INVESTMENT COMMITTEE CHARTER

1. INTRODUCTION

Subject to Board approval, this updated investment charter replaces the charter approved by the Investment Committee and Board in October 2019.

CODE OF HONOUR

We ignite the furnace of growth in Africa,

By pioneering & collaborating to construct bridges that unlock opportunities across inaccessible African territories,

To generate sustainable returns for generations to come, for all stakeholders including the people of Africa!

Grit Real Estate Income Group Limited ("Grit" or "the Company") has the following objectives:

i. Establish and maintain itself as the continent's leading real estate group;
ii. Achieve high yielding USD and Euro real estate backed returns through sustainable profits and through the active mitigation of market volatility;
iii. Grow a portfolio of quality, long term leases with strong counterparties within selected qualifying jurisdictions around the African continent; and
iv. Build diverse revenue streams and create long term franchise value.

The Company's primary investment strategy is to produce attractive Total Investment returns to its shareholders. The company will target a minimum Total Investment Return of 12% per annum (post tax) and intends to achieve this through a combination of growth in Income Returns together with NAV Growth. NAV Growth will be achieved through organic growth in the portfolio together with a shift towards a modicum of participation in development focused deals, which will drive more attractive acquisition yields through pre and post funding structuring, while mitigating delivery risk through commercially acceptable agreements.

This document sets out the Company's Investment Charter. The **Key Elements** are:

i. Invest primarily in fully tenanted assets or those with acceptable rental guarantees in place to secure any potential vacancies;
ii. Invest in assets which contain strong, long-term lease covenants, the terms of which are likely to yield strong NAV growth for the company in the future;
iii. Invest in prime locations, being in close proximity to urban centers or within a strong growth node outside of urban centers, within each qualifying jurisdiction.
iv. Target the following primary countries for investment: Morocco; Mozambique; Mauritius; Kenya; Zambia; Tanzania; Botswana; Uganda; Ghana; Ivory Coast; Seychelles; Senegal; Rwanda and Cape Verde.
v. Target the following additional countries for investment, specifically where there is the presence of a strong corporate counter-party, and where the terms of a proposed transaction will largely mitigate the macro-economic risks of the country: Ethiopia; Tunisia; Reunion and Maldives.
vi. Target investment into listed equity entities where the circumstances warrant such investment, being the following primary factors:
    - Strong potential for long term NAV and sustainable income growth within the listed equity being targeted;
    - Strong potential for the listed equity company which is being targeted to grow significantly in its targeted areas of investment (which are to be in line with the investment strategy of Grit);
    - Shareholding and/or asset management control of the entity, in the ability to

ensure good corporate governance, as well as drive the asset management and investment processes for the medium to long term as well as yield additional income for the company through application of their human capital in the asset management field;
- Significant tax-based incentives through the listed equity nature of the entity and the jurisdiction in which it falls;
- Strong underlying asset base aligned to the investment strategies and return hurdles of Grit.

vii. Target investment into qualifying opportunities which shows compelling and strong fundamentals which could yield growth in asset management opportunities for the company, but which must also meet the fundamental investment criteria of Grit;

viii. Participation in development-based investments which have been substantially commercially de-risked, up to 20% of the total gross asset value (GAV) of the Company, calculated at the point of commitment of capital. This will supplement the Income Returns of the Company, and achieve a balanced Total Investment Return. The following criteria should be largely complied with on development-based investments:
- Strong leasing counter-parties to sufficiently de-risk the development opportunity;
- Sufficient pre-letting/pre-sale hurdles (where applicable) concluded with acceptable leasing counter-parties;
- Detailed technical, legal and property due diligence investigations having been successfully concluded by the company and/or its associated partners in order to gain comfort on any delivery risks that may exist;
- The necessary development related agreements commercially acceptable to the Company being executed in order to mitigate the delivery risk during the development period;
- Development (steering) committee established for the Company to participate and form part of all development processes in order to stay close to the ongoing development decisions that are being taken throughout the process;
- Client representative, being a trusted independent third party, appointed and forming part of the development committee processes and professional team meetings in order to engage the development team with the company's best interest in mind, thereby further mitigating any risks that may arise during the delivery process;

ix. Thereafter, investment will be focused on countries with incoming REIT legislation that have high oil/resource underpinned growth (along with alternative economic income to show diversity and sustainable growth), stable governments and navigable property rights;

x. Partner and form strategic relationships with key in-country stakeholders to expedite company growth;

xi. The Company will assess an on ongoing basis, the disposal of assets within its portfolio which are seen to have reached peak valuation, and therefore presenting an opportunity for capital to be sucessfully recycled into yield accretive pipeline;

xii. The Company will target strategic co-investment at group level and into specific asset classes within its existing portfolio where it is looking to either:
- promote capital raising through reducing its exposure to a certain asset class or jurisdiction in line with its investment exposure thressholds
- where it has identified attractive pipeline and is targeting seed capital for growth in a particular target asset class.

While it is not intended that the Company should rigidly follow all the policies set out in this paper, these policies contain the guiding criteria for selecting investments. The Company can source ad hoc transactions where there is a view to creating value, provided that the risks are deemed to be commercially acceptable and in line with the Company's long term strategic objectives.

This Committee Charter shall be applicable to Grit, and also to any company or companies within the Grit group of Companies, as the Investment Committee may deem appropriate.

2. MEMBERSHIP

2.1 Composition

i. The Investment Committee (the "Committee") shall have at least three members and the majority should be non-executive and where possible, independent. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee.

2.2 Termination

The Board may terminate membership of any person serving on the Committee on recommendation of the Committee or on recommendation of the Nomination Committee.

3. SECRETARY

The Company Secretary shall be the secretary of the Committee.

4. MEETINGS

4.1 Quorum

A quorum shall be a majority of members present in person or via telecommunication facilities.

4.2 Frequency of meetings

The Committee will meet as circumstances dictate, but with a minimum of four (4) meetings being held per annum.

4.3 Notice of meetings

i. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members; and
ii. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting.

4.4 Minutes of meetings

i. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance;
ii. The minutes of the Committee meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Committee and other relevant

personnel as directed by the Committee;
iii. The minutes must be formally approved by the Committee at its next scheduled meeting;
iv. The Secretary shall incorporate the approved minutes of the meeting of the Committee in the meeting files prepared for meetings of the Board for noting purposes; and
v. In addition to the above, the Chairman of the Committee will provide verbal feedback at the meetings of the Board of directors on the Committee's recent activities.

4.5 Attendance

i. The Committee may invite any other relevant person to attend the Committee meetings, but by invitation only. Such persons may not vote on any matters; and
ii. Other Board members shall have the right of attendance with the prior consent of the Chairman of the Committee.

4.6 Annual Work Plan

i. At the final meeting of the calendar year, the Committee should review and update the following documents as is deemed necessary:
   - The Investment Committee Charter
   - The Investment Process Flow (an annexure to the Investment Committee Charter)
   - The Annual Work Plan for the upcoming year
   - The Template IC Approval Paper

5. MEMBER SKILLS AND TRAINING

The Committee's effectiveness in performing its duties depends on its members' understanding and competence in business matters and up to date knowledge of developments affecting the areas of responsibility of the Committee.

The members of the Committee must have sufficient experience and expertise required to perform their functions as set out in this Charter.

New members should receive an orientation that allows them to function effectively from their date of commencement.

In exercising its duties, the Committee will be permitted to consult with specialists or consultants subject to prior Board approval.

Opportunities for continuous education and training on technical issues should be actively pursued by each member.

6. AUTHORITY AND RESPONSIBILITIES

The Committee is responsible for making recommendations to the Board on decisions affecting the portfolio and investment opportunities to grow the portfolio. The Board will determine the Committee's authority level.

The role of the Committee will entail:

i. Understanding the Company's investment goals and how the objectives support the Company's mission;
ii. Adopting, periodically reviewing, and revising the Investment Charter;
iii. Monitoring the performance of invested funds and ensuring that investments are made in accordance with the Investment Charter; and
iv. Provide recommendations on buying, selling, refurbishing and developing investments for

the portfolio.

7. INVESTMENT FOCUS

7.1 Investment Guidelines

The following table provides guideline investment criteria, but each deal should be considered on a case by case basis:

Sector	*Tenant***	*Vacancy (GLA)*	*WALE (main tenant)*	*Lease Currency*
Office	*Blue-chip or multinational head lease*	*Max. 5%*	*Min. 5 years*	*Hard currency**
Retail	*Min. 70% A-grade tenants, majority being nationals*	*Max. 10%*	*Min. 5 years*	*Min. 70% hard currency* #*
Light industrial / warehousing	*Blue-chip or multinational head lease*	*Max. 5%*	*Min. 5 years*	*Hard currency**
Residential	*Blue-chip or multinational head lease*	*Max. 0%*	*Min. 5 years*	*Hard currency**
Hospitality	*Blue-chip or multinational head lease*	*Max. 0%*	*Min. 5 years*	*Hard currency**
Schools	*Blue-chip head lease*	*Max. 0%*	*Min. 5 years*	*Hard currency**
Hospitals	*Blue-chip head lease*	*Max. 0%*	*Min. 5 years*	*Hard currency**

** or where the ability to hedge local currency can be done at minimal cost*

*** the Company will target long-term leases with annual escalations to ensure rental growth*

 # the Company will minimise exposure to local trading currencies and mitigate the risk by only investing in centres with high trading densities and where USD income is prevalent e.g. expat communities

The targeted first year's minimum dividend yield will be 7.5% in Mauritius

The targeted total return will be 12%

Investment exposure limits (e.g. max per country) won't be set, so that the Company can take advantage of merit driven investment opportunities. However, a soft target of no more than 25% - 30% in any asset class and/or jurisdiction is targeted, with these ratios to be reviewed periodically by the Investment Committee to avoid concentration risk.

7.2 Investment Gates and Definitions

All investment opportunities will be subjected to three primary Investment Gates so as to establish their viability. Each opportunity will have to satisfy all criteria of each Gate before it proceeds to the next. These Investment Gates (together with their respective criteria) and associated definitions are defined below:

NO.	TERM	DEFINITION
Gate 1: Country Criteria		
1.1	**Repatriation of Funds**	The flow of funds from foreign territories into Mauritius and the associated conversion of foreign currency into USD and Euro.
1.2	**Political Risk**	History of political unrest and the ability to change legislation that could affect our investment.
1.3	**Currency Risk**	The risk of fluctuating local currency FX rates vs. USD.
1.4	**Land Tenure**	The strength of title to land and legislation of ownership.
1.5	**Debt**	The ability or cost to raise debt.
Gate 2: Target Criteria		
2.1	**Sector**	Commercial; Retail; Residential; Industrial; Hospitality; Education; Medical
2.2	**Country Economic Forecast**	A rating/synopses of the overall state of the country from an economic perspective – i.e. stable/unstable.
2.3	**Ease and Cost of Management**	The ease and the cost necessary to ensure the functional operation/management of the property.
2.4	**Economic Factors**	E.g. – GDP, GDP Growth, GDP per capita, Currency Volatility, Key Exports, Extent of Foreign Direct Investment, Consumer Price Index and Interest Rate.
2.5	**Demographic Study**	The study of characteristics of a given population over time or space. This includes (but is not limited to) factors such as: the size, structure, and distribution of these populations as well as spending power and cost per capita.
2.6	**Pipeline**	The existing collection of prospective investment opportunities. The ability to expand the Company's portfolio once the Company has entered into the market (both existing and new stock).
Gate 3: Fundamental Criteria		
3.1	**Ownership Structure**	The extent of the respective ownership interests of the parties – expressed as a percentage shareholding.
3.2	**Infrastructure**	Direct-investment into site infrastructure (that alleviates in-country government expenditure that would have otherwise had to be spent) in exchange for tax rebates, deducted as a percentage of building costs over a finite period of time.
3.3	**Road Access**	The ease with which end-users can access the property using existing tarred roads.
3.4	**Total Cost (incl. VAT)**	The total purchase consideration payable by the Company in exchange for ownership of the asset, inclusive of VAT, determined in relation to the percentage of the asset to be held by the Company as a proportion of the asset's fair market value.
3.5	**Debt Requirement**	The amount of money that needs to be borrowed from a financial institution as a percentage of the Total Cost (incl. VAT).
3.6	**Equity Requirement**	The amount of money that needs to be provided internally as a percentage of the Total Cost (incl. VAT).
3.7	**Risk Budget Amount**	An equity amount required to cover initial expenses to analyze a deal. These costs are at risk at the analysis stage as the deal is not yet guaranteed to conclude.
3.8	**Initial Property Yield**	Net operating property income expressed as a percentage of purchase price/development cost.

3.9	**Further Development Phases**	The future development of undeveloped portions of the property which comprise the broader master plan of the scheme. Future phases are typically demand-driven, and may include the extension of an existing asset, or the construction of additional uses to complement existing uses.
3.10	**Pre-Let Status vs. Condition**	The proportion of a property scheme that is let to tenants who have signed binding lease offers/lease agreements prior to the acquisition of the property. The Company's hurdle pre-let conditions are 60% (retail); 70% (other) of GLA.

7.3 Strategic Countries

The Company will target the following countries as per section 1 – item iv) above:

i. Morocco;
ii. Mozambique;
iii. Mauritius;
iv. Kenya;
v. Zambia;
vi. Tanzania;
vii. Botswana;
viii. Uganda;
ix. Ghana;
x. Ivory Coast;
xi. Seychelles;
xii. Senegal;
xiii. Rwanda; and
xiv. Cape Verde.

The company will target the following countries as per section 1 – item v) above with the presence of a strong counter party and solid commercial terms:

i. Ethiopia
ii. Tunisia
iii. Reunion
iv. Maldives

The list is not exclusive and the Company will pursue opportunities in other African countries, specifically where REIT legislation is being introduced.

The above-mentioned countries have been chosen due to:

i. Established in-country presence, partnerships and experience;
ii. Underpinned with hard currency based economies;
iii. Natural synergies with the European tourism and retail market;
iv. Strong urbanized and youthful middle class;
v. Favorable policy reform;
vi. Stable government where political risk has been mitigated;
vii. Sustainable high growth rates;
viii. Acceptable GDP/spending power per capita;
ix. Strong inflow of FDI;
x. Acceptable sovereign ratings and outlook by ratings agencies;
xi. Clear tax regimes; and

xii. Solid economic fundamentals.

7.4 Locality Focus

It is the intention to stay within the major metropolis and cities of each target country but the Company can explore opportunities in (i) areas ear-marked for future growth due to burgeoning industries (e.g. oil and gas) and (ii) areas under-pinned by local and foreign investment from government and multinationals.

Target nodes include:

- High and fast growth areas;
- Older well-established areas that are dominant and relevant; and
- Acceptable from an infrastructure and planning approval point of view.

7.5 Property Sector Focus

i. Offices:
- Must form part of a high growth office node;
- Leases and income referenced to USD or acceptable currency;
- Long term leases with acceptable counterparties; and
- Minimal retail and residential components in the office buildings.

ii. Retail shopping centers:
- Target strip malls, neighbourhood centers, convenience centers, retail parks etc. with strong anchor tenant, 70% being A-grade tenants with the majority being nationals;
- Pre-let hurdle of minium 60% in the case of development based retail projects (with majority nationals), or as required by lenders;
- Leases and income referenced to USD or acceptable hard currency;
- Minimal letting risk to be taken and where possible, rental guarantees / zero pricing for vacant space to be applied; and
- Acceptable mixed-use developments with predictable income flow will be considered.

iii. Residential:
- Blue-chip or multinational head lease.

iv. Light Industrial Warehousing:
- Blue-chip or multinational head lease;
- Long term leases with acceptable counterparties;
- Must form part of a high growth light industrial node; and
- Leases and income referenced to USD or acceptable currency.

v. Hospitality:
- Blue-chip or multinational head lease;
- Sale and leaseback deal basis;
- Assume no operational risk; and
- Minimum lease term of 10 years.

vi. Schools:
- Blue-chip head lease;
- Sale and leaseback deal basis;

- Leases and income referenced to USD or acceptable currency; and
- Minimum lease term of 10 years.

vii. Hospitals:

- Blue-chip head lease;
- Sale and leaseback deal basis;
- Leases and income referenced to USD or acceptable currency; and
- Minimum lease term of 10 years.

7.6 Leasehold Land

Where assets are held on leasehold land, there must be a minimum of 30 years remaining on the leasehold property rights.

7.7 Diversification

As a guideline, the Company should target to not hold (i) more than 25% of the GAV of the Company in any single investment and (ii) not more than 30% of the GAV of the Company (at the point where the GAV is greater than $1bn) in any single country. However, in certain circumstances the Company may take advantage of merit driven investment opportunities and not adhere to the 2 diversification guidelines above.

8. INVESTMENT PROCESS AND DEAL PARAMETERS

Deal Screening and the role of the Committee:

8.1 Initial Screening

The investment team will do an initial deal screening to evaluate the proposed transaction in terms of investment parameters and the Company's appetite to enter into the transaction before a detailed analysis is performed.

8.2 Deal Forum

After the initial screening process, a deal forum paper (executive summary) will be presented to senior management for approval.

8.3 Investment Committee

Following approval by senior management, a more detailed paper addressing all risk and return considerations will then be presented to the Committee.

After Committee approval, the standard deal and legal implementation process will be conducted by the investment team.

8.4 Post Investment Committee

If during full DD, the parameters of a deal previously presented to Committee have changed significantly, the Committee will be updated accordingly and further approvals sought if necessary.

8.5 Investment Horizon

Due to the points below, the Company will hold and not trade assets as a primary strategy:

i. The Company is a Total Return company;
ii. The developing nature of the focus/strategic countries;
iii. The time and cost required to secure and implement deals; and
iv. The undersupply of quality real estate assets on the African continent.

Trading of assets will only be considered on an exceptional basis and must be escalated to Board level.

8.6 Gearing

At Company level, the target LTV is 50% or lower.

For lease discounting type facilities, the LTV could be higher depending on the strength of the counterparty's balance sheet and cash flows.

8.7 Lenders

International and local investment grade banks will be targeted for USD or Euro denominated debt funding.

Key considerations on the bank's ability to provide:

i. Availability and liquidity in terms of USD or Euro funding through the term of the loan;
ii. Non-recourse, ring-fenced facilities (where possible);
iii. No cross-default provisions to apply to other facilities;
iv. Minimum term of 3 years;
v. Interest only facilities; and
vi. General acceptable debt funding terms and conditions when it comes to default provisions.

Interest rate risk is to be mitigated through consideration of hedging strategies in line with the recommendations of the Investment Committee and Board, as well as the company's Treasury Policies.

8.8 Valuations

In order to substantiate the targeted investment returns being put forward to the Committee, a formal valuation by an accredited valuer shall be conducted on all new investment opportunities. Valuation of the property portfolio (post acquisition) will be done as and when required, which generally takes place on a semi-annual basis or in line with the company's Valuation Policies. Valuations will also be performed to comply with any regulatory requirements.

8.9 Currency

The Company will target hard currency leases or leases in local currency ("LC") at hard currency equivalent referenced/spot rates. For LC leases, hedging costs should be minimal and reflected in the purchase price in line with the company's Treasury Policies.

The below will be required on all leases:

i. Leases must be payable in hard currency or the LC equivalent of the hard currency (at reference/spot rate); and
ii. Where possible, FX risk must be passed to the tenant;

- A risk exists where tenants are exposed to FX risk by paying their rental in USD while receiving income in LC. A LC depreciation could result in tenant failure. As such, anchor and national tenants should have access to hard currency across their operations or access to hard currency funds.

8.10 Political Risk

Consideration must be given to doing business in countries where political risk exists including acts of terrorism. Where applicable and deemed necessary the Company will get Political Risk Insurance (PRI) cover.

8.11 Board Approval

The final step in the investment approval process shall be approval by the Board.

9. GENERAL

A resolution in writing signed by a majority of the members of the Committee at the time when such resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meetings of the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

This Charter is approved by the Board of Directors on_________________and signed on their behalf by:

____________________________	________________________________
Chairperson of the Board	Chairperson of the Investment Committee