
SA CORPORATE REAL ESTATE LIMITED BOARD CHARTER

Introduction

The Board (“the Board”) of SA Corporate Real Estate Limited (“the Group”) subscribes to the principles of good governance as set out in the King IV Report on Corporate Governance for South Africa 2016 (“King IV”) and regards these as fundamentally important to the business success and sustainability of the Group.

The Board is committed to high ethical standards and undertakes that it as well as its agents will conduct business honestly, scrupulously and with integrity, applying moral standards, which are supported by sound values and principles.

This charter regulates how the business is to be conducted by the Board in accordance with the principles of good corporate governance, allowing for the specific responsibilities to be discharged by Board members collectively, whilst at all times acting in the best interest of the Company.

The board charter is subject to the Companies Act, the Company’s Memorandum of Incorporation (“MOI”), JSE Listing Requirements, REIT tax provisions and all statutory and regulatory requirements.

Composition of the Board

1. The Board should comprise of at least than 7 (seven) directors and not more than 12 (twelve). [MOI 25.1]
2. The Board should comprise of executive and non-executive directors with a majority of non-executive directors. The majority of non-executive directors should be independent as defined in King IV. [Pr 7 rp 8]
3. The composition of the Board, including its size, diversity, mix of knowledge, skills and experience including property industry experience, shall be considered by the Nomination Committee, which shall make appropriate recommendations and nominations to the Board. [Pr 7 rp 7]
4. There shall be a sufficient number of directors with appropriate proficiencies to ensure that the Board is able to carry out its duties and responsibilities, and there should be an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. [Pr 7 rp 6]
5. A minimum of two executive directors should be appointed to the Board being the Managing Director and the Financial Director.
6. The Board should set targets for race and gender representation in its composition. [Pr 7 rp 11]
7. The Board should ensure that there is an appropriate balance of power and authority on the Board, such that no single individual, or group of individuals can dominate the Board.

Nomination, election and appointment

1. Directors should be appointed through a transparent and formal process that includes independent background and reference checks and the Nomination Committee shall assist with the process of identifying suitable candidates for election.
2. The Board may appoint directors to fill any vacancies provided that such appointments are confirmed and approved by the shareholders at the next annual general meeting ("AGM").
3. One third of the non-executive directors should retire by rotation on an annual basis but may be re-elected at the AGM.
4. Non-executive directors who have held office for a period of three (3) years since appointment or last re-election, reached the age of 75 years or older and/or held office for a period of nine (9) years since his first appointment, shall retire at the next AGM and may be re-elected providing he/she is eligible for election. [MOI 25.12.2]
5. Nomination for re-election should be considered on the basis of a director's performance, including attendance at meetings. [Pr 7 rp 18]

Independence

1. The independence of all independent non-executive directors will be assessed on an annual basis with specific focus on the independence of independent non-executive directors who have served for more than nine (9) years.
2. Non-executive directors should not receive shares in the Company or participate in the Forfeitable Share Incentive Plan.

Chairman

1. The Board should elect an independent non-executive director as Chairman who will serve for a term of two years.
2. The Chairman may be re-elected following his/her performance appraisal lead by the lead independent director, when appointed, or a director agreed on for that purpose. [Pr 9 rp 72]
3. The Chairman's role and responsibilities must be documented. [Pr 7 rp 18]

Meeting Procedures

1. The Company Secretary will facilitate the process of setting the agenda for each meeting as agreed with the Chairman and Managing Director. Board members may request that specific matters be placed on the agenda.
2. Dates of meetings shall be set so as to aim for full attendance and reasonable notice in writing thereof shall be given to all directors.
3. The quorum for a meeting of directors in terms of MOI is a majority of directors.
4. Board papers will be timeously circulated and/or delivered so as to enable directors to be properly prepared for meetings.
5. Members of senior management, assurance providers and professional advisors may attend meetings, but by invitation only and may not vote.
6. In the absence of the Chairman, the Board may elect one of the directors present to act as Chairman for the purpose of the meeting.

7. The Board's discussion shall at all times be open and constructive. The Chairman shall seek consensus but may, where required necessary, call for a vote on the matter under discussion. The Chairman shall not have a casting vote.
8. Comprehensive minutes of all Board meetings shall be kept and shall be circulated to the Chairman and Managing Director for review. The minutes must be formally approved by the Board at its next scheduled meeting.
9. The Board must establish an annual work plan for each year to ensure that all relevant matters are covered in the agenda of the meetings planned for the year. The annual plan must ensure coverage of all the matters laid out in this Charter. The more critical matters will need to be attended to each year while the 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.
10. Board meetings may be conducted via video or teleconference provided that all concerned can actively participate in the meeting. Directors participating via these facilities will be counted in the quorum.
11. Decisions required to be taken between meetings may be attended to by passing a resolution signed by the directors. Written resolutions must be sent to all directors and must be signed by all directors who are available and contactable and as a minimum require written consent of a majority of directors, given in person or by electronic means. Any such written resolution shall be deemed to be signed on the date it was signed by the last board member.

Frequency of Meetings

1. The Board will meet at least formally four times a year. Additional meetings may be held as and when necessary.
2. Any Board member may in consultation with the Chairman, request that an additional board meeting be held as and when deemed appropriate.
3. The Chairman of the Board may meet with any of the executive directors and/or Company Secretary prior to a board meeting to discuss important issues and agree on the agenda.

Role and Responsibilities of the Board

1. The Board is responsible for determining the strategic direction of the Group. The Board and its directors should act in the best interest of the Group and should exercise leadership, enterprise, integrity and ethical judgement in directing the Group so as to achieve its strategic goals and objectives, in a manner based on accountability and responsibility.
2. The Board acts as custodian of good corporate governance by managing its relationship with Management, the shareholders and other stakeholders of the Group along sound governance principles. [Pr 6]
3. The Board must retain full and effective control of the Group, and shall consider and approve its operating and capital budgets, and its performance criteria.
4. The Board should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities [Pr 10]
5. The Board will implement a formal delegation of authority framework which will be

reviewed on an annual basis.

6. The Board shall give consideration to and approve, subject to any regulatory requirements, all material investments, and acquisitions and disposals of business activities or property of the Group in terms of the approvals framework.
7. The Board should monitor Management's implementation of the Group's strategy, the performance of the Group against approved budgets and performance criteria and the performance of the executives against defined objectives and performance standards.
8. The Board should continuously monitor the solvency and liquidity of the Group.
9. The Board shall prescribe measures to ensure that the Group complies with all relevant laws, regulations and codes of business practice in a way that supports the Company being ethical and a good corporate citizen. [Pr 13]
10. The Board shall ensure the integrity of the Group's integrated annual report and shall be responsible for the preparation and integrity of the Group's annual financial statements. [Pr 5]
11. The Board shall be responsible for approving the results and distribution announcements and determining distribution payable to shareholders and approving the declaration thereof.
12. The Board shall appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainability are all inseparable elements. [Pr 4]
13. The Board shall ensure that the Group has an effective and independent Audit Committee.
14. The Board should govern risk in a way that supports the Company in setting and achieving its strategic objectives and shall ensure that documented risk policy and plan is in place. [Pr 11]
15. The Board should set the levels of risk tolerance and review them once a year.
16. The Board should govern technology and information in a way that supports the Company's achievement of strategic objectives. [Pr 12]
17. The Board shall ensure that there is an effective risk-based internal audit.
18. The Board should adapt a stakeholder inclusive approach that balances the needs, interests and expectations of the material stakeholders with the best interest of the Company. [Pr 16]
19. The Board should lead ethically and effectively and govern the ethics of the Company in such a way that supports the establishment of an ethical culture. [Pr 1 & 2]
20. The Board shall ensure that Group is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business but also the impact the business may have on the environment and societies in which it operates. [Pr 3]
21. The Board is responsible for the appointment of the executive directors, evaluation of their performance and succession planning. [Pr 10 rp 76, 81 & 82]
22. The Board should approve the appointment, including the employment contract, removal and remuneration of the company secretary. [Pr 10 rp 94 & 95]

23. The Board should ensure that the Company remunerates fairly, responsibly and transparently as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. [Pr 14]
24. The Board should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for decision-making and of the Company's external reports. [Pr15]
25. The Board shall review its compliance with its charter at least once a year.

Responsibilities of individual Directors

1. Act in the best interests of the Company, in good faith and with integrity by: -
 - adhering to legal standards of conduct;
 - disclosing real and perceived conflicts of interest;
 - dealing in securities only in accordance with the policy adopted by the Board.
2. Only act within the powers as formally delegated by the Board.
3. Keep all information learned in his capacity as a director confidential.
4. Attend all board meetings and if unable to attend, submit a formal apology, with reasons, to the Chairman or Company Secretary.
5. Exhibit a degree of skill and care as may be reasonably expected from a person of his/her skill and experience.
6. Actively participate in and contribute to Board deliberations in a constructive and frank manner.
7. Participate in the Group's induction programme on appointment and attend such professional development programmes as deemed necessary by the Chairman based on the outcome of the annual assessment of the directors' performance.
8. Directors are entitled to have reasonable access to all relevant Group information and to Management. Such access shall be arranged through the Managing Director.

Board Committees

1. The Board will delegate certain functions to well-structured committees to be chaired by independent or non-executive directors but without abdicating its own responsibilities. [Pr 8]
2. The Board shall apply its collective mind to the information, opinions, recommendations, reports and statement presented by committees or its members. [Pr 8 rp 49]
3. Each board committee will have a formal terms of reference approved by the Board and reviewed annually.
4. The committees are appropriately constituted with due regard to the skills required by each committee.
5. As a minimum, the Board will establish an Audit Committee, a Risk and Compliance Committee, a Nomination Committee, a Remuneration Committee, a Social, Ethics and Environmental Committee and an Investment Committee.

6. The Board may appoint additional sub-committees from time to time to deal with specific matters falling outside the scope of standing committees.

Board Procedures and Policies

The Board must be satisfied that appropriate policies, procedures and practices are in place and are duly observed, so as to protect the Group's assets and reputation. As a minimum, the Board will adopt policies and procedures in respect of the following:

- 1. Independent Professional advice**

The Board shall adopt a procedure whereby any director may take independent professional advice, at the expense of the Group, where there is doubt as to whether a proposed course of actions is consistent with his/her statutory and/or fiduciary duties and responsibilities. Members of the Board shall have access to the advice of the Company Secretary.

- 2. Code of Ethics, Conduct and Conflicts of Interest**

The Board shall adopt a formal Code of Ethics, Conduct of Conduct and Conflict of Interest Policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed.

- 3. Trading in shares**

The Board shall adopt and approve a formal procedure (the information and share dealing policy) to regulate the trading by directors and senior management in the Company's shares.

- 4. Dissemination of Company information**

The Board shall approve a policy (the information and share dealing policy) in respect of the dissemination of information in order to regulate the circulation of price sensitive information and to ensure the equal treatment of all shareholders.

Director Fees

1. Non-executive directors' fees will be approved by the shareholders by special resolution on recommendation by the Board and with input from the Remuneration Committee.
2. With the guidance of the Remuneration Committee, the Board shall satisfy itself that the remuneration levels of the executive directors are appropriately determined.

Performance evaluations

1. The performance of the Board, the Chairman, its committees and its chairmen and the individual directors shall be evaluated by means of a formal process, at least every two years. [Pr 9 rp 73]

APPROVED THIS 1ST DAY OF DECEMBER 2017

Chairman of the Board