

MAINLAND

**Mainland Real Estate Ltd
Draft Terms of Reference – Investment Committee Charter
February 2017**

1 INTRODUCTION

The Investment Committee (“the Committee”) is constituted as a Committee of the Board of directors of Mainland Real Estate Ltd (“the Company”).

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 judgement in accordance with their legal obligations.

2 PURPOSE OF THE CHARTER

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

3 COMMITTEE COMPOSITION

- 3.1 The Committee shall comprise of not less than three members appointed by the Board (“Committee members”), comprising suitably skilled and experienced executive and non-executive directors, which non-executive directors shall be independent non-executive directors, where possible. The Committee should be comprised of a majority of non-executive directors.
- 3.2 The Chairperson of the Committee should not normally be the Chairperson of the Board.
- 3.3 Members of this Committee and its Chairperson are nominated by the Board.
- 3.4 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- 3.5 The Board must fill vacancies on the Committee within 40 business days after the vacancy arises.
- 3.6 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

4 COMMITTEE ROLE AND DUTIES

- 4.1 The Committee has an independent role, operating as an overseer and makes recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

- 4.2 The Committee is empowered and required to carry out the duties set out in the Committee Responsibilities below.
- 4.3 The Committee has an independent role with accountability to both the Board and shareholders.
- 4.4 The role of the Committee is to assist the Board:
 - i. In considering investment opportunities in respect of properties, listed securities and other corporate action.
 - ii. To approve acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it and in line with the strategy determined by the Board.
- 4.5 In addition to chairing meetings of the Committee, the Committee's Chairperson shall consult and maintain a dialogue with key individuals whose roles relate to the Committee's interests, including the Chairperson of the Board, the Chief Executive Officer and the Chief Financial Officer and executives responsible for the Company's Investment activities.
- 4.6 The Committee's Chairperson shall endeavor to make himself available to report to shareholders and respond to their questions at meetings of the Company's members.
- 4.7 The Committee's Chairperson, in liaison with the Secretary, shall ensure that appropriate and timely induction is provided to new members and on a continuing basis for all members.
- 4.8 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

5 COMMITTEE RESPONSIBILITIES

The Committee must perform all the functions as is necessary to fulfil its role as stated above and including the following:

- 5.1 Review, at least annually, the Company's overall investment strategy and the appropriateness of the Company's current investment portfolio to the achievement of the Company's investment objectives and established risk profile.;
- 5.2 Formulate, for approval by the Board and subsequent application by the Committee a framework and procedures for the consideration of individual investment proposals.
- 5.3 Set criteria and targets for investment;
- 5.4 Review, challenge and approve (as appropriate), in accordance with the Company's investment strategy, proposals brought to its attention;
- 5.5 Periodically review due diligence processes for acquisitions;
- 5.6 Approve equity and other strategic investments;
- 5.7 Review market valuations by external valuers;
- 5.8 Annually review performance of the property portfolio;
- 5.9 Report regularly and make recommendations to the Board for approval;
- 5.10 At least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 5.11 Produce a strategy for the hedging of specific transactions and currency and make recommendations to the Board in this regard.

6 COMMITTEE AUTHORITY

- 6.1 The Committee acts in accordance with its statutory duties and 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 terms of reference.
- 6.2 The Committee, in the fulfilment of its duties, may call upon the chairmen of the other Board Committees, any of the executive directors, officers or company secretary to provide it with information, subject to following a Board approved process.
- 6.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to, sub-committees and may delegate authority to one or more members of the Committee. The Committee shall not be discharged from its responsibilities under this Charter upon any such delegation.
- 6.5 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.
- 6.6 The Committee makes recommendations to the Board that it deems appropriate on any area within the ambit of its charter where action or improvement is required.

7 COMMITTEE MEETINGS AND PROCEEDINGS

- 7.1 Only the members of the Committee shall have the right to attend its meetings. The Committee may, subject to these terms of reference and with the assistance of the Company Secretary, regulate its own proceedings.
- 7.2 The Committee may invite the Company's executives to attend its meetings, in whole or in part, as it considers appropriate.
- 7.3 In the absence of the Committee's Chairperson at a meeting, the remaining members shall elect one of their number to chair the meeting.
- 7.4 The Company Secretary shall act as secretary of the Committee and shall work in liaison with the Chairperson to ensure that the Committee has an appropriate schedule of meetings and receives relevant papers and information electronically in sufficient time to enable full consideration of relevant matters.
- 7.5 The Committee shall meet as often as necessary to carry out its duties and shall meet at least twice annually, to coincide with relevant points in the Company's planning cycle, when the principle business of the meeting shall be to review the Company's investment policy.
- 7.6 Meetings of the Committee shall be convened by the Company Secretary at the request of any of its members, in consultation with the Chairperson, at least twice a year.
- 7.7 The Committee is authorised: (i) to seek any information it requires from any employee/director of the Company in order to perform its duties; (ii) to obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference where required; and (iii) to request the attendance of any employee at a meeting of the Committee as and when required.
- 7.8 Unless otherwise agreed, notices of meetings of the Committee shall contain the date, time and venue of the meeting, together with a description of the items of business for consideration. Notices and supporting documents shall be forwarded to each member of the Committee and to others invited to attend, by such methods as individuals have specified, at least 5 working days prior to the meeting.

7.9 The Secretary shall provide appropriate minutes of the Committee's proceedings and shall circulate the draft minutes to members timeously following each meeting. Approved minutes shall be provided to the other members of the Board.

8 COMMITTEE QUORUM

8.1 The quorum for the transaction of business at the Committee's meetings shall be two members, of whom at least one should be a non-executive member and where possible independent.

8.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

9 COMMITTEE EVALUATION

The Board, with the assistance of the Company Secretary, must perform an evaluation of the effectiveness of the Committee and of its members annually.

10. REMUNERATION

Having regard for the functions performed by the members of the Committee in addition to their functions as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the board by the Constitution of the Company, members of the Committee shall be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

11 RESOLUTIONS IN LIEU OF MEETING

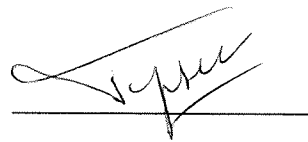
A resolution in writing, signed by the committee members, shall be valid as if it has been passed at a meeting of the Investment Committee, where the resolution is signed by all the committee members.

12 CHARTER APPROVAL

This charter was approved by the Board and the Committee and will be reviewed from time to time.



Chairperson of the Committee



Chairperson of the Board