

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. Introduction

The Remuneration and Nomination Committee (“the Committee”) is constituted as a sub-committee of the board of directors of Hyprop Investments 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 judgement in accordance with their statutory obligations.

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

2. Purpose

The purpose of these terms of reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

3. Composition

- 3.1. In order to improve efficiencies, the remuneration committee and the nomination committee are combined.
- 3.2. The Committee comprises at least three non-executive directors, a majority of whom are independent non-executive directors.
- 3.3. Members of this Committee and its chairman are nominated by the board.
- 3.4. The Chairman of the Board should not be Chairman of the Remuneration and Nomination Committee.
- 3.5. Discussions pertaining to agenda items related to nomination committee matters are chaired by the Chairman of the Board.
- 3.6. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4. Role

- 4.1. The Committee has an independent role, operating as an overseer and formulator of recommendations to the board for its consideration and final approval.

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Directors: GR Tipper* (Chairman); PG Prinsloo (CEO); LR Cohen (Financial Director);
EG Dube#; KM Ellerine; L Engelbrecht#; MJ Lewin; L Norval;
S Shaw-Taylor*; L van der Watt*; T Mokgatlha*#

(* Non-executive # Independent)

- 4.2. The Committee assists the board to ensure that:-
- 4.2.1. the Company remunerates directors (including fees payable to non-executive directors) and executives fairly and responsibly;
 - 4.2.2. the disclosure of directors' remuneration is accurate, complete and transparent; and
 - 4.2.3. the company's overall remuneration philosophy is promotes the achievement of the company's strategic objectives, encourage individual performance and reward sustainable value creation;
 - 4.2.4. the board has the appropriate composition for it to execute its duties effectively;
 - 4.2.5. directors are appointed through a formal process;
 - 4.2.6. induction and ongoing training and development of directors take place; and
 - 4.2.7. formal succession plans for the members of the board, Chief Executive Officer and senior management appointments are in place.
 - 4.2.8. The committee should ensure that an evaluation of the board takes place on an annual basis and that appropriate corrective action is taken.

5. Responsibilities

The Committee must perform all the functions necessary to fulfil its role as stated above, including but not limited to the following:

- 5.1 Reviews and recommends to the board the company's remuneration philosophy and policies for directors and staff.
- 5.2 Ensures that the remuneration strategy reflects the interests of stakeholders, is comparable to the general remuneration environment in the sector, and complies with relevant principles of good corporate governance.
- 5.3 Considers whether the objectives of the remuneration policy have been achieved.
- 5.4 Ensures that the ratio of fixed and variable pay, in cash, benefits and units, is aligned with the company's strategic objectives.
- 5.5 Reviews the effectiveness of recorded performance measures that govern the vesting of incentives.
- 5.6 Ensures that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- 5.7 Considers the performance of the Chief Executive Officer and Chief Financial Officer, as directors and as executives, when determining their remuneration.
- 5.8 Selects an appropriate peer group when comparing remuneration levels.
- 5.9 Regularly reviews incentive schemes to ensure alignment with unitholder interests and that they are administered in terms of their rules.
- 5.10 Advises on the remuneration of non-executive directors.
- 5.11 Oversees the preparation of the remuneration report included in the integrated annual report, to ensure that it:
 - 5.11.1 is accurate, complete and transparent;
 - 5.11.2 provides a clear explanation of how the remuneration policy has been implemented; and

5.11.3 provides sufficient forward-looking information to the board regarding the fees of non-executive directors so as to enable the board to propose to unitholders, for their consideration and approval, a special resolution in terms of section 66(9) of the Companies Act, 2008.

6. Authority

- 6.1. The board carries ultimate responsibility for the remuneration policy and may deviate from the policy if there are specific reasons to do so in an individual case. The board may, when required or appropriate, refer matters for unitholder approval; for example, new and amended share-based incentive schemes and non-executive director and committee fees.
- 6.2. The Committee acts in terms of the delegated authority of the board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its Charter.
- 6.3. The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, company officers or company secretary to provide it with information subject to following board approved process.
- 6.4. The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities subject to following board approved process.
- 6.5. The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.
- 6.6. 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 a board approved process being followed.
- 6.7. The Committee makes the recommendations to the board that it deems appropriate in any area within the ambit of its Charter where action or improvement is required.

7. Meeting procedures

7.1. Frequency

- 7.1.1. The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter.
- 7.1.2. Meetings in addition to those scheduled may be held at the request of the Chief Executive Officer, head of human resources or other members of senior management or at the request of the board.
- 7.1.3. The Chairman or the members of this committee through the Chairman of this committee, also have the right to schedule a special Remuneration and Nomination committee meeting.
- 7.1.4. The chairman of the Committee may meet with the Chief Executive Officer, head of human resources and/ or the company secretary prior to the Committee meeting to discuss important issues and agree on the agenda.

7.2. Attendance

- 7.2.1. The Chief Executive Officer, Financial Director, head of human resources or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 7.2.2. Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or company secretary.
- 7.2.3. The company secretary is the secretary to this Committee.
- 7.2.4. If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

7.3. Agenda and minutes

- 7.3.1. 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 the matters laid out in these terms of reference: the more critical matters will need 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 the agendas are to be determined in accordance with the annual plan.
- 7.3.2. A detailed agenda, together with supporting documentation, must be circulated, in adequate time prior to each meeting to the members of the Committee and other invitees.
- 7.3.3. Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.
- 7.3.4. The minutes must be completed as soon as possible after the meeting and circulated to the chairman and members of the Committee for review.
- 7.3.5. The minutes must be formally approved by the Committee at its next scheduled meeting.

7.4. Quorum

- 7.4.1. A representative quorum for meetings is a majority of members.
- 7.4.2. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

8. Evaluation

The board must perform an evaluation of the effectiveness of the Committee annually.

9. Approval

These terms of reference were approved by the Committee and the Board and will be reviewed from time to time.