

Terms of Reference

SOCIAL, ETHICS & GOVERNANCE COMMITTEE (SEGC)

A) Purpose

To monitor the company's activities with regard to all relevant legislation, legal requirements and prevailing codes of best practice in matters relating to:

- 1) Social and Economic development, including the company's standing in terms of the goals and purpose of-
 - a) the ten principles set out in the United Nations Global Compact Principles;
 - b) the OECD recommendations regarding corruption;
 - c) the Employment Equity Act;
 - d) the Broad Based Black Economic Empowerment Act.
- 2) The Principles set out in the King IV Code of Corporate Governance for South Africa by-
 - a) evaluating the decisions and actions of the Board of Directors and Management in fulfilling their fiduciary duty to act in good faith, for a proper purpose and in the interest of the Members and employees of the Silver Lakes Homeowners Association;
 - b) monitoring adherence by the Board and Management to the King Commission's Principles of Responsibility, Accountability, Fairness, Transparency and Sustainability;
 - c) dealing with complaints regarding any Director's non-compliance with corporate governance principles.
- 3) Good Corporate Citizenship, including the company's -
 - a) promotion of equality, prevention of unfair discrimination and reduction of corruption;
 - b) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
 - c) record of sponsorship donations and charitable giving.
- 4) The environment, health and public safety, including the impact of the company's activities and of its products or services.
- 5) Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
- 6) Labour and employment including,
 - a) the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions;
 - b) the company's employment relationships and its contribution toward the educational development of its employees.

B) Scope & Responsibilities

- 1) To draw matters within its mandate to the attention of the Board as occasion requires.
- 2) To report through its Chairperson in a report to the shareholders at the company's general meeting on the matters within its mandate.

C) Membership of the committee must comprise:

- 1) not less than 3 directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day to day management of the company's business and must not have been so involved within the previous three financial years.
- 2) plus a maximum of 3 and a minimum of 2 volunteer members of the HOA or their legally appointed representatives, none of whom are office holders or staff members of the HOA, or are involved in the day to day running of the company's business.

D) The social and ethics committee of a company is entitled to –

- 1) require from any director or prescribed officer of the company any information or explanation necessary for the performance of the committee's functions;
- 2) request from any employee of the company any information or explanation necessary for the performance of the committee's functions;
- 3) attend any general members meeting;
- 4) receive all notices of and other communications relating to any general members meeting; and
- 5) be heard at any general members meeting contemplated in this paragraph on any part of the business of the meeting that concerns the committee's functions.

E) Chairperson, Quorum, Voting

- 1) The Committee shall elect a chairperson from amongst its members.
- 2) A quorum for a meeting shall consist of no less than 3 Directors or prescribed officers of the company and not less than 2 volunteer members of the SLHOA.
- 3) Decisions will be by majority vote with the proviso that the company officers may not hold a majority vote on any matter to be decided that relates to a complaint about the conduct of a Director of the Association.

F) Member eligibility

A member shall be temporarily disqualified to serve on the Committee where that member is in any dispute process with the company, or where litigation with the HOA is underway, which instances may be deemed to be a conflict of interest. Past disputes or litigation will not automatically disqualify any member from serving on the Committee.

G) Review of the Terms of Reference

The Committee will annually review the terms of reference to ensure that it remains relevant with the Committee's authority, objectives and responsibilities.

Acknowledgement of the Terms of Reference

The SOCIAL, ETHICS & GOVERNANCE COMMITTEE'S Terms of Reference are acknowledged and endorsed by the Chairperson of the Committee and the Board of Directors.

Name:
Social, Ethics & Governance Committee Chairperson

Name:
Chairperson of the Board of Directors

Date: _____

Date: _____