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**SA CORPORATE REAL ESTATE LIMITED**  
**Risk & Compliance Committee**  
**Terms of Reference**

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**Introduction**

The Risk and Compliance Committee ("the Committee") is constituted as a committee of the board of the directors of SA Corporate Real Estate Limited ("the Company").

The duties and responsibilities of the members of the committee are in addition to those as members of the Board. The deliberations of the committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

**Membership**

1. The committee shall include not less than three directors.
2. The committee shall be appointed by the Board.
3. The chairman of the committee shall be appointed by the Board and shall be a non-executive director.
4. The Chairman of the Audit Committee is an *ex officio* member of the committee.
5. The committee's quorum is two members. Members who attend via video or teleconference may be counted in the quorum.
6. The members of the committee must collectively have sufficient qualifications and experience to fulfil their duties.
7. Committee members will be required to keep up to date with developments affecting the areas of responsibility of the committee.

**Attendance at Meetings**

1. The Executive Directors and Compliance Officer, Risk Officer (if not members), other senior management and assurance providers may attend by invitation but may not vote.
2. Other directors shall have the right to attend with the appropriate notice to the Chairman of the committee but may not vote.
3. The Company Secretary will be responsible for the preparation of the agenda in consultation with the Chairman and Executive Directors.
4. The committee's discussion shall at all times be open and constructive. The Chairman shall seek consensus, but may if required, call a vote on the matter under discussion. If there is an equality of votes, the matter will be referred to the Board. The Chairman

shall not have a casting vote. Where a member strongly disagrees with a decision his/her dissent should be noted and recorded in the minutes of the meeting.

5. Round robin resolutions must be sent to all members and must be signed by all members of the committee who are available and contactable and as a minimum require a quorum and the approval by no less than two-thirds of the members. Any such resolution shall be deemed to be signed on the date it was signed by the last Committee member (unless a statement to the contrary is made in that resolution).

### **Frequency of meetings**

1. The committee will meet formally at least twice a year and more frequently as required. In addition, a risk workshop will be held once a year. Meetings should be organised so that attendance is maximised.
2. Any member of the committee may request a meeting and a meeting will then be arranged in consultation with the Chairman of the committee.

### **Duties and Responsibilities**

The committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of all matters laid out in this terms of reference. More critical items will have to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and agenda are to be determined in accordance with the annual plan

The committee must not assume the functions of Management or assume operational responsibilities.

The role of the committee is to assist the Board to ensure that:-

- That the Group has implemented an effective policy and plan for risk management that will enhance the Group's ability to achieve its strategic objectives, and
- The disclosure regarding risk is comprehensive, timely and relevant.
- There is statutory and regulatory compliance.

The Committee has the following specific responsibilities:

### **Risk Management**

1. Annually review and recommend the risk management policy and plan to the Board for approval. Such policy must be in accordance with industry practice and specifically prohibit the entering into any derivative transactions not in the normal course of business as per the applicable legislation.
2. Monitor implementation of the policy and plan for risk management.
3. Make recommendations to the Board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved.
4. Oversee that the risk management plan is widely disseminated and integrated in the day-to-day activities of the Group.
5. Review the processes implemented to monitor the ongoing management of risks.

6. Include investment strategy, IT and fraud risks as an integral part of risk management.
7. Review the risk log / matrix as prepared and maintained by management.
8. Ensure that management considers and implements appropriate risk responses.
9. Liaise closely with the Audit Committee to exchange information relevant to risk.
10. Express the committee's formal opinion to the Board on the effectiveness of the system and process of risk management.
11. Review property and associated insurance policies, the extent of cover and risks and recommend to Board for approval.
12. Review reporting concerning risk management that is to be included in the Integrated Annual Report for it being timely, comprehensive and relevant.
13. Report in the Integrated Annual Report and to the JSE, that the committee has monitored compliance with the risk management policy and that the Group has, in all material aspects, complied with the policy during the year concerned.

### **Compliance**

1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigations and follow up on any instances of non-compliance.
2. Review findings of any examination and on-site reviews by regulatory agencies, and any auditor observations.
3. Obtain updates on compliance matters including tax compliance, litigation, disputes and claims.
4. Monitor compliance of the Group with the JSE Listings Requirements, Companies Act, King III Code on Corporate Governance, other applicable legislation and regulations.
5. Monitoring those decisions taken by the Board that effect the committee are followed through.

### **Authority**

1. The committee acts in terms of the delegated authority of the Board as recorded in these terms of reference. It is authorised by the Board to investigate any activity within the scope of its terms of reference.
2. The committee, in the fulfillment of its duties, is authorised to obtain information it requires from the chairmen of the other board committees, any of the executive directors, officers or company secretary.
3. The committee shall have reasonable access to the Group's records, facilities, the asset and property managers' employees and other resources necessary to discharge its duties and responsibilities.
4. The committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at company's cost, subject to following a Board approved process.
5. The committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

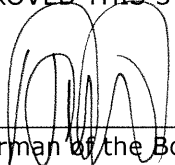
**Reporting procedure**

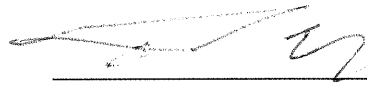
1. The secretary shall include copies of the approved minutes of committee meetings in the board packs for noting purposes.
2. If minutes are not available, the Chairman shall report verbally to the Board on proceedings of the committee.
3. The committee shall annually report to the Board on its statutory duties and review its compliance with its terms of reference and report to the Board thereon.

**Review and Assessment**

1. The committee's terms of reference will be reviewed and updated annually and approved by the Board.
2. The committee's activities and effectiveness shall be assessed by the Board on an annual basis.

APPROVED THIS 3<sup>RD</sup> DAY OF DECEMBER 2015

  
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Chairman of the Board

  
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Chairman of the Committee