

Globalworth Real Estate Investments Limited (“Globalworth” or the “Company”)

Statement of Compliance with the QCA Code of Corporate Governance

Chair’s Introduction

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

For the year ended 31 December 2023, we reported against the Quoted Companies Alliance’s Code of Corporate Governance (2018 version) (the “QCA Code”) and this statement sets out in broad terms how we complied as at that date.

Martin Bartyzal

Chair of the Board, 10 June 2024

Compliance with QCA Code of Corporate Governance / Date of Reporting

This Statement sets out in broad terms how Globalworth complied with the QCA Code as 31 December 2023 and as at the date of this Statement. References to each of the 10 principles of the QCA Code have been included under relevant headings through this Statement - these are intended to be a helpful guide only and should not be treated as exhaustive cross-references to our compliance with the QCA Code.

The Company's Corporate Governance Report can be found on pages 72 to 74 of the Company's [2023 Annual Report](#).

Company Purpose and Board Responsibilities

QCA Code Principle 1: Establish a strategy and business model which promote long-term value for shareholders

An explanation of the Company's business model and strategy can be found on pages 18 and 19 of the 2023 Annual Report.

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

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

In addition, the Board is responsible for:

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

The Board delegates specific responsibilities to the Board committees (see further below) and to senior management and other company officials in accordance with documented and Board-approved protocols and procedures.

Shareholders and Stakeholders

QCA Code Principle 2 - Seek to understand and meet shareholder needs and expectations

QCA Code Principle 3 - Take into account wider stakeholder and social responsibilities and their implications for long-term success

QCA Code Principle 10 - Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Shareholders

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

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

The Board monitors activity in the Company's shares.

Wider Stakeholders

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

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

With regard to the Globalworth workforce, we encourage open and constructive discussions throughout the Group and we periodically undertake an employee survey, the results of which help us understand how we can best provide a supportive workplace with career opportunities that enrich experience, develop skill sets and promote wellbeing.

We also have regular town hall meetings and hold off- site team building events from time to time to which all employees are invited.

Workforce Policies and Practices

The Company is committed to conducting its business in an ethical manner, with integrity and in line with all relevant laws and regulations. The Group has in place a number of policies and procedures including policies and training on anti-bribery and corruption, whistleblowing, information security and GDPR. All employees are made aware of the Group's policies on employment and this understanding is refreshed on no less than an annual basis. Employees also receive training appropriate to their roles and responsibilities throughout the year. During the year, and in line with the Board's commitment to high standards of integrity compliance, the Board reviewed the Group's written policies and procedures to ensure they remained proportionate and appropriate.

Board Meetings and Directors' Attendance

The number of meetings of the Board of Directors attended by each Director, as applicable, during the year ended 31 December 2023 is set out below.

Director	Quarterly Board Meetings	Ad hoc Board Meetings	Board Meetings Total
Dennis Selinas	4/4	16/17	20/21
Martin Bartyzal	4/4	17/17	21/21
Andreas Tautscher	4/4	15/17	19/21
Richard van Vliet	4/4	14/17**	18/21
Norbert Sasse	4/4	16/17	20/21
George Muchanya*	1/1	1/6	2/8
Panico Theocharides*	3/3	10/11	13/14
David Maimon	4/4	17/17	21/21
Piotr Olendski	4/4	17/17	21/21
Daniel Malkin	4/4	16/17	20/21
Favieli Stelian	4/4	17/17	21/21
Total Number of Meetings	4	17	21

* Mr Theocharides replaced Mr Muchanya as one of the Growthpoint-appointed Non-Executive Directors on 14 April 2023.

** Observer only (due to the restrictions in the Articles on attendance from certain geographical locations) at one additional ad hoc Board meeting.

Globalworth's Risk Management Framework

QCA Code Principle 4 - Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board, represented by the Audit & Risk Committee, is responsible for establishing and maintaining the Group's system of internal control and for maintaining and reviewing its effectiveness. However, on a day-to-day basis risk is managed by each business unit within the Group's risk management framework.

Risk management is embedded within our strategy and culture and plays a significant role in the achievement of our business objectives. However, we believe that we have a conservative risk approach as we only accept risks associated with the nature of our business activities.

Moreover, the continuous strengthening of risk management is a key element in creating a sustainable business and delivering attractive risk-adjusted returns to our shareholders and value to other stakeholders as part of profitable and sustainable growth.

Our risk management framework and related processes focus on the identification, evaluation, formulation of response, monitoring and reporting on identified principal and other financial and non-financial risks, as well as the identification of emerging risks, as explained in further detail in this section of the report.

Our risk management strategy does not focus on eliminating risk entirely, but instead on striking an appropriate balance between managing our risks and maximising return from our business opportunities, ensuring a viable, profitable and sustainable business under normal and stressed market conditions.

Our risk management approach includes a bottom-up risk management process as well as a top-down risk oversight process, as outlined in the following diagram.



Group Policies and Practices

QCA Code Principle 4 - Embed effective risk management, considering both opportunities and threats, throughout the organisation

QCA Code Principle 8 - Promote a corporate culture that is based on ethical values and behaviours

The Company is committed to conducting its business in an ethical manner, with integrity and in line with all relevant laws and regulations.

The Group has a Code of Conduct which is reviewed on at least an annual basis and which is available on its website.

The Group has in place a number of policies and procedures including policies and training on anti-bribery and corruption, whistleblowing, information security and GDPR. All employees are made aware of the Group's policies on employment and this understanding is refreshed on no less than an annual basis. Employees also receive training appropriate to their roles and responsibilities throughout the year.

During the year, and in line with the Board's commitment to high standards of integrity compliance, the Board reviewed the Group's Code of Conduct and its written policies and procedures to ensure they remained proportionate and appropriate.

The Board and Governance

QCA Code Principle 5 - Maintain the board as a well-functioning, balanced team led by the chair

QCA Code Principle 6 - Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

QCA Code Principle 9 - Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Composition of the Board

As at 31 December 2023, and the date of this Statement, the Board comprised the Chair, who is an independent Non-Executive Director, one Executive Director and eight other Non-Executive Directors (of which six are considered to be independent within the meaning of the QCA Code). The remaining two Non-Executive Directors are not considered to be independent in view of the fact that they represent Growthpoint Properties Limited ("Growthpoint"), a substantial shareholder.

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

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

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

Dennis Selinas has been the CEO of Globalworth since 1 January 2023, having joined the Company as an Executive Director with effect from 21 November 2022.

Leadership of the Board

Martin Bartyzal is the Chair of the Board.

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

Andreas Tautscher is the Senior Independent Director.

Independence of the Board

The Board considers the independence of each member of the Board at each quarterly Board meeting and is of the view that Martin Bartyzal, as Chair, continued to demonstrate objective judgement during the period of his tenure during the year.

In addition, the Board considers that the majority of the Board comprises non-executive directors who are independent of the Company and free from any relationship or circumstances which are likely to impair, or could appear to impair, the exercise of their independent judgement.

The Board considers the independence of each member of the Board at each quarterly Board meeting and continues to be of the view that the majority of the Board comprises Non-Executive Directors who are independent of the Company and free from any relationship or circumstances which are likely to impair, or could appear to impair, the exercise of their independent judgement.

Further details on the assessment of independence of Directors can be found on page 74 of the 2023 Annual Report.

Board Committees

The Board delegates specific responsibilities to the Board committees:

Audit & Risk Committee

The Audit & Risk Committee comprises four independent Non-Executive Directors: Andreas Tautscher (Chair of the Audit Committee), Daniel Malkin, David Maimon and Richard van Vliet.

All members of the Committee are independent non-executive directors with recent, relevant financial experience.

The Remuneration Committee has within its remit:

- Financial Reporting
- Controls and Safeguards
- Risk Management
- External Audit

Further details of the work of the Audit & Risk Committee, including the Audit & Risk Committee Report, can be found on pages 80 to 83 of the 2023 Annual Report.

The complete details of the Audit & Risk Committee's formal duties and responsibilities are set out in its terms of reference, which can be found on the Company's website.

Remuneration Committee

The Remuneration Committee comprises four independent non-executive Directors: Piotr Olendski (Chair of the Committee), Martin Bartyzal, Favieli Stelian and Richard van Vliet.

The Remuneration Committee has as its remit, amongst other matters, the determination and review of the fees payable to GIAL, the Company's subsidiary, and the related emoluments of the Executive Directors and other senior employees of the Company who are preference shareholders of GIAL, and the terms of any performance or incentive plans of GIAL, including the setting of performance thresholds, the allocation of any such entitlements between shares and cash and the setting of any vesting periods (in each case, taking such independent advice as it considers appropriate in the circumstances). In addition, the Remuneration Committee reports at least annually to the Board in relation to its activities and recommendations.

The Remuneration Committee's activities during the previous reporting period are set out in the Remuneration Committee report on pages 85 to 86 of the 2023 Annual Report.

The complete details of the Remuneration Committee's formal duties and responsibilities are set out in its terms of reference, which can be found on the Company's website.

Nomination Committee

The Nomination Committee consists of three Non-Executive Directors, two of whom are considered independent. It is chaired by Daniel Malkin and the other members are Andreas Tautscher and Panico Theocharides. The terms of reference of the Nomination Committee are available on the Company's website. Any proposal for a new Director will be discussed and approved by the Board, however, significant shareholders (Zakiono and Growthpoint) have the power to appoint additional Directors. During the year ended 31 December 2023, all matters within the remit of the Nomination Committee were dealt with at the Board.

See page 84 of the 2023 Annual Report for the Nomination Committee Report.

The complete details of the Nomination Committee's formal duties and responsibilities are set out in its terms of reference, which can be found on the Company's website.

Investment Committee

The Investment Committee consists of Favieli Stelian (Chair of the Committee), Dennis Selinas, Norbert Sasse, David Maimon and Piotr Olendski. The terms of reference of the Investment Committee are available on the Company's website. During the year ended 31 December 2023, , all matters within the remit of the Investment Committee were dealt with at the Board.

See page 87 of the 2023 Annual Report for the Investment Committee Report.

The complete details of the Investment Committee's formal duties and responsibilities are set out in its terms of reference, which can be found on the Company's website.

Attendance at Board and Committee meetings

The Board meets regularly, convening 21 times in the year ended 31 December 2023. A table summarising attendance at the board meetings and various committee meetings is contained in the Company's Corporate Governance Report on page 73 of the 2023 Annual Report and is set out above.

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

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

Re-election of Directors

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

At the next AGM, each of Dennis Selinas and David Maimon is required to retire from office and offer himself for re-election and they will therefore each stand for re-election at the forthcoming AGM. The Board has reviewed each of their skills and experience and are recommending the re-election of each of them to shareholders.

Board Evaluation

QCA Code Principle 6 - Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

QCA Code Principle 7 - Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

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

An evaluation of the performance of the Board members who served during the year ended 31 December 2023 has been undertaken. The performance of the Chair of the Board was also evaluated by the other Directors. The result of the evaluation carried out was that all Directors' performance is in line with the expectations set out at the point of their appointment to the Board.