

SOCIAL AND ETHICS COMMITTEE TERMS OF REFERENCE HYPROP INVESTMENTS LIMITED

1. Introduction

The Social and Ethics Committee (“the Committee”) is constituted as a statutory committee of the board of the Hyprop Investments Limited (“the Company”) in terms of section 72(4) of the Companies Act 71 of 2008 read with Regulation 43 of the Companies Regulations, 2011.

The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have 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 judgment in accordance with their legal obligations.

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

2. Purpose of the terms of reference

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. The Committee comprises at least three members, all being directors or prescribed officers of the Company, of whom at least one is a non-executive director, to be appointed by the board.
- 3.2. The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 3.3. The Committee is chaired by a board member who is not the Chairman of the board. The board elects the Chairman of the Committee from the members.
- 3.4. The Committee members are required to keep up-to-date with developments affecting the required skill-set.

4. Role

- 4.1. The Committee has an independent role with accountability to the board. The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.
- 4.2. The role of the Committee is to assist the board with the oversight of social and ethical matters in respect of the Company.

5. Responsibilities

The Committee performs all the functions as are necessary to fulfil its role as stated above and including the following statutory duties:

- 5.1. Monitoring the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - 5.1.1. Social and economic development, including the company's standing in terms of the goals and purposes of:
 - 5.1.1.1. The 10 principles set out in the United Nations Global Compact Principles (as set out in the annexure hereto);
 - 5.1.1.2. The OECD recommendations regarding corruption (as set out in the annexure hereto);
 - 5.1.1.3. The Employment Equity Act; and
 - 5.1.1.4. The Broad-Based Black Economic Empowerment Act.
 - 5.1.2. Good corporate citizenship, including the company's:
 - 5.1.2.1. Promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - 5.1.2.2. Contribution to development of the communities in which its activities are predominantly conducted; and
 - 5.1.2.3. Record of sponsorship, donations and charitable giving.
 - 5.1.3. The environment, health and public safety, including the impact of the company's activities and of its products or services;
 - 5.1.4. Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
 - 5.1.5. Labour and employment, including:
 - 5.1.5.1.1. The company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - 5.1.5.1.2. The company's employment relationships, and its contribution towards the educational development of its employees.
- 5.2. Drawing matters within its mandate to the attention of the Board as occasion requires; and
- 5.3. Reporting, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

5.4. In addition, the Committee will perform such other duties which may be allocated to it by the board from time to time.

6. Authority

- 6.1. The Committee acts in accordance with the delegated authority of the board as recorded in this Charter.
- 6.2. It has the power to investigate, at the Company's cost, any activity within the scope of its terms of reference.
- 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 assurance providers to provide it with relevant information.
- 6.4. The Committee is entitled to reasonable access to the Company's records, facilities and employees necessary to discharge its duties and responsibilities.
- 6.5. The Committee may form, and delegate authority to subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.
- 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 prior approval by the majority of the members.

7. Meetings and Procedures

7.1. Frequency

The Committee holds sufficient scheduled meetings to discharge all its duties as set out in this Charter and its annual work plan, but subject to a minimum of two meetings per year.

7.2. Attendance

- 7.2.1. The Chief Executive Office, Financial Director, other assurance providers, professional advisors and board members may be in attendance at Committee meetings, by invitation (if not members of the Committee), at the discretion of the chairman.
- 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 Committee secretary.
- 7.2.3. If the elected chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman for the duration of that meeting.

7.3. Agenda and minutes

- 7.3.1. The Committee establishes 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.

- 7.3.2. A detailed agenda, together with supporting documentation, is 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 in order to provide appropriate and constructive input on matters discussed.
- 7.3.4. The minutes are completed as soon as possible after the meeting and circulated to the Chairman and members of the Committee for review thereof.
- 7.3.5. The minutes must be formally approved by the Committee at its next scheduled meeting.
- 7.3.6. Minutes of the meeting, signed by the chairman, are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

7.4. Quorum

- 7.4.1. The 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 and accordingly may not vote on any matter.

8. Evaluation

The Committee shall perform a self-evaluation of its effectiveness annually and report the results thereof to the board.

9. Approval

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

Chairman: Social and Ethics Committee
HYPROP INVESTMENTS LIMITED

Date

Chairman of the board
HYPROP INVESTMENTS LIMITED

Date