson	26 250	25 000
– Member	21 000	20 000
Travelling fees (members outside Gauteng)	9 240	8 800

The above fees exclude value-added taxation and are payable to directors on a quaterly basis.
** Other than the chairperson and lead independent non-executive director.*

Part 3: Remuneration implementation report

Remuneration of employees

Considering economic conditions, remco approved an average increase linked to CPI of 4.83% on GTP, effective from 1 October 2018.

Taking into account the successful REIT conversion in May 2018 as well as the fact that the DPS exceeded the guidance a bonus pool of R16.7 million (2018: R8.9 million) was approved and paid during October 2018.

The financial performance for the year ended 30 June 2019 determines the actual vesting percentage for the share awards issued during the 2016 financial year. The actual vesting percentage was approved by remco based on the actual financial and non-financial performance. The market-based performance vesting condition, used to determine the number of awards that will vest, relates to the relative performance of Attacq against a peer group, over the performance period. The peer group includes the following four companies: Emira Property Fund Limited, Growthpoint Properties Limited, Hyprop Investments Limited and Redefine Properties Limited. Since the Attacq share price performance did not achieve the minimum hurdle, no awards pertaining to this performance condition will vest.

Our NAVPS compounded annual growth rate over the measurement period of 2.61% was less than CPI plus 3.0% and therefore no awards relating to this performance condition will vest.

The vesting date of these LTIs are 14 October 2019 with an actual vesting percentage of 50.13% based on following vesting conditions:

Performance conditions	Weighting %	Threshold (30.0%)	Target (100.0%)	Stretched target (150.0%)	Actual achievement	Weighted achievement %
Financial	**70.0**					**20.13**
DPS declared for June 2019 financial year	30.0	79.6cps	87.6cps	105.1cps	81.5cps	46.6
Share price performance relative to peer group^ over three-year period	20.0	90.0	100.0	120.0	(9.60%)	–
Compounded annual adjusted NAVPS growth over a rolling three-year period ended June 2019	20.0	CPI + 3.0%	CPI + 8.0%	CPI + 14.0%	2.61%	–
Annual average development surplus over a rolling three-year period (Rm)	10.0	135.0	300.0	390.0	303.6	61.4
Non-financial	**20.0**					**30.0**
Transformation (based on new charter) at vesting date	10.0	Level 7	Level 6	Level 5	Level 4	150.0
Annual average bulk roll-out for rolling three-year period	10.0	90 000m^2	150 000m^2	195 000m^2	202 156m^2	150.0
Total weighted average (%)						**50.13**

^ Includes Emira Property Fund Limited, Growthpoint Property Limited, Hyprop Investments Limited and Redefine Properties Limited.

Key senior management and prescribed officers are set out below:

2019	2018
MW Clampett	MW Clampett
PL de Villiers – from 1 July 2018	P Mackenzie – resigned 30 November 2017
GE Pendleton	GE Pendleton – appointed 13 March 2018
D Theron	D Theron
	R Nana
	JR van Niekerk

Remuneration report CONTINUED

Jackie van Niekerk and Raj Nana were appointed as executive directors with effect from 19 June 2018. Remuneration for the full 2018 financial year has been allocated to prescribed officers.

Remuneration of executive directors

For full disclosure of executive directors' remuneration, which is in line with the company's remuneration policy, please see note 14 of the AFS, available on www.attacq.co.za.

Melt Hamman was appointed as CEO and Raj Nana as CFO on 19 June 2018. Raj Nana and Jackie van Niekerk (COO) were appointed executive directors on the same date. Executive directors' total remuneration compared to the previous year is summarised below:

Executive directors' remuneration

In line with King IV, we disclose a single view of executive directors' remuneration for 2019, compared to 2018. The detail section in our sustainability report sets out our remuneration policy and implementation process, changes in the review period as well as results from the 2018 annual general meeting.

2019	Melt Hamman					
Benefit	South Africa R'000	MAS R'000	International R'000	Total R'000	Raj Nana R'000	Jackie van Niekerk R'000
Guaranteed total package	4 024	327	–	4 351	2 278	2 450
Short-term incentive	2 924	–	170	3 094	1 000	850
Pension	161	–	–	161	92	137
Other*	98	–	–	98	64	51
Long-term incentive – vesting of shares	3 725	–	–	3 726	623	–
	–	–	–	–	–	–
Total	**10 932**	**327**	**170**	**11 429**	**4 057**	**3 488**

** Life insurance, pension administration fees, long service award, etc.*

2018	Melt Hamman					
Benefit	South Africa R'000	MAS R'000	International R'000	Total R'000	Raj Nana R'000	Jackie van Niekerk R'000
Guaranteed total package	3 607	–	184	3 791	1469	2505
Short-term incentive	67			67	380	–
Pension	104			104	48	128
Other*	56			56	71	59
Long-term incentive – vesting of shares	3 749			3 749	245	–
Total	**7 583**	–	**184**	**7 767**	**2 213**	**2 692**

** Life insurance, pension administration fees, long service award, etc.*

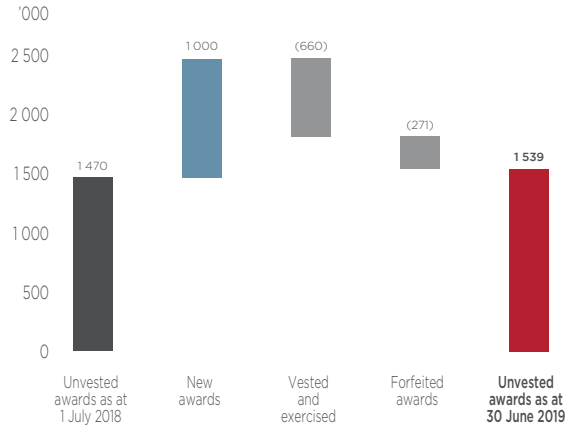
Below is the STI structure for Melt Hamman in his capacity as CFO for the 2018 financial year. Melt's actual performance in 2018 was measured against these criteria and the STI was awarded and paid during October 2018 (2019 financial year).

KPIs for the year ended 30 June 2018	Weighting %	Target*	Achievement*	Weighted achievement %
Pay-out of maiden dividend	**35.0**	73.0cps payable in October 2018	**74.0cps**	**35.5**
Actual management cost below budget	**5.0**	Less than the approved budget	**100.0%**	**5.0**
Debt management	**10.0**			**12.0**
Gearing ratio (as defined)		<35.0%	**34.0%**	
Interest cover ratio		>1.5 times	**1.6 times**	
Interest rate hedging		>70.0%	**97.7%**	
Debt expiry profile		>3 years	**4.4 years**	
Weighted average cost of funding		<Prime less 1%	**8.7%**	
Qualitative factors	**25.0**			**25.0**
Compliance: risk, governance, legal agreements	6.0	Achieve positive feedback from audit and risk committee, external and internal auditors	**100.0%**	6.0
People development	3.0	Personal development plans for all staff in reporting structure	**100.0%**	3.0
Employee satisfaction score	3.0	360° feedback from direct reports	**100.0%**	3.0
Transformation (EE and B-BBEE)	4.0	Implement strategy and improve scorecard	**100.0%**	4.0
Reporting: results, integrated report, board	4.0	Reports on time and improved quality	**115.0%**	4.0
IT and process environment	5.0	System and process enhancement	**80.0%**	5.0
Strategic initiatives	**25.0**			**28.5**
Strategic support to CEO and COO	15.0	360° feedback from CEO and COO	**110.0%**	16.5
Conversion to REIT	10.0	Conversion prior to 30 June 2018	**achieved**	12.0
Total	**100.0**			**106.0**

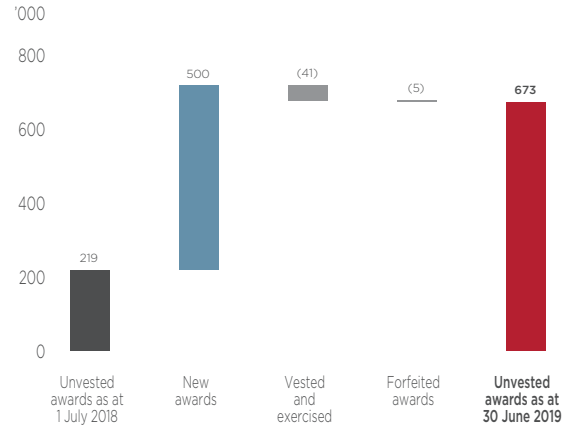
* *At the time of finalisation of the actual performance in respect of the KPIs.*

Total long-term incentive portfolio of executive directors

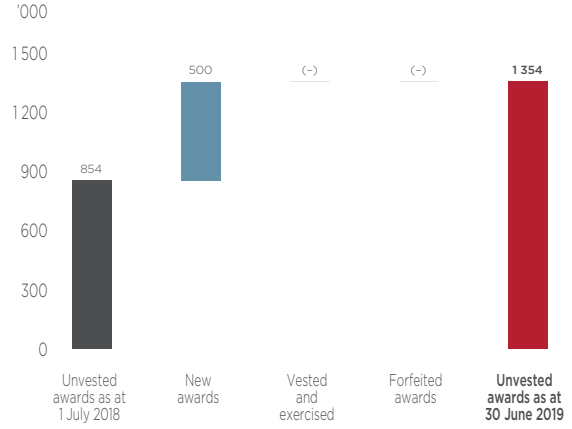
Melt Hamman (number of awards)



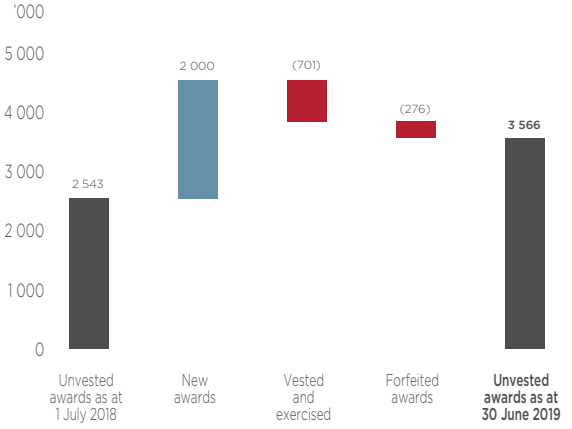
Raj Nana (number of awards)



Jackie van Niekerk (number of awards)



Total (number of awards)



Remuneration of independent NEDs

The table below summarises actual fees paid to NEDs for the 2018 and 2019 financial years, as disclosed in note 14 of the AFS.

	2019 R'000	2018 R'000
P Tredoux	**675**	694
MM du Toit*	**375**	381
HR El Haimer	**539**	466
IN Mkhari (appointed 15 March 2018)	**311**	76
KR Moloko* (resigned 2 April 2019)	**311**	472
BT Nagle	**595**	614
S Shaw-Taylor	**667**	626
JHP van der Merwe*	**394**	369
Total	**3 867**	3 698

* *Including travel fees for attendance of meetings.*

Our NEDs are paid quarterly in arrears for attendance. Travel fees are added for directors based outside Gauteng and they receive a flat fee per meeting involving travel of R8 800 (2018: R8 400) as presented to and approved by shareholders at the AGM on 15 November 2018. Travel fees are proposed to increase to R9 240 for the 2020 financial year and will be included in the annual review of directors' remuneration presented to the AGM for approval on 14 November 2019.

Application of King IV

As a responsible corporate citizen, Attacq is committed to high standards of governance, ethics and integrity. Attacq has fully adopted the principles and recommended practices of King IV™ Report on Corporate Governance (King IV). By shifting the focus to an outcomes-based approach, King IV is driving transparency, enhanced accountability, strong risk management and effective leadership – all standards we embrace and support.

Principle	Application	Reference to disclosure
Principle 1: The board should lead ethically and effectively.	Our board of directors (the board) is the governing body of the company and is committed to good corporate governance principles set out in King IV. It is committed to the principles of transparency, accountability, integrity and fairness and how these permeate Attacq. The board continually provides leadership and strategic guidance to increase value creation for all our stakeholders. It also assumes responsibility for all subsidiaries on audit, risk, social and ethics, and governance issues.	Refer to director's code of conduct and ethics http://www.attacq.co.za/governance/ Refer to the governance report in the 2019 integrated report. Refer to the lead independent non-executive director charter.
Principle 2: The board should govern the ethics of Attacq in a way that supports the establishment of an ethical culture.	Our board subscribes to the highest standards of ethical behaviour, best practices and controlling the affairs of the company, setting a clear example for management and staff, and upholding Attacq's integrity and reputation. Our board has adopted key policies on ethical behaviour, including the code of conduct, conflicts of interest and share dealings. Our board has delegated oversight of our performance as a responsible corporate citizen to the transformation, social and ethics committee (TSE). As part of the induction process, every employee receives awareness training of the various policies that overarch the ethical culture in our company. This includes but is not limited to our whistle-blowers hotline which reports through TSE. Our Gift Policy provides the guidance for staff on the reporting levels required pertaining to gifts received from clients and our employee code of ethics is a comprehensive policy covering all of the aspects that we believe is integral to nurture the ethical culture that management would want to establish within Attacq.	Refer to the governance section on our website to access our Whistle-blower Policy, Gift Policy, Anti-corruption Policy and our Directors Code of Conduct and Ethics. http://www.attacq.co.za/governance/ Refer to the Transformation, Social and Ethics Charter on our website as well as page 29 of the sustainability report.
Principle 3: The board should ensure Attacq is and is seen to be a responsible citizen.	Our board approves the strategy and priorities as part of its oversight role of Attacq's conduct as a good corporate citizen. It supports the CEO and management who oversee and monitor all operations and activities of the company. These are measured against agreed performance targets that support Attacq's strategic objectives. The company's performance targets include financial and non-financial measures and support its values in being a responsible corporate citizen.	Refer to chairperson, CEO and CFO reports on strategy and performance in the IR. Refer to natural resources report on page 5 of the sustainability report.
Principle 4: The board should appreciate that Attacq's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.	Our ability to create value sustainably is well illustrated by our strategic pillars. Our strategy is implemented through four value drivers and considers risks and opportunities as well as stakeholder concerns. Our board approved the strategy of focusing on our four key value drivers. It oversees implementation and measures management against operational plans and targets in achieving the agreed performance criteria. We have a fully integrated risk management process and we enforce a continuous risk identification and assessment process to remain ahead of emerging risks. Our enterprise risk management process is applied equally across health, safety and environmental, fraud and regulatory compliance risks.	Refer to audit and risk committee (ARC) report in the annual financial statements (AFS). Refer to Risk Management Policy and Framework on our website. Refer to the risk and opportunities on page 30 of the IR. Refer to our value-creation process on page 23 of the IR. Refer to going concern status contained in the Directors' report on page 12 of the AFS.

Application of King IV CONTINUED

Principle	Application	Reference to disclosure
Principle 5: The board should ensure that reports issued by Attacq enable stakeholders to make informed assessments of Attacq's performance, and its short, medium and long-term prospects.	In developing our IR, we are guided by the framework of the International Integrated Reporting Council and we aim to report on the various components that enable Attacq to create value. Our IR details our business model and strategy, how we respond to our external environment, risks and opportunities encountered, how we respond to the needs and interests of our key stakeholders, our activities and performance, and our outlook in the medium to long term. The IR is prepared in close consultation of the ARC who reviews and recommends to the board the approval of the IR, AFS, King IV disclosures and other assurance reports.	Refer to the ARC report in the AFS page 6. Refer to AFS approval by board.
Principle 6: The board should serve as a focal point and custodian of corporate governance in Attacq.	To ensure effective leadership, our board's role and responsibilities are documented in its charter. The board is the focal point for, and custodian of, the company's governance framework through its committee structures, and its relationship with management, shareholders and other stakeholders. The board believes corporate governance is fundamental to the sustainability of our business. Our approach is based on the standards, policies and practices supported by each of the King IV principles.	Refer to the Corporate Governance report, board governance structure meetings and attendance. FTSE Russel Index report on our website.
Principle 7: The board should comprise knowledge, skill, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Every two years the remuneration and nominations committee (Remco) leads a process to consider and review the board's composition for a balance of skills, experience, diversity, independence and knowledge as well as whether the board is able to effectively discharge its role and responsibilities. The board is satisfied that the necessary balance is in place. An external evaluation will take place in November 2019.	Refer to the Corporate Governance report on page 46 of the sustainability report.
Principle 8: The board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	We have the required board committees and relevant membership as recommended in King IV. The composition of board committees and delegation of authority between the chairperson and other directors is balanced, and board dynamics are considered participative. Members can comfortably challenge each other when there are divergent views. The board emphasises a strong result orientated and decisive view, with a vigilant approach to governance and risk awareness. The ARC is satisfied with the independence of the audit firm. Limited non-audit services are performed after being approved by the committee. Deloitte as auditor and Patrick Kleb as the audit partner will be up for re-appointment at the upcoming AGM scheduled for 14 November 2019. The CFO is responsible for the finance function, with direct reports from the group financial accountant and three senior financial managers. Internal audit is fully outsourced and the CFO is responsible for overseeing and co-ordinating the effective functioning of this arrangement. The effectiveness of the CFO function is annually assessed by the ARC.	Refer to the Corporate Governance report: Key roles and functions page 55 of the sustainability report.

Application of King IV CONTINUED

Principle	Application	Reference to disclosure
Principle 9: The board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Formal performance evaluations of the board and its committees were conducted in November 2018 but not externally facilitated. The performance of the chairperson and individual members of the board will be externally evaluated in November 2019. The company secretary's performance is also evaluated to ensure an arm's-length relationship with the board and that objectivity and independence are not unduly influenced. The board is satisfied with the competence, qualifications and experience of the company secretary.	Refer to corporate governance report and evaluation of the board on page 54 of the sustainability report.
Principle 10: The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	A detailed mandate outlines the delegation of authority. This indicates matters reserved for the board, its committees and management. The board is satisfied that delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The mandate is reviewed annually and the board has the discretion to withdraw any authority as it deems fit.	Refer to the corporate governance report on page 46 of the sustainability report
Principle 11: The board should govern risk in a way that supports Attacq in setting and achieving its strategic objectives.	Effective risk management is an integral part of ensuring that the group's strategic intent and growth targets are met. The board has overall responsibility for the group's risk management framework and system of internal control and ongoing review of their effectiveness; it also determines the group's risk appetite and regularly reviews risks and uncertainties. The board has delegated oversight of risk governance to the ARC.	Refer to risk and opportunities on page 30 of the IR. Refer to the roles and responsibilities of the ARC on page 55 of the sustainability report. Refer to the ARC report in the AFS on page 10.
Principle 12: The board should govern technology and information in a way that supports Attacq setting and achieving its strategic objectives.	The board is responsible for technology and information governance, with ultimate responsibility for ensuring that information and communication technology (ICT) strategies are aligned with the strategies of the business. It oversees the effective use of ICT infrastructure through our combined assurance forum and audit and risk committee. The business has taken the view that technology and data analysis, correctly implemented, can generate time and cost savings through insights. As such, a more operational focus has been placed on ICT and is represented by the COO at board level.	Refer to governance of information and communication technology statement on page 59 in the sustainability report.
Principle 13: The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Attacq being ethical and a good corporate citizen.	The legal and regulatory compliance process is defined in the risk management and combined assurance policy and framework. We have assessed Attacq's compliance through a formal process and applied the compliance risk management and combined assurance process as prescribed in the risk management and combined assurance policy and framework.	Refer to risk and opportunities on page 30 of the IR. Refer to TSE roles and responsibilities in corporate governance report page 56 of sustainability report. Refer to ARC report in AFS.

Application of King IV CONTINUED

Principle	Application	Reference to disclosure
Principle 14: The board should ensure that Attacq remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.	Attacq believes in remunerating its employees fairly. The remuneration report details our remuneration policy and the remuneration implementation, and these are annually presented to shareholders for separate non-binding advisory votes. Malus and clawback provisions have been implemented for the first time, as detailed in the remuneration policy. In line with the requirements in King IV, the remuneration policy and remuneration implementation report will be presented to shareholders for two separate non-binding advisory votes at each AGM. In the event that more than 25% of the voting rights exercised vote against either of these resolutions, the Remco will engage with dissenting shareholders to understand their concerns with the company's remuneration policy and remuneration implementation plan. The Remco may engage with shareholders using various methods of communication and will provide more detail, explain certain elements contained in the remuneration policy and/or remuneration implementation report to clarify any concerns that could have resulted in voting against these resolutions. The Remco has the discretion to take the necessary steps to address valid and reasonable concerns raised by shareholders	Refer to our remuneration policy and remuneration implementation report from page 60 of the sustainability report.
Principle 15: The board should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of Attacq's external reports.	The board, assisted by the ARC has determined the areas of strategic and business focus, which in turn regulate the level of assurance considered appropriate for identified business risks and exposures. We have designed and implemented a combined assurance framework that incorporates several requirements to adequately cover Attacq's significant risks and material matters in an effective control environment. Our risks are linked to our key value drivers and determined through the integrated risk management process, controls and mitigating strategies.	Refer to risk and opportunities on page 30 in the IR. Refer to Risk Management Policy and Framework on our website.
Principle 16: In the execution of its good governance role and responsibilities, the board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Attacq over time.	We have identified our stakeholder groups and are actively balancing their needs, interests and expectations.	Refer to page 26 on our key relationships of the sustainability report.

Glossary

AFS	Annual financial statements
AGM	Annual general meeting
Attacq	Attacq Limited and its subsidiaries
AttAfrica	AttAfrica Limited
Atterbury group	Atterbury Property Holdings Proprietary Limited and its subsidiaries
Barrow Properties	Barrow Properties Proprietary Limited
B-BBEE	Broad-based Black Economic Empowerment
CAGR	Compound annual growth rate
CBD	Central business district
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFO	Chief financial officer
Companies Act	Companies Act 71 of 2008
Company	Attacq Limited and its subsidiaries
COO	Chief operational officer
CPS	Cents per share
CSI	Corporate social investment
CSP	Conditional share plan
DEPS	Distributable earnings per share
Development rights	Leasehold and development rights to develop and register long-term lease agreements against the title deeds of Waterfall land parcels
Dev exco	Development at Waterfall executive committee
DPS	Distribution per share
EBP	Existing building performance
EE	Employment equity
EIA	Environmental impact assessments
ESG	Environmental, social and governance
Equites	Equites Property Fund Limited
Exco	Executive committee or executive management
FTSE4GOOD	FTSE/JSE Responsible Investment Index
FY18	The financial year ended 30 June 2018
FY19	The financial year ended 30 June 2019
FY20	The financial year ended 30 June 2020
GBCSA	Green Building Council of South Africa
GHG	Greenhouse gas
Group	Attacq Limited and its subsidiaries
GTP	Guaranteed total package
HDI	Historically disadvantaged individual
IFRS	International Financial Reporting Standards
ICR	Interest cover ratio

ICT	Information and communications technology
JSE	JSE Securities Exchange
JSE Listings Requirements	The listing requirements, as issued by the JSE from time to time
King IV	King Code on Corporate Governance 2016
KPI	Key performance indicator
LEED	Leadership in Energy and Environmental Design
LIBFIN	Liberty Group Limited, acting through its Libfin division
LP	Land parcel
LTI	Long-term incentive
LTV	Loan-to-value
MAS	MAS Real Estate Inc.
MMI	MMI Group Limited
NAV	Net asset value – equity attributable to owners of holding company
NAVPS	NAV per share
NED	Non-executive directors
OHSA	Occupational Health and Safety Act
OMSFIN	Old Mutual Specialised Finance Property Limited
PGLA	Primary gross lettable area. The primary revenue-generating rentable area dedicated to the use of the tenant, comprising usable and common area for offices and excluding common area for retail buildings
PV	Photovoltaic
PwC	PricewaterhouseCoopers
REIT	Real estate investment trust
Remco	Remuneration and nominations committee
Sanlam	Sanlam Life Insurance Limited
SACSC	South African Council of Shopping Centres
SAPOA	South African Property Owners Association
SA exco	South African portfolio executive meeting
SAPY	FTSE/JSE South African property yield
SDG	Sustainable development goals
Stenham	Stenham European Shopping Centre Fund Limited
STI	Short-term incentive
the board	The board of directors of Attacq
TSE	Transformation, social and ethics committee
WALE	Weighted average lease expiry
Zenprop	Zenprop Property Holdings Proprietary Limited

Corporate information

ATTACQ LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1997/000543/06)
(JSE share code: ATT ISIN: ZAE000177218)
(Approved as a REIT by the JSE)
(Attacq or company or group)

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INDEPENDENT NON-EXECUTIVE DIRECTORS
P Tredoux (chairperson)
HR El Haimer (lead independent)
MM du Toit
IN Mkhari
BT Nagle
S Shaw-Taylor
JHP van der Merwe

EXECUTIVE DIRECTORS
M Hamman (CEO)
R Nana (CFO)
JR van Niekerk (COO)

INTERIM COMPANY SECRETARY
Peter de Villiers

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited

SPONSOR
Java Capital

INDEPENDENT AUDITOR
Deloitte & Touche

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