

King IV Application Register

MAS P.L.C. ('MAS' or 'the Group' or 'the Company')

In line with King IV, the Board prepared the required disclosure in terms of how the Company is applying principles comprised therein, as applicable to its operations.¹

ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

PRINCIPLE 1: The governing body should lead ethically and effectively

Application

The Board recognises its responsibility to provide ethical and effective leadership by conducting its affairs with integrity, accountability, and social responsibility. The Board encourages stakeholder inclusiveness and takes account of such in its approach to governance. The Board abides collectively by the Board charter and sets the tone of ethical behaviour and business practices, both collectively and individually, through the application of its Code of Ethics and Conduct.

The Environmental, Social and Ethics Committee (ESEC) ensures that high standards of conduct are maintained throughout the Group.

Board effectiveness as a whole and individual director's performance is evaluated at least every two years. The results of the evaluation of the performance of all Executive and Non-Executive Directors is considered by the Remuneration and Nomination Committee (RemNom). These performance appraisals assist the Group in ensuring that the Board is accountable for leading ethically and efficiently.

Each of the Board's committees is responsible for reporting to the Board on how the committee has discharged its duties. The Board's Code of Ethics and Conduct is available on the Group's corporate website at www.masrei.com.

ORGANISATION ETHICS

PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

Application

The Board ensures that a strong ethical and moral culture exists at all levels of the Group and delegates the implementation of the Code of Ethics and Conduct and policies to the senior management team, who report to ESEC, the committee responsible for oversight and reporting on, the Group's ethics. Any breaches are reported to ESEC, which escalates any pertinent matters to the Audit and Risk Committee (ARC).

In addition, MAS has a combined assurance model for managing risk across the Group, which operates on the five lines of defence basis, one being the tone of the Group.

¹ Principle 17 of King IV is not applicable to the Company as it is not an institutional investor, hence is not considered in this application register.

MAS has detailed policies in place which underpin the values set out by the Board including the following:

- Whistleblowing Policy;
- Fraud, Anti-bribery and Anti-corruption Policy;
- Conflicts of Interest Policy; and
- Share Dealing Policy.

In addition, Code of Ethics and Conduct is in place for Directors, members of staff and business partners, ensuring that the required standards are known to all relevant parties. At each Board and committee meeting, any conflicts are declared and discussed in advance.

Executive Directors and Function Heads ensure that the values of integrity, collaboration and respect are disseminated throughout the Group through a shared vision and mission.

Key areas of focus include ensuring that compliance with the Code of Ethics and Conduct is integral to the strategy and operations of the Group, and that potential ethical risks are incorporated into the risk management and investment processes of the business.

RESPONSIBLE CORPORATE CITIZENSHIP

PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen

Application

Good corporate citizenship is intrinsic to MAS and responsibility for oversight of such lies with ESEC, who reports and assists the Board with setting the direction and monitoring the Group's activities in the workplace, the economy, the society and the environment.

Operating in a sustainable way is a key focus, as is compliance with applicable laws, regulations and industry standards while having regard to the financial performance of the business.

MAS' commitment to responsible corporate citizenship is embedded in its business strategy, core purpose and values. The Company engages with stakeholders on their interests and expectations and aims to find solutions to sustainability challenges.

The business works with joint venture partners, suppliers, and tenants to impart MAS' stance on good corporate citizenship.

STRATEGY, PERFORMANCE AND REPORTING

PRINCIPLE 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

Application

MAS aims to create value for investors by acquiring, managing and optimising quality real estate assets in Central and Eastern Europe. The Board is responsible for setting the Group's strategy and aligning the strategic objectives with performance expectations of stakeholders, which take into account the key risks facing the Group.

Senior management team is responsible for devising and implementing the short-, medium- and long-term strategy of the business which is approved by the Board.

Ensuring strategy alignment is particularly important to the business to maximise value creation. Full strategic review sessions are undertaken by the entire Board and senior management sessions are conducted at least quarterly and reported to the Board at each meeting.

The strategy feeds into the annual reporting process and any challenges to achieving key targets are identified and addressed or mitigated through the risk monitoring programme which is reviewed by ARC.

The Board reviews performance regarding sustainable growth in total returns on a per share basis and senior management reports to the Board on progress in this regard.

REPORTING

PRINCIPLE 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects

Application

The Board approves management's determination of the Group's reporting frameworks and reporting standards to be used, considering legal requirements and the intended audience and purpose of each report. In particular, the Board oversees the annual financial statements and the Annual Report, which includes, financial and operational data, reports on sustainability, risk, corporate governance and compensation, complies with legal and regulatory requirements of the Group's listing venues, and meet the legitimate and reasonable information needs of stakeholders.

The Board, through ARC, ensures that the necessary controls are in place to interrogate and verify the accuracy of the information contained in the reports issued by the Group.

MAS communicates with its shareholders through its Annual Report, audited annual financial statements, annual and interim results presentations and company profile, investor presentations and/or property tours, its website, as well as through publication of announcements on the Stock Exchange News Service (SENS) and in the press. A general meeting of MAS' shareholders is organised at least annually, where shareholders are invited to express their views on the activity of the Company.

The reporting framework is approved by ARC, and agreed at Board level. ARC oversees the reporting process and reviews the financial statements to ensure that they are relevant to shareholders and to ensure compliance with legal requirements and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The annual financial statements are audited, and interim results are reviewed, by an independent external auditor. An external IFRS advisor is engaged on an ad-hoc basis.

The Annual Report, interim and annual financial results, investor presentations, SENS announcements and King IV register are all published on the Company's corporate website.

MAS also communicates with its target audience of key institutional South African investors by hosting investor presentations and/or property tours at least annually, and when possible, face-to-face.

GOVERNING STRUCTURES AND DELEGATION

PRINCIPLE 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation

Application

One of MAS' stated core values is acting with integrity and the Board is ultimately responsible for ensuring that a strong corporate governance culture permeates throughout the Group.

The Group developed a detailed Corporate Governance Framework, approved by the Board. The Board has an approved charter, reviewed and updated regularly, which sets out its governance responsibilities, membership requirements, procedural conduct and the frequency of meetings.

The Board is required to meet at least twice a year, with ad-hoc meetings when required and full attendance of all members at meetings is expected. Details of all the Board meetings held during the year, together with the attendance record, are disclosed in the Annual Report.

The Board as a whole, and the directors individually, are allowed unfettered access to all Group's documentation. They are also allowed unfettered access to independent external professional advice on any matter within the scope of their duties.

In addition, through ESEC, the Board implements and monitors the governance practices within the Group. The Board applies most of the recommendations on King IV and complies with the JSE Listings Requirements and applicable legislation. The Board adopts standards of best practice, and always acts in the best interests of the Group.

The Board sets the direction and parameters for powers that are reserved for itself and some of these are delegated to management via the Executive Directors.

Policies are in place which dictate how subsidiary entities are monitored and reviewed for compliance with the Group's core corporate governance standards.

The Board believes that an effective framework has been established, that appropriate processes exist to comply with appropriate laws, codes, rules and standards and that it has fulfilled its responsibilities in accordance with the Board charter.

COMPOSITION OF THE GOVERNING BODY

PRINCIPLE 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Application

In determining the composition of the Board, RemNom considers the appropriate combination of Executive, Non-Executive, Independent Non-Executive Directors.

Board composition reflects an appropriate mix of skills, knowledge, and experience to enable it to discharge its duties and responsibilities. The Board comprises nine members, seven Non-Executive Directors, of which six Independent, and two Executive Directors.

The Board maintains a clear balance of power to ensure that no one director has unfettered powers in decision-making and the Company's articles of association provide for one-third of the Non-Executive Directors to retire by rotation at each annual general meeting. A brief CV for each director is available on the Company's corporate website, and in the Company's Annual Report.

The roles of the chairman and the CEO are distinct, and the Chairman is an Independent Non-Executive.

The independence of the Non-Executive Directors is assessed at least annually by RemNom and any changes are implemented with immediate effect upon review by the Board. The criteria used to perform the independence assessment is the result of the highest threshold obtained by applying the King IV indicators for determining independence and the ISS (Institutional Shareholders Services) South Africa proxy guidelines.

MAS currently has a diversity and equality policy in place, ensuring that the Board remains committed to non-discrimination and inclusion, and adopts strategies which increase and identify appropriate potential candidates for future Board appointments, while ensuring that, at all times, all applicants are treated equally. Achieving the best mixture of aptitudes, experience and qualifications to complement and balance the Board's existing skills, in a non-discriminatory manner, is a priority.

As a foreign inward-listed company on the JSE, operating from outside of South Africa, MAS has obtained a legal opinion advising that it is not subject to reporting under section 13G(2) of the Broad Based Black Economic Empowerment Act of South Africa and has submitted this to the JSE.

COMMITTEES OF GOVERNING BODY

PRINCIPLE 8: The governing body 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

Application

The Board has established the following committees, considering the most appropriate mix of knowledge, skills and experience, to assist in the discharge of its duties:

Audit and Risk Committee (ARC)

Key responsibilities: Monitors the integrity of the financial performance reporting, internal controls, the external audit process and manages the Group's strategic and operational risk.

Remuneration and Nomination Committee (RemNom)

Key responsibilities: Reviews and sets compensation across the Group, oversees the appointment of directors, evaluates the composition of the Board and succession planning for key roles.

Environmental, Social and Ethics Committee (ESEC)

Key responsibilities: Reviews and monitors the Group's compliance with applicable legal, regulatory and listing requirements and provides oversight of all social and ethical matters pertaining to the Group.

The following requirements were considered in setting up the Board committees:

- Independent Non-Executive Directors were appointed as Chairman of ARC, ESEC and RemNom;
- the committees consist of mostly Non-Executive Directors, with the majority of each committee's members being Independent;
- Directors who are not members of a committee, may attend meetings and participate in their proceedings to gain information, but are not entitled to vote;
- the CEO is not a member of ARC or RemNom committees, but may attend by invitation any meeting, if needed to contribute pertinent insight and information.

Members of senior management, including the Executive Directors, are invited to attend committee meetings either by standing invitation or on an ad-hoc basis, to provide pertinent information and insight with respect to their areas of responsibility. Other Non-Executive members of the Board, including the Chairman, may attend committees' meetings. The invitees do not have voting rights and may attend the meetings based on the invitation of the respective committee Chair.

Board and committees' attendance, as well as a description of how each Committee discharges their duties are disclosed in the Annual Report.

Committees' responsibilities, required meetings frequency, mandate and access, are disclosed in detail in the Annual Report.

EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY

PRINCIPLE 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chairman and its individual members, support continued improvement in its performance and effectiveness

Application

The Board continues to undertake formal periodic internal assessments of the Board as a whole and individual Directors' self-assessments are carried out to ensure effectiveness and help identify any gaps in skills. The Chairman of the Board, assisted by the Chairman of RemNom are responsible for reporting the findings to the Board and for recommending, if necessary, remedial action. The responses are analysed, and the Chairman of the Board engages with individual Directors to address any areas of improvement highlighted in the assessment.

Formal individual Directors' performance reviews and a formal full Board effectiveness assessment is undertaken every two years. During the alternate year, the Board schedules in its annual work plan an opportunity to consider, reflect and discuss its performance. The gap between formal evaluations is aimed at allowing the Board sufficient time to address findings of the previous evaluation, if any.

Directors are provided with induction, training and workshops as and when required and they individually comply with their own continuing professional development requirements. Directors are also encouraged and sometimes financially supported to undertake relevant further studies to further add value to the Board's effectiveness.

APPOINTMENT AND DELEGATION TO MANAGEMENT

PRINCIPLE 10: The governing body should ensure that the appointment of and delegation to management contribute to the role clarity and the effective exercise of authority and responsibilities.

Application

MAS has clearly defined Executive Director roles including the CEO and CFO. The CEO was initially appointed as Executive Director on 24 February 2021 (and was confirmed at the Annual General Meeting of shareholders held on 6 December 2021) and her appointment as CEO followed on 21 April 2022. The CFO was appointed with effect from 1 February 2023 and was confirmed at the Annual General Meeting of shareholders held on 5 December 2022. The third Executive Director was appointed with effect from 25 October 2023 and will stand for confirmation at the upcoming Annual General Meeting of Shareholders.

RemNom is responsible for ensuring that appropriate succession plans are in place for the position of CEO, other Executives, the Chairman and members of the senior management team.

The Executive Directors and senior management operate under a delegated authority framework ('DAF') which details the powers and matters that can be delegated. This is reviewed and approved regularly by the Board. The Executive Directors are responsible for the successful implementation of the strategy, policies and operational plans for the Group.

The Executive Directors, senior management and officers of subsidiary entities acknowledge and agree to the terms of the DAF and they, together with the Board, have free access to corporate governance and legal professionals in carrying out their duties. The Board is satisfied that the DAF helps define roles for the effective exercise of authority and responsibilities. All Directors have access to the Company Secretary for corporate governance guidance.

In particular, the Company Secretary has a direct channel of communication to the Chairman of the Board, while maintaining an arm's length relationship with the Board and the Directors as far as reasonably possible. The Board has direct access to the Company Secretary, who advises on updates to regulations, corporate governance, standards and legislation. The Company Secretary has a direct and open relationship with the Chairman and Non-Executive Directors and communicates on corporate governance matters pertaining to their company secretarial responsibilities frequently without influence, or interference. The Company Secretary's ability to perform their duties is assessed by the Board annually and their role and responsibilities are described in the Board charter.

RISK GOVERNANCE

PRINCIPLE 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

Application

The Company treats risk as integral to the way it takes decisions and executes its duties. The Group's risk governance encompasses both the opportunities and associated risks in developing strategy and the potential positive and negative effects of such risks on the achievement of its organisational objectives.

While the Board exercises ongoing oversight of risk management, the Group's risk governance function is delegated to ARC.

The risk management process is designed to identify, measure, prioritise, respond and monitor the impact of both internal and external risks. The monitored risks are categorised within five major categories: Strategic, Operational, Financial, Reporting, and Compliance.

Key risk areas and mitigating actions are disclosed in the Annual Report.

TECHNOLOGY AND INFORMATION GOVERNANCE

PRINCIPLE 12: The governing body should govern technology and information in a way to support the organisation in setting and achieving its strategic objectives

Application

The Board recognises the importance of inherent risks associated with information and technology and it is ultimately accountable for its governance. It delegates its authority to ARC to oversee the management of these.

MAS has information and technology protocols in place which set out procedures in relation to communication, data and document storage, technology systems and others.

Risks relating to information and technology are identified, and their monitoring is documented in the Group's risks register. MAS has a comprehensive internal controls framework which is tested internally.

The Group engages with external technological hardware and software professionals and with advisors/technicians with regard to disaster recovery, business resumption and specific key systems. The Company also conducts regular business recovery tests.

MAS takes information and technology security extremely seriously and has enhanced security for remote access via off-site computers, laptops and mobile devices to protect against fraudulent access.

All staff members understand, and have acknowledged, the information and technology standards of behaviour as laid out in the staff framework, which includes policies and protocols relating to usage of email, internet, passwords and mobile devices.

The business is subject to mandatory general data protection regulation regarding the handling of personal data, and conducts internal reviews to assess the impact of the legislation.

COMPLIANCE GOVERNANCE

PRINCIPLE 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

Application

Responsibility for corporate governance rests with the Board and it is committed to the highest standards of business integrity, ethical values and governance.

The Board ensures that its duties are discharged through ESEC, which oversees compliance matters. It considers that effective governance is realised by the creation of an appropriate governance culture through leadership and collaboration.

MAS requires all directors, staff members and Group companies to comply with applicable laws, regulations, codes and relevant listings requirements. A corporate governance framework is in place for the business, which outlines the corporate structure, functions and governance environment that the Group operates in. The Board charter, the Board committees' terms of reference, codes of conduct for directors, staff members and business partners and the staff framework, all support the corporate governance framework.

The DAF sets clear boundaries and specific authorisation limits as to reserved matters and which matters should be delegated to the senior management team.

The Company Secretary is the custodian of compliance and reports to ESEC and the Board. Compliance with the JSE Listings Requirements is supported by the Group's sponsor in South Africa.

REMUNERATION GOVERNANCE

PRINCIPLE 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term

Application

Responsibility for remuneration has been delegated by the Board to RemNom. The philosophy regarding compensation is to attract and retain the best talent, to facilitate the Group in meeting its strategic objectives. MAS' compensation policy is aligned with its strategic objective of creating long-term and sustainable value for shareholders. Compensation comprises a fixed component, applicable to all staff, alongside a variable component. The latter, depending on the individual's role, can be reflected as a cash bonus, MAS shares in lieu of a cash bonus or participation in the MAS Share Purchase Scheme. A geared share purchase plan was approved by shareholders in February 2017 and implemented by the Directors in conjunction with RemNom.

Non-Executive Directors are entitled to a base fee, plus additional compensation for participation on committees, where applicable. To avoid any potential conflict of interest, and to maintain independence, Non-Executive Directors do not participate in the Group's variable compensation scheme. A tax equalisation adjustment mechanism has been implemented to ensure that the compensation due to Non-Executive Directors is not affected by more than 30% tax leakage.

The Company discloses the compensation of each Director in the Annual Report.

As required by King IV and the JSE Listing Requirements, the compensation policy and the respective implementation report are taken to a non-binding advisory vote at each annual general meeting. These non-binding resolutions enable shareholders to express their views regarding the compensation policy and the implementation report. The Board is committed to ongoing engagement with shareholders and analysts to provide more detailed parameters around performance conditions and benchmarks.

MAS appoints third-party remuneration specialists, if and when, appropriate. It also conducts, when possible, investor roadshows and actively engages with key shareholders on a one-to-one basis to discuss the Company's approach to compensation, strategy, sustainability, and governance.

ASSURANCE

PRINCIPLE 15: The governing body 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 the organisation's external reports

Application

The Board delegated responsibility to ARC to oversee the internal control environment.

MAS has adopted a combined assurance model, which the internal control framework forms part of.

The combined assurance model assists in addressing control over the key risks facing the Group. Such risks and their mitigating controls are identified and controlled by management, within a risk framework agreed by the Board, and the process is monitored and overseen by ARC.

The combined assurance model operates on the five lines of defence basis:

- The tone of the Group;
- Function management (Executive Directors and Function Heads);
- Committees;
- Assurance (Internal and external audit), and
- Board of Directors.

In addition to assurance from the Board, committees, senior management, staff members and external auditors, ARC may engage external IFRS consultants when deemed necessary, to further ensure the financial information as a whole complies with IFRS.

STAKEHOLDERS

PRINCIPLE 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

Application

MAS recognises that engagement and ongoing relationships with stakeholders are vital to creating and unlocking real stakeholder value.

MAS strives to be responsive to the needs and interests of its key stakeholder groups, which include staff members, shareholders, tenants, suppliers, bondholders and financing partners, joint venture partners and communities around the Group's operations.

Staff members are fully aligned with the strategy and direction of the business as regular and open communication is implemented across all levels and as a result of the dissemination of the staff framework and the code of ethics and conduct.

MAS has personnel with responsibilities with respect to investor relations to support its frequent formal and informal communication with shareholders, which includes investor presentations taking place at least annually. The Company has designated advisors in respect of its listing on the JSE who also provide valuable guidance on stakeholder sentiment and the wider market and economic environment.

MAS has strong direct relationships with its tenants, and this is key to achieving sustainable long-term value creation.