



TERMS OF REFERENCE OF THE SOCIAL AND ETHICS COMMITTEE

Gemgrow Properties Limited
(Registration number 2007/032604/06)
("Gemgrow" or "the company")

1. Constitution

A formally appointed social and ethics committee of the Board, comprising executive and non-executive directors shall be constituted to assist the Board of directors ("the Board") with social and ethics related matters, as provided for in the Companies Act 71 of 2008 (as amended) (the "Act") and the regulations thereto.

2. Membership

- › The social and ethics committee ("committee") shall consist of not less than 3 (three) members appointed by the Board of directors ("Board"). At the date of Board approval of these amended Terms of Reference, the committee shall comprise of the members listed in Annexure A.
- › At least one of the members shall be a non-executive director who has not been involved in the day-to-day management of the company's business within the past three financial years.
- › The Board shall appoint the committee chairperson and determine the period for which he or she shall hold office.
- › The committee shall nominate a committee secretary.

3. Terms of reference

- › The committee will be responsible for evaluating all social and ethics responsibilities and making recommendations to the Board with regard thereto.
- › The Board may at its discretion delegate authority to the committee to act on its behalf in respect of certain matters and may authorise it to approve projects within specified limits or parameters, which parameters shall then be deemed to be part of these Terms of Reference.
- › The committee shall have due regard to the principles of sound governance and codes of best practice in its functioning and deliberations.

4. Functions and responsibilities

The committee shall have all the functions and responsibilities provided for in the Act, including but not limited to:

- A. monitoring the company's activities with regard to matters relating to:
 - › social and economic development (including the UN Global Compact Principles (Annexure B), the OECD recommendations regarding corruption, the Employment Equity Act and the Broad-Based Black Economic Empowerment Act)

- › good corporate citizenship, including promotion of equality, prevention of unfair discrimination, elimination of corruption, contribution to the development of the communities in which its products or services are marketed and the recording of sponsorships, donations and charitable endowments
 - › the environment, health and public safety, including the impact of the company's activities
 - › consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws
 - › the company's employment relationships with and its contribution towards the educational development of its employees.
- B. drawing matters within its mandate to the attention of the Board as occasion requires; and
 - C. reporting through one of its members to the shareholders at the company's annual general meeting on the matters within its mandate.

5. Meetings

- › Meetings of the committee shall be held as the committee deems to be appropriate, but the committee shall meet at least once each year.
- › The notice of each meeting of the committee, confirming the venue, time and date and enclosing an agenda of items to be discussed (other than under exceptional circumstances) shall be forwarded timeously to each member of the committee prior to the date of the meeting.
- › The quorum for a meeting shall be two members, personally present.
- › Decisions of the committee shall be a majority of members.

6. Proceedings

- › Unless varied by these Terms of Reference, meetings and proceedings of the committee shall be governed by the company's Memorandum of Incorporation ("MOI") regulating the meetings and proceedings of directors and committees.
- › The committee secretary shall take minutes of meetings. Provided that there is no conflict of interest and with the consent of the chairperson, any director may obtain copies of the committee's minutes.



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continued

- › Should any member of the committee have an interest in a matter to be discussed by the committee, he/she shall declare the interest and not participate in the discussion or any decision regarding such matter.

7. Remuneration

- › Having regard to the functions performed by the members of the committee, in addition to their functions as directors of the company, members of the committee may be paid such remuneration as shall be fixed by the Board and approved by shareholders in general meeting.
- › Such remuneration shall be payable in addition to the annual directors' fees payable to the non-executive directors.
- › Expenses reasonably incurred by the committee shall be borne by the company.

8. General

- › In carrying out its tasks under these Terms of Reference, the committee may obtain such outside or other independent professional advice as it considers necessary to carry out its duties. Such expenses (reasonably incurred) shall be borne by the company.
- › The Board shall ensure that the committee has access to professional advice both inside and outside the company in order for it to perform its duties.
- › These Terms of Reference may from time to time be amended, as required, subject to the approval of the Board, or as required by legislation or regulation.

ANNEXURE A

Members of the social and ethics committee

- › C Abrams
- › A Kirkel
- › J Limalia (Chairperson)

ANNEXURE B

United Nations Global Compact Principles

The ten Principles covering Human Rights, Labour, Environmental and Anti-Corruption aspects are as follows:

- › **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- › **Principle 2:** Make sure that they are not complicit in human rights abuses.
- › **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- › **Principle 4:** The elimination of all forms of forced and compulsory labour;
- › **Principle 5:** The effective abolition of child labour;
- › **Principle 6:** The elimination of discrimination in respect of employment and occupation;
- › **Principle 7:** Businesses should support a precautionary approach to environmental changes;
- › **Principle 8:** Undertake initiatives to promote greater environmental responsibility;
- › **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies;
- › **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.