

SA CORPORATE REAL ESTATE LIMITED

Code of Conduct

Approved by the Board on 17 May 2016

Code of Conduct

1 Scope of the Code of Conduct

The Code of Conduct applies to the directors, all permanent employees and contracted staff (“employees”) of SA Corporate Real Estate Ltd, and its subsidiary companies (the “Group”).

2 Purpose of the Code of Conduct

The purpose of the Code of Conduct is to ensure that all employees, whether permanent or contracted, behave in a manner which will not discredit the Group.

The Code of Conduct sets out the underlying approach, principles and standards relating to employee conduct.

3 Principles of the Code of Conduct

- 3.1 The employee is required while executing his/her duties to demonstrate behaviour that enhances the reputation and values of the Group;
- 3.2 Management shall avoid any behaviour that is or could be construed as an abuse of position, a conflict of interest or a breach of their fiduciary duties;
- 3.3 The employee must protect and promote the interests of the Group at all times to the best of their ability;
- 3.4 Employees shall execute all reasonable instructions issued by persons officially assigned to give them;
- 3.5 Employees shall use the correct channels to air grievances and opinions;
- 3.6 Employees shall report any mistakes or errors made in their work or judgement to their senior before the close of business that day;
- 3.7 An employee found in breach of his / her Contract of Employment or this Code of Conduct will be subject to disciplinary action in line with the Disciplinary Code;
- 3.8 An employee found committing any form of Fraud, Theft, Corruption, Internal Irregularities or Cybercrime will be subject to disciplinary action and/or legal action.

4 Minimum Requirements

4.1 Professionalism

All employees are expected to perform their duties competently and professionally, thereby maintaining a level of performance in line with the Group’s vision and strategy.

4.2 Discrimination

Discrimination in terms of race, gender, ethnic or social origin, colour, sexual orientation, religion, age, disability, political persuasion, conscience belief, culture, or language will not be tolerated and appropriate disciplinary action will be taken against employees found guilty thereof.

4.3 Sexual Harassment

Sexual harassment in the workplace will not be permitted or condoned under any circumstances and appropriate disciplinary action will be taken against employees found guilty thereof.

Persons who have been subjected to sexual harassment in the workplace have a right to raise a grievance and have their allegations dealt with seriously, expeditiously, sensitively and confidentially.

Employees will be protected against victimization.

4.4 Disorderly Behaviour

Employees will refrain from disorderly behaviour, including horseplay, threatening behaviour, fighting, attempting physical injury of another, negligence or deliberate damage to Group property.

4.5 Political Activities

Employees will refrain from political activities in the work place.

4.6 Intoxicating Substances

No employee may arrive or be present at the workplace while under the influence of any intoxicating substance. The Group reserves the right to send an employee home where the employee is under the influence of any mind-altering or intoxicating substance. The employee undertakes to undergo any test to verify his/her state, as may be required by the Group at its own discretion.

Being under the influence at the workplace is a serious offence, which could lead to the offender's dismissal. For the purposes of this clause "under the influence" means any form of influence, no matter how negligible it may appear or seem.

4.7 Smoking

The Group practices a "no smoking" policy and therefore no smoking will be allowed in the office. Staff wishing to smoke may do so outside and in accordance with the relevant legislation.

The Group reserves the right to ensure that smoking by staff members does not in any way impact on the overall productivity of all staff and therefore staff members who smoke must manage their break periods in a responsible manner to respect departmental needs and at management's discretion.

Prolonged or frequent absences could be dealt with as a matter of performance and conduct.

4.8 Use of company assets for private work

No employee may use the Group's equipment, time or materials for private work without authorisation, however the limited casual use of computer equipment is permissible if not abused. Examples would be private internet banking and managing a small share portfolio. Private work which will not be authorised include work done for remuneration or fees. Private work during office hours and prolonged use of social media, which interferes with an employee's duties, are not permissible.

4.9 Working away from Group Premises

If an employee is required to work at premises other than the Group's premises, the employee is required to inform the line manager of where he/she may be contacted during normal working hours. If the nature of the role allows, an employee may from time to time work from home. Permission must be obtained from the employee's immediate supervisor and must ensure that they are contactable at all times.

4.10 Use of Group Property

The Group will take all reasonable steps necessary to protect its property.

4.11 Private use of Group Suppliers or Contractors

Employees may not use the Group's suppliers for private use if there is any chance that they could be construed as having been in a position to influence the supplier/contractor to provide the service below market rates.

4.12 Membership of Organised Commerce and Industry and Professional Bodies

4.12.1 Guidelines

Although employees are encouraged to be actively involved in society by serving as office bearers in Organised Commerce and Industry and on professional bodies, it must be guarded against such activities interfering with their official duties. Employees will not be compensated for participation in such bodies.

4.12.2 Approval

In all cases employees must first obtain the necessary written permission from the Financial Director / Managing Director to act as office bearers of such organisations.

4.12.3 Membership fees

In cases where the employee's official duties are related to the employee's job specifications, it is expedient or a requisite to be a member of a Professional body, the Group will pay the full membership fee in respect of one body.

Where the Group insists on membership of additional bodies which is of advantage to the Group, the full membership fees will also be paid in respect thereof.

5 Breaches of the Code of Conduct

Non-compliance or breach of the Code of Conduct must be reported to the Compliance Officer who is responsible for reporting the matter to the Risk & Compliance Committee and/or the Board.

6 Code of Conduct review

This Code of Conduct shall be reviewed from time to time.

Annexures

Annexure A: Conflicts of Interest

Annexure B: Fraud, Theft, Corruption, Internal Irregularities, Cybercrime

Annexure C: Moonlighting

Annexure D: Gifts

Annexure A: Conflicts of Interest

A conflict of interest is when an employee's personal and/or business interests, whether direct or indirect, conflict with, or could reasonably be perceived to conflict with, the interests of the Group. This involvement may affect the employee's ability to act with integrity or objectivity in carrying out their role.

1. Definition:

1.1 What is a Conflict of Interest?

1.1.1 Direct

- Running other businesses in competition with the Group;
- Taking on additional employment which interferes with the employee's expected performance where approval for such employment outside the Group was granted;
- When an employee uses their work position for private gain for themselves, any family member, friends or business associate, for example:
 - accessing confidential business information, or
 - involvement in insider dealing or trading, or
 - using the Group's time, materials, property or facilities

1.1.2 Indirect

- Non-disclosure of any business interests that members of your family are involved in where that business conducts, or may in the future conduct business with the Group;
- Where individuals are principal links in one company, and an employee of the Group, and where one of the other principal links in the company also has links to another company which conducts business with the Group.

Principal Link: A principal link brings together the personal details of an individual and any current business interests that the individual may have.

Employee: Includes permanent and temporary employees, independent contractors, vendors, service providers (including their employees).

Employee's Family: Includes all people connected by blood within two degrees of consanguinity, marriage, adoption and co-habitation.

Nepotism: The employment, promotion or advancement of a family member or relative in a position, where that employee is able to directly or indirectly influence the decisions relating to these actions.

2. Disclosure(s)

- #### 2.1 Every employee must disclose any personal and/or business activities in which they have a direct or indirect interest when:

- 2.1.1 Income derived from that interest is more than 10% of your Total Guaranteed Package (TGP) in any twelve (12) month period;
 - 2.1.2 They are involved in, or are able to influence, the decision making process on behalf of the Group relating to their personal and/or business activities;
 - 2.1.3 A family member or relative:
 - 2.1.3.1 Is employed, promoted or transferred into a position, where that employee is able to directly or indirectly influence the decisions relating to their personal and /or business activities;
 - 2.1.3.2 Reports to you either directly or indirectly;
 - 2.1.3.3 Approves, processes, reviews or audits your work.
 - 2.1.4 Disclosures in advance, and annual disclosures
- 2.2 Employees must disclose all business interests (including pre-existing arrangements) annually, between 1 to 31 October and when:
- 2.2.1 Any negotiations begin with a third party;
 - 2.2.2 Any decision-making process where a conflict of interest may arise;
 - 2.2.3 Previously disclosed interest or activity changes materially.
- 2.3 The Group will be able to, via this disclosure process:
- 2.3.1 Allow employees to acquire and maintain personal outside interests where appropriate;
 - 2.3.2 Protect employees from false allegations of conflicts of interest.
- 2.4 Process
- 2.4.1 This process is managed by the Compliance Officer.
3. Approval
- The following must be recorded:
- 3.1 Approval of this interest or activity;
 - 3.2 The conditions of approval.
- The employee applying for approval may not commence the activity prior to the activity being approved.
4. Decline
- Where the interest or activity that gives rise to the potential conflict of interest:
- 4.1 Is judged to be inappropriate or;
 - 4.2 Has the potential to damage the Group's interests and/or reputation,
- the activity should be declined.
5. Review Process
- 5.1 Employees have the right to request a single review of the decision where the activity or interest is declined, or where conditional approvals are granted;

- 5.2 The request must be in writing including the reasons for the request, and copies of all documents relating to the original disclosure of the activity or interest and the decisions;
- 5.3 Reviews are referred to the level above the decision maker for his/her consideration.

6. Directors

- 6.1 The Company's Act 2008, places a duty on a director to disclose any material information to the board regarding any business or contract the Group may be interested or involved in, and not to use his position to gain a personal advantage or to knowingly cause harm to the Group.
- 6.2 If a director (or his wife, family member, or other company which he controls) has a personal financial interest in any matter, business or contract in which the Group is also involved or has an interest, he or she must disclose that interest in writing to the Company Secretary.
- 6.3 If that interest relates to a matter to be considered at an upcoming board meeting, he must do the following:
 - 6.3.1 Disclose the interest and its general nature before the matter is considered at the meeting;
 - 6.3.2 Disclose to the meeting any material information relating to the matter and known to the director;
 - 6.3.3 Disclose any observations or insights relating to the matter if required to do so by the other directors;
 - 6.3.4 Must leave the meeting immediately after making any disclosure and not take part in the consideration of the matter (For the purposes of maintaining the necessary quorum at that meeting, the absent director is still to be regarded as being present);
 - 6.3.5 Not execute any document on behalf of the Group in relation to the matter.
- 6.4 Please refer to the Conflict of Interest Policy for further detail.

Annexure B: Fraud, Theft, Bribery and Corruption, Cybercrime, Internal Irregularities

The Group, persons working for the Group or external third parties may be involved in committing fraud, theft, corruption cybercrime or associated internal irregularities.

1. Definitions

1.1 Fraud

Fraud is defined as any unlawful act or omission by which a misrepresentation is made with the intention to defraud which causes actual or potential prejudice to another, whether or not there is personal benefit to the perpetrator. Examples include:

- Submitting a misleading curriculum vitae (CV) when applying for work;
- Using someone else's password to access a computer system;
- Disclosing client or staff confidential information for financial gain.

1.2 Theft

Theft is defined as the misappropriation of movable property or money with the intention of permanently depriving the owner of the use or possession of these goods (stealing).

An example is taking something of value which does not belong to you, without permission from the owner, e.g. a computer and / or the information on that computer.

1.3 Bribery and Corruption

Bribery is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward that person for having already done so.

- An organisation could be liable if a person in the organisation commits a bribery offence and this person's activities can be attributed to the organisation;
- An organisation could also be liable where someone who performs services for it, like a third party or associate of the Group, pays a bribe specifically to obtain and retain business, or to gain a business advantage for the organisation.

1.3.1 All employees who:

- Procure goods and services e.g. Catering, IT Equipment, event management, security services, maintenance etc., or
- Are involved and responsible for any outsource/insource arrangements/ appointment/ re-appointment of vendors, etc.

MUST ensure that the correct processes are followed before any agreement is reached with the third party.

1.3.2 The Prevention and Combating of Corrupt Activities Act states in Chapter 2 Part 3 that any person who is party to an employment relationship is guilty of an offence when:

1.3.2.1 Receiving an unauthorised gratification* if that person:

- Directly or indirectly;
- Accepts/agrees/offers to accept;
- From any other person;
- Any unauthorised gratification, whether for the benefit of that person or another person.

1.3.2.2 Offering an unauthorised gratification* if that person:

- Directly or indirectly;
- Accepts/agrees/offers to give;
- To any person who is party to an employment relationship;
- Any unauthorised gratification, whether for the benefit of that person or another person.

*Examples of Gratification?

- Cash/money;
- Donation, gifts#, loan, fee;
- Any right or privilege;
- Any payment of any loan or liability;
- Any service, favour or advantage;
- Any valuable consideration or benefit, e.g. a free holiday, tickets to a sport match#;
- Avoidance of loss, liability, penalty, e.g. Pay money you owe in return for a favour e.g. employ a member of the “payers” family;
- Any office, status, honour, employment, e.g. promote you, appoint you into a senior position;
- Any forbearance to demand money, (Forbearance means “abstention” from);
- Any real or pretended aid, vote, consent, influence.

Please refer to Annexure D for allowed and authorised gifts.

Examples of Corruption include but are not limited to:

- Offering someone who does not work for the Group, client information in exchange for a reward (money, other goods or services);
- Paying a supplier's relationship manager a 'performance bonus' in exchange for discounted rates;
- Excessive provision of gifts and entertainment to government officials in order to generate business.

1.4 Cyber-crime

Cyber-crime is defined in Chapter 13 of the Electronic Communications Act (ECT) as:

Any unauthorised access, interception or interference with electronic data, computer-related extortion, fraud and forgery, as well as any attempt to commit, assist or encourage these offences. For example:

- Electronic document forgery;
- Electronic hiding of suspicious information;
- Modifying or destroying electronic data.

1.5 Internal Irregularity

Internal Irregularity includes acts involving unethical or dishonest conduct and these are committed against the background of:

- The employee's general duty to act in the best interest of the employer;
- The employment contract between the employee and employer;
- The employee's job description;
- The employee's performance contract;
- The Group's Policy framework.

Examples include:

- Abuse or misuse of Group and/or time;
- Unacceptable loss of Group assets.

Annexure C: Moonlighting

Employees are not permitted to work on a part-time basis for any other employer or to offer their services in a consulting capacity, unless approval is obtained.

1. Approval

Where an employee is involved in employment outside the Group, the onus lies with the employee to inform his/her manager, in writing, of such involvement and to apply for approval. This approval must be obtained in writing and forwarded to the Compliance Officer.

2. Exceptions to this rule

This rule will only be waived where the Group is not impacted by the following:

- 2.1 The part-time employment is not in any way considered to be in competition to the Group;
- 2.2 The use of the skills involved is not considered to be prejudicial to the Group's best interests;
- 2.3 Availability of the employee for overtime, shift work, etc;
- 2.4 Group time and resources are not used.

Any application to waive this rule must be approved by one Executive Director and the Compliance Officer.

Annexure D: Gifts

1. What this Policy covers

The Group recognises that employees may receive, accept or give gifts to each other, and third parties e.g. clients, suppliers, banks, brokers. This business practice must be managed to avoid any perception of a conflict of interest or corruption. While the Group encourages employees to network with industry stakeholders, caution must be exercised in receiving gifts to ensure it does not create an expectation of influence or an obligation to reciprocate in any way.

1.1 This Policy provides guidelines for:

- 1.1.1 The giving or receiving of gifts by employees and third parties;
- 1.1.2 What can be considered to be a gift;
- 1.1.3 Gifts which are allowed and those that are not;
- 1.1.4 When we need to seek approval before accepting gifts;
- 1.1.5 The recording of these activities.

2. Allowed Gifts

Gifts under R3000 are allowed; however all gifts above R500 must be declared to the Compliance Officer.

Examples

- An item (box of chocolates, bottle of wine, flowers);
- Goods (stationery, clothing, electronic equipment e.g., cell phones, pc's);
- Services (spa and beauty treatments, including vouchers);
- A benefit (tickets to sporting and entertainment events, shows, meals, promotions).

Allowed gifts regardless of the monetary value.

Examples

- Official Group branded goods or items;
- Official Group sponsored functions, promotions or hospitality events;
- Official donations made on behalf of the Group;
- Note: This Policy does not apply to the exchanging of personal gifts between employees where the employee pays for the gift from their own funds for e.g. Birthdays, weddings and other celebrations.

Rewards and incentives given to employees, are allowed, regardless of the monetary value. These need NOT be declared.

Examples

- Recognition awards such as gift vouchers, cash, holidays away;
- Competitions, any lucky draws where employees can win prizes including weekends away, meals, etc.;
- Where these gifts have been sponsored by the Group;
- Farewell gifts and long service awards;
- Group branded promotional items.

SARS considers the above gifts to amount to employee income and are therefore taxable.

Employees can choose one of the following tax treatments:

- Tax to be paid by employee: this reduces the value of the gift
- Tax to be paid by employer: the employee will receive the full value of the gift
- The Financial Director must ensure that that these payments are reflected on the payroll.

3. Gifts not allowed

- 3.1 Gifts exceeding R3000 are not allowed UNLESS prior approval by one Executive Director and the Compliance Officer has been obtained;
- 3.2 An employee's family may not give or receive gifts to third parties on the employee's behalf;
- 3.3 Travel for yourself or your family paid for by third parties;
- 3.4 Gratuity (a sum of money given free of charge such as offering to pay a subscription or account);
- 3.5 Gift vouchers, accommodation, conferences;
- 3.6 Money (cash, cheque);
- 3.7 Donations (providing money, office equipment or other property to employees for charitable causes or out of generosity);
- 3.8 The sponsorship of an employee (by contributing towards the cost of some project, course or activity) by companies who have a business relationship with the Group.

You may not accept or give more than one gift in respect of the same third party in any 3-month period. In addition, the value of gifts from the same third party may not exceed R3000 in the same calendar year.

4. Gifts Register

- 5.1 The Compliance Officer maintains the Gifts Register and records all gifts above R500 therein, which is reviewed each quarter by the Financial Director;
- 5.2 All relevant details pertaining to the gift must be entered in the Register;
- 5.3 Disclosures recorded in the Gifts Register must be stored for three years before being deleted.

5. Approval

Employees must:

- 6.1 Notify their line manager and the Compliance Officer via e-mail of all gifts received in excess of R500 in value.
- 6.2 Consult their line manager or the Compliance Officer if they are not sure of the value.
- 6.3 Not accept any gifts of more than R3000 in value unless prior written approval has been granted by an Executive Director and the Compliance Officer.

The Compliance Officer must:

- 6.4 Proactively manage the receiving and giving of gifts;
- 6.5 Record, approve or decline gifts via e-mail and keep a record thereof;
- 6.6 Provide guidance and advice on approvals.
- 6.7 Not unreasonably refuse approvals for requests to accept gifts.