

## **SA CORPORATE REAL ESTATE LIMITED**

### **INVESTMENT COMMITTEE**

#### **TERMS OF REFERENCE**

##### **1. PURPOSE AND OBJECTIVE**

- 1.1 The Investment Committee (the Committee) has been appointed by the SA Corporate Real Estate Limited Board of Directors (the Board) as a committee of the Board to provide integrated strategic direction on group-wide acquisitions, disposals and capital expenditure, and to make appropriate recommendations to the Board regarding the Company and the Group's investment, divestment and capital expenditure strategy.
- 1.2 The purpose of these Terms of Reference is to set out the Committee's mandate as well as the requirements for its composition and meeting procedures.
- 1.3 The Committee does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.

##### **2. CONSTITUTION AND MEMBERSHIP**

- 2.1 The Committee shall comprise at least three members, the majority of whom shall be non-executive directors. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties and are required to keep up-to-date with developments affecting their required skill set.
- 2.2 The Board shall appoint an independent non-executive director as the Chairman of the Committee.
- 2.3 The Chief Executive Officer shall be a member of the Committee.
- 2.4 The Chief Financial Officer, Chief Operating Officer, Head of Corporate Finance and the Managing Director of Afhco shall be permanent attendees at Committee meetings, but may not vote on any matter placed before the Committee.
- 2.5 The Group Company Secretary shall be the Committee's secretary.

##### **3. MANDATE**

- 3.1 The Committee must perform all the functions as is necessary to fulfil its objective as stated afore including monitoring and overseeing the Company and the Group's activities on matters relating to:
  - 3.1.1 the approval (or recommendation, as appropriate), of acquisitions, disposals and capital expenditure in line with Board approved policy and Group strategy, and in accordance with the Committee's authorities as provided for in the Board-approved Approvals Framework, as determined from time to time;

- 3.1.2 the evaluation of targeted yields by means of post-acquisition and redevelopment reviews;
  - 3.1.3 the review of property portfolio performance against targets;
  - 3.1.4 the review of the outsourced property managers' performance against agreed KPIs;
  - 3.1.5 approval of leases, lease renewals, and development leasing, and such other matters as assigned to it by the Board and in accordance with its delegated authority in terms of the Board-approved Approvals Framework, as determined from time to time;
  - 3.1.6 the approval of the appointment of the Group's property valuers;
  - 3.1.7 the review of SENS announcements and Circulars, to the extent relevant, relating to transactions requiring disclosure and/or shareholder approval in terms of the JSE Listings Requirements; and
  - 3.1.8 recommending revisions of the Group's Valuation Policy to the Board for approval.
- 3.2 The Committee should support the Audit and Risk Committee (ARC) and the Board in ensuring effective risk management oversight, specifically in relation to material risks within its scope (risk allocated to the Committee). The Committee shall give effect to this responsibility through:
- 3.2.1 ensuring the effective monitoring of the risk allocated to the Committee;
  - 3.2.2 considering and reviewing management's feedback and/or assurance provider reports on the design and operating effectiveness of existing key risk responses (focus on major or significant deficiencies), aligned to the Combined Assurance Framework;
  - 3.2.3 considering management updates on action plans identified to remediate any key responses with significant or major deficiencies;
  - 3.2.4 considering management's feedback on key developments that have a potential material impact on the allocated risks (materiality informed by the risk materiality lens to be applied at Group level), as well as the appropriateness of existing key responses or any new/additional key responses required; and
  - 3.2.5 providing feedback through the Committee Chairman to the ARC and the Board on any material risk related matters, specifically the key responses with major or significant deficiencies, key developments with a material impact, any new/additional key responses required or any potential breach of approved risk appetite and tolerance levels (as relevant and appropriate).
- 3.3 The Committee must establish an annual work plan for each year to ensure that all relevant matters as per its mandate are covered by the agendas of the meetings planned for the year.

#### **4. REPORTING**

- 4.1 The Chairman of the Committee shall report to the Board on the activities of the Committee after each meeting, drawing matters within its mandate to the attention of the Board as occasion requires.
- 4.2 The Committee shall make recommendations to the Board as it deems appropriate, on any area within its mandate.

#### **5. MEETINGS AND PROCEEDINGS**

- 5.1 Meetings of the Committee will be held as the Committee deems necessary, provided that the Committee shall endeavour to meet at least quarterly. Meetings should be organised in order to maximise attendance. The Chairman of the Committee or any member of the Committee, with the consent of the Committee Chairman, may call a special meeting at any other time.
- 5.2 Notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than seven calendar days prior to the date of the meeting.
- 5.3 The meetings of the Committee may be held in person or by means of electronic conferencing as the circumstances may require, provided that the required quorum is met.
- 5.4 The quorum for decisions of the Committee shall be a majority of non-executive directors present for that particular decision. A decision shall be deemed as passed if a majority vote on the matter for decision is passed by the members present at the Committee.
- 5.5 A decision that could be voted on at a meeting of the Committee may instead be adopted by written consent of a quorum of members, given in person, or by electronic means, provided that each member received notice of the matter to be decided. A decision made in such manner has the same effect as if it had been approved at a meeting.
- 5.6 Where decisions are required by way of written resolution, a quorum shall constitute a majority of non-executive directors, one of whom shall be the Committee's Chairman.
- 5.7 Executive directors, senior management, assurance providers, advisors and consultants of the Group, as well as other Board members, may attend meetings of the Committee by invitation as the occasion requires, but may not vote on any matter placed before the Committee.
- 5.8 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's memorandum of incorporation (MoI) regulating the meetings and proceedings of directors and committees.
- 5.9 The Committee's secretary shall take minutes of meetings. Minutes of all meetings shall be circulated to all the members of the Committee. Any director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the Committee's minutes.

5.10 The Committee shall be entitled to place reliance on the work and reports of any employee, assurance provider, advisor or committee of the Board that has responsibility for any function falling within the mandate of the Committee.

## **6. REMUNERATION**

Having regard to the functions performed by the members of the Committee in addition to their functions as directors, and pursuant to the specific power conferred upon the Board by the MoI of the Company, members of the Committee may be paid such remuneration as shall be recommended by the Board, and approved by the Company's shareholders, annually.

## **7. LIMITED LIABILITY**

7.1 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care, skill and judgment, in accordance with their legal and statutory obligations.

7.2 Subject to the above provisions and any relevant legislation and codes of best practice, the members of the Committee shall not attract any personal liability arising from their appointment and the Company shall indemnify members of the Committee to the extent possible in terms of its approved directors' and officers' liability insurance coverage.

## **8. GENERAL**

8.1 The Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it reasonably considers necessary to carry out its duties.

8.2 The Board will ensure that the Committee has reasonable access to professional advice, both internal and external to the Company, in order to perform its duties.

8.3 The Committee may require from any director, prescribed officer or employee of the Company or the Group any information or explanation necessary for the performance of the Committee's functions.

8.4 These Terms of Reference may be amended as required, subject to the approval of the Board, and will be reviewed on an annual basis for relevance and accuracy.

8.5 The Committee shall assess its and its members' effectiveness at least once every two years.

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