DIPULA INCOME FUND LIMITED
("Dipula" or "the Company")

REMUNERATION POLICY

Introduction

Dipula's Remuneration Committee ("the Committee") has been constituted as a sub-committee of the board and operates under terms of reference approved by the board. The Committee has the responsibility to monitor the development, application and periodic review of the Company's remuneration policy, which is then approved by the board.

The Committee also ensures that the remuneration policy and remuneration implementation report is put to a non-binding advisory vote at the yearly annual general meeting of shareholders.

The Philosophy

Overall
The key goal is to ensure that executive management remuneration aligns the interest of stakeholders with that of executive management. The policy is meant to ensure that management delivers long term sustainable value to stakeholders and that exceptional individual contribution is recognized and rewarded fairly.

The key principles guiding the policy are:

1. That the actions of executive management should lead to sustainable long term out-performance and value creation that aligns executive's interests with all stakeholders, in line with the Company's strategic objectives.
2. To gain a competitive advantage in the market by attracting and retaining talented and experienced people who fit a culture of entrepreneurship, pro-active management, and independent thinking and who work well in a team, whilst taking full responsibility for their actions and treating our tenants and suppliers professionally.
3. Remuneration must create a strong performance orientated culture. As the norm, we want to encourage exceptional rather than average performance.
4. Remuneration should be equitable and comparable to peer companies and must consider the calibre of staff employed, their experience, contribution, roles & responsibilities and qualifications.
5. A distinction should be drawn between executives deployed in strategic roles and those in execution roles.

6. Benchmarking should be independent, objective, relevant and comparable to the selected peer group.

Remuneration principles

Dipula subscribes to remuneration principles, which are set out in (i) to (vi) below.

i. Dipula's remuneration mix for permanent employees consists of:

- Guaranteed cost to company remuneration packages (including salary, retirement and medical aid benefits);
- An annual short-term incentive scheme; and
- Long-term incentives.

ii. The remuneration framework takes into account the rate of inflation, as measured by the Consumer Price Index, the nature of Dipula's business, its risk profile and the competitive environment in which it operates.

iii. All staff should be remunerated responsibly and fairly.

iv. For purposes of comparisons to market, the median level of remuneration for a specific position, as determined by a periodic "bench marking" exercise, shall be used as the point of reference and be adjusted down or up depending on individual performance.

v. The following drivers of remuneration shall be used in the determination and adjustment of remuneration:
- Market comparisons (bench marking) every three years;
- Performance output as measured by periodic performance evaluations;
- Scarcity of skills and related market forces;
- Strategic priority;
- Internal parity/equity;
- Financial affordability; and
- Sustainability.

vi. All retirement benefits, which is part of the employees cost to company remuneration, will be funded by means of a defined contribution scheme/s.

Executives and key staff

Dipula is a Real Estate Investment Trust ("REIT") and its success is dependent on the achievement of certain key performance areas. The following KPI's are included, where appropriate in the evaluation of executive management and key staff:

- Growing distributions in line comparable REITs, taking into account portfolio quality and factors within management's control;
- Increasing net asset value per share in line with comparable REITs;
- Limiting vacancies across the sectors we invest in (having regard to the quality of our portfolio) to below average market vacancies;
- Maintaining tenant arrears written off measured as a percentage of revenue, to below acceptable norms;
- Maintaining the net property expenses to revenue ratio to market norms for comparable properties;
- Ensuring that interest rate risk is managed prudently and in line with the company's risk parameters;
- Ensuring that our properties are well maintained;
- Maintaining tenant satisfaction and retention ratios at acceptable levels;
- Ensuring prudent debt gearing levels in line with regulatory limits and the company's risk parameters; and
- Ensuring the accurate publication of the company's financial results in time and in compliance with JSE listing requirements and the Companies Act.

Total guaranteed package ("TGP")

TGP is structured on a cost-to-company basis, is guaranteed and benchmarked every three years against the industry and independent market data. Annual increases are awarded subject to adequate overall performance and profitability of the company.

Short-term incentive ("STI")

The payment of an annual STI is assessed on both company and individual performance, subject to the achievement of qualifying targets, which will be determined and measured annually.

The STI allocation for executive directors will be benchmarked every three years, capped at that level and will be subject to malus provisions. The STI for key staff that are not executive directors will be capped at a maximum of 3 – 4 month's basic salary (dependent on seniority of staff member), subject to the achievement of qualifying targets, which will be determined and measured annually.

Qualifying targets are based on appropriate performance measures, for example performance to budget, cost control, vacancy levels, renewals of lease expiries, performance evaluations and the achievement of personal objectives set for the particular year.

Long term incentives ("LTI")

A LTI scheme for the executives and key staff in the form of a Conditional Share Plan was approved by shareholders at the AGM in February 2019.

The LTI scheme will be continuously benchmarked to market preference and company requirements.

The Committee will be directly responsible for determining the terms of the scheme and monitoring the implementation and operation thereof. Any proposed scheme and changes thereto will be submitted to the Board and shareholders for approval as required in terms of the JSE Listings requirements and the Companies Act.

The Committee will be responsible for determining the individual allocations in terms of the scheme. The allocations will be market related and be dependent on individual performance, strategic contribution to the Company, level of seniority and will be used as a retention tool that encourages entrepreneurship and the alignment of participant's interest with that of shareholders' and other relevant stakeholders.

The scheme should be implemented in a manner that leads to an environment where junior staff, who may not qualify, aspire to grow and participate through their outstanding performance and contribution.

Non-executive directors

Dipula's remuneration for non-executive directors consists of a basic fee in the form of an annual retainer.

The chairman of the board and chairmen of the respective board committees are paid higher annual retainers as compensation for their extra responsibilities.

No share options or other incentive awards are made to non-executive directors.

Non-executive directors' fees will be based on a CPI linked fee adjusted annually and will be benchmarked every three years to the REIT industry.

These fees will be approved in advance by shareholders by special resolution at the Company's annual general meeting, at intervals of no longer than two years at a time.

Additionally, non-executive directors are reimbursed for travel expenses on official business where necessary and reasonable.

Remuneration report

As a part of Dipula's annual integrated reporting, the Remuneration Committee shall ensure that a remuneration report covering the following topics (where appropriate) is prepared:

- The objectives the company seeks to achieve through its remuneration strategy
- A synopsis of the Remuneration Committee's terms of reference
- The Remuneration Committee members and the number of times the committee met during the year under review
- Key decisions taken by the committee during the year under review
- Synopsis of the remuneration policies on guaranteed package, short term incentives, long term incentives and any retention schemes.
- The salient features of all incentive schemes in place or to be implemented.
- *Disclosure of executive remuneration*

- Employment policies related to executive contracts and severance
- Details of all actual payments made to executive directors and prescribed officers.
- Policy on and detail of non-executive directors' fees (paid and proposed) and fee structure.
- Details of participation in share incentive schemes;
- Details on the use of benchmarks;
- Details of any material payments that are ex-gratia in nature;
- Policies regarding executives and key staff employment.

Approval of this policy

The remuneration policy of the Company was approved by the chairman of the board and the chairman of the committee.

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CHAIRMAN **REMUNERATION COMMITTEE**	**DATE**

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CHAIRMAN **DIPULA INCOME FUND LTD**	**DATE**