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**SA CORPORATE REAL ESTATE LIMITED**  
**Social, Ethics & Environmental Committee (SEEC)**  
**Terms of Reference**

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### **Introduction**

The Social, Ethics & Environmental Committee (“the Committee”) is constituted as a committee of the board of the directors of SA Corporate Real Estate Limited (“the Company”) in terms of section 72(4) of the Companies Act 71 of 2008, as amended (“the Companies Act”) read with Regulation 43 of the Act.

The duties and responsibilities of the members of the Committee are in addition to those as members of the Board of the Company. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities. The Board should apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or its member. [Pr 8 rp 49]

The Committee is a standing committee of the Board and has no fixed term. [Pr 8 rp 43e]

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

### **Membership**

1. The Committee shall comprise not less than three members, being executive and non-executive directors, with a majority being non-executive directors. [Pr 8 rp 46 & 70]
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 Board may be a member of the Committee, but should not be its Chair. [Pr 7 rp 36e]
5. The Committee's quorum is two members of which at least one must be a non-executive director. Members who attend via video or teleconference may be counted in the quorum.
6. The Chairman of the Committee shall be required to attend the Group's annual general meeting to answer relevant questions posed by shareholders.
7. The members of the Committee must collectively have the necessary knowledge, skills and experience to execute its duties effectively. [Pr 8 rp 45]
8. Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee.

### **Attendance at Meetings**

1. If not members of the Committee, the Executive Directors will 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 shall be the secretary of the Committee and will be responsible for the preparation of the agenda in consultation with the Chairman and Managing Director.
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. Written 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. 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 at least twice a year and more frequently as required. 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 has the following duties as may be applicable to the Group in respect of:

#### **Market Place**

The Committee shall monitor:

- 1.1 the Company's standing in terms of the 10 principles set out in the UN Global Compact;
- 1.2 the development and implementation of anti-corruption policies that meet statutory requirements (Prevention and Combating of Corrupt Activities Act) and best practice as defined in the OECD Recommendations and the Tenth Principle of the Global Compact;
- 1.3 compliance with competition legislation and regulations;
- 1.4 conformance to any relevant Industry Charter;
- 1.5 adequacy of systems and policies required to achieve the required BBBEE ratings and targets; and
- 1.6 the adequacy of procedures to ensure the effective monitoring and reporting of the above issues in a measurable manner so as to enhance sustainability.

#### **2. Workplace**

The Committee shall ensure that:

- 2.1 Employment Equity policies meet all relevant legislative requirements;
- 2.2 The Company complies with all relevant workplace health and safety regulations and statutes;
- 2.3 Suitable and effective policies are in place to ensure that suitable staff members are attracted and retained by the Company;
- 2.4 Staff turnover and staff satisfaction levels are regularly monitored;
- 2.5 Staff members are given appropriate opportunities for career improvement through training and education;
- 2.6 The Company provides decent work and working conditions to employees that are aligned with ILO recommendations;

- 2.7 The Company manages its ethics effectively in accordance with the King IV recommendations on ethics management;
- 2.8 There is effective collaboration between the Company and its stakeholders to promote corporate citizenship;
- 2.9 There are policies and processes in place to ensure conducive employee relations; and
- 2.10 All the above issues are aligned with Company strategy and are regularly monitored in a measurable and reportable manner to enhance integration and sustainability.

### **3. Social Environment**

The Committee will oversee the following:

- 3.1 The compliance of all PR and advertising with the requirements of the Code of Advertising Practice of the Advertising Standards Authority of South Africa;
- 3.2 Compliance with the provisions of the Consumer Protection Act on its products and services and that appropriate steps been taken to fully inform all staff of the same;
- 3.3 The effectiveness of the communication mediums (including possible use of social media) used to communicate effectively with its consumers and to monitor stakeholder relations;
- 3.4 Adherence to the South African constitution and the Bill of Rights;
- 3.5 The impact of the business operations on the health and safety of society;
- 3.6 Actions taken to protect, enhance and invest in the well-being of society;
- 3.7 The effectiveness of suitable management committee(s) and/or senior executive(s) in framing and developing appropriate, relevant and measurable corporate social responsibility programmes (CSR) aligned with the needs of the communities in which the business operates;
- 3.8 The appropriateness of the budget allocated for the purposes of community development and CSR programmes;
- 3.9 The effectiveness of policies in place to ensure that all donations and sponsorships are aligned with the Company's community development and CSR programmes;
- 3.10 The efficiency of systems to ensure that neither the Company, nor its business associates are complicit in human rights abuses (e.g. child or bonded labour); and
- 3.11 The selection of suitable (and where possible, measurable) criteria with which to monitor and report the progress in the implementation of the above policies and programmes and facilitate integration in the Company's sustainability report.

### **4. Natural Environment**

The Committee must monitor:

- 4.1 Compliance with all environmental laws and regulations applicable to the Company's business operations;
- 4.2 The adequacy of environmental policies to fully identify and address the impact of its operations and to protect, enhance and invest in the well-being of the environment;
- 4.3 Report on its carbon emissions, energy and water usage;
- 4.4 The appropriateness of measures taken to deal with any pollutant emissions and/or waste/effluent and in an environmentally friendly manner that is independently verifiable;
- 4.5 Actions taken to reduce or minimise the Company's impact on the environmental; and
- 4.6 The alignment of the above criteria with the Company's strategy and the adequacy of the criteria used to measure and report on the implementation of the above policies and procedures to enhance and improve integration and sustainability.

## **Other duties**

1. Monitor, provide input and assist the Board in: [Prs 1 to 3]
  - 1.1 Leading ethically and effectively;
  - 1.2 Governing the ethics of the Company in such a way that support the establishment of an ethical culture; and
  - 1.3 Ensuring that the Company is seen to be a responsible corporate citizen.
2. Act as a sounding board for management's ideas on stakeholder relations;
3. Provide input into the Integrated Annual Report specifically on stakeholder management and sustainability issues.
4. Consider the reputation of the Group with a view to maximising that reputation to the benefit of all its stakeholders;
5. Discuss and debate matters affecting transformation issues impacting the business;
9. To consider all risks within its areas of responsibility and mandate with regard to market place, workplace, social environment and sustainability risks and to provide input to the Risk & Compliance Committee in this regard;
10. The Committee shall consider any other matter referred to it by the Board.

## **Authority**

1. In respect of the statutory duties of the Committee as set out above, the Committee will be accountable to shareholders and report to shareholders as provided for in the Act. In respect of all other duties as contained in these terms of reference, the committee will be accountable and report to the Board.
2. In addition to its statutory duties, 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.
3. 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.
4. The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the 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 review its compliance with its terms of reference and report to the Board thereon.

4. The Committee may be heard at any general shareholders' meeting on any part of the business of the meeting that concerns the committee's functions.

### **Review and Assessment**

1. The Committee's terms of reference will be reviewed and updated annually and approved by the Board.
2. The performance of the Committee, its Chairman and individual members shall be evaluated by means of a formal process, at least every two years. [Pr 9 rp 73]

### Attendance by invitation:

Asset Managers

APPROVED THIS 1<sup>ST</sup> DAY OF DECEMBER 2017.

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Chairman of the Board

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Chairman of the Committee