



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
("AEEI")

POLICY DOCUMENT

SOCIAL & ETHICS COMMITTEE CHARTER

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1. CONSTITUTION

- 1.1 In line with the requirements of section 72 (4) of the companies Act of 2008 (“the Act”) the Board of directors of the Company resolved to establish a statutory Committee of the Board (“the Board”) to be known as the Social & Ethics Committee (“the Committee”) which shall fulfill the duties as listed below in respect of the Company.
- 1.2 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company.
- 1.3 Any reference in this Committee charter (“this Charter”) to the “the Group” is to be construed as a reference to the Company or any company or companies within the Group as the context may require and not necessarily to the Group as a whole.

2. PURPOSE AND ROLE

The Committee is established to assist the Board in ensuring that the Group is and remains a committed socially responsible corporate citizen, reports on organisational ethics, sustainable development and stakeholder relationships. This role includes organisational ethics and cover the statutory duties and to encourage leading practice by having the social and ethics committee progress beyond mere compliance to contribute to the creation of value.

To assist the board of directors in the effective discharge of its responsibilities for oversight of transformation management, ensure that management has implemented and maintained an effective transformation management process in the Group. (Refer to the Transformation Charter and Policy).

The commitment to sustainable development involves ensuring that the Company conducts operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. The Committee’s primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management’s efforts in respect of sustainable development, social and ethics related

matters and ensure that the Group is and is seen to be a responsible corporate citizen which, *inter alia*, includes the following:

- 2.1 Govern the ethics of the Group in a way that supports the establishment of an ethical culture.
- 2.2 Assume responsibility for the governance of ethics as set out by the board for how ethics should be approached and addressed by the organisation.
- 2.3 Ensure that the code of conduct and ethics policies provide for arrangements that familiarize employees and other stakeholders with the organisations ethical standards.
- 2.4 Assume responsibility for transformation as set out by the board in terms of the Group's Transformation Charter and Policy.
- 2.5 Exercise ongoing oversight of the management of ethics and in particular oversee that it results in the following:
 - 2.5.1 Application of the organisations ethical standards to the processes for the recruitment, evaluation of employees, as well as the sourcing of suppliers.
 - 2.5.2 Having sanctions and remedies in place for when the organisation's ethical standards are breached.
 - 2.5.3 The use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately.
 - 2.5.4 The monitoring of adherence to the organisation's ethical standards by employees and other stakeholders through, among other, periodic independent assessments
- 2.6 The following should be disclosed in relation to organisational ethics:
 - 2.6.1 An overview of the arrangements for governing and managing ethics.
 - 2.6.2 Key areas of focus during the reporting period.
 - 2.6.3 Measures taken to monitor organisational ethics and how the outcomes were addressed.
 - 2.6.4 Planned areas of future focus.
- 2.7 Ensure that the Group is and is seen to be a responsible corporate citizen

- ❖ Health
- ❖ Occupational hygiene
- ❖ HIV/AIDS
- ❖ Ethics management
- ❖ Corporate social investment
- ❖ Environmental management
- ❖ Sustainability strategy framework
- ❖ Safety

3. **RESPONSIBILITIES AND DUTIES**

3.1 **STATUTORY DUTIES (Regulation 43 of the Act)**

3.1.1 To govern the ethics of the Group in a way that supports the establishment of an ethical culture and monitor the company's activities (*inter alia* via other committees of the board), having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to –

3.1.1.1 Social and economic development, including the Company's standing in terms of the goals and purposes of

- a) the 10 principles set out in the United Nations Global Compact Principles; and
- b) the Organisation for Economic Cooperation & Development recommendations regarding corruption;
- c) the Employment Equity Act
- d) the Broad-Based Black Economic Empowerment Act;

3.1.1.2 Good corporate citizenship, including the Company's –

- a) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
- b) contribution to development of communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and

c) record of sponsorship, donations and charitable giving;

3.1.1.3 The environment, health and public safety (on recommendation), including the impact of the Company's activities and or its products or services;

3.1.1.4 Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and

3.1.1.5 Labour and employment, including –

a) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and

b) the Company's employment relationships, and its contribution toward the educational development of its employees;

3.1.1.6 Sustainability.

3.1.2 To draw matters within its mandate to the attention of the Board as occasion requires; and

3.1.3 To report, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.

3.2 PRINCIPAL FUNCTIONS

3.2.1 To assist with the governing of the ethics of the Group in a way that supports the establishment of an ethical culture.

3.2.2 Ensure that the Group is and is seen to be a responsible corporate citizen.

3.2.3 Assist management in the formulation and implementation of policies, principles and practices to foster the sustainable growth of the Company on a world-wide basis. "Sustainable Growth" shall encompass a business model that creates value consistent with the long-term preservation and enhancement of financial, environmental and social capital.

- 3.2.4 Assist management in setting strategies, establishing goals and integrating sustainability into the daily business activities across the Group.
- 3.2.5 Review on a continuing basis new and innovative technologies that will permit the Group to achieve sustainable growth and Group actions to protect those technologies.
- 3.2.6 Review on a continuing basis partnerships and relationships both current and proposed, with customers and others that support the Group's sustainable growth.
- 3.2.7 Review on a continuing basis the Group's communication and marketing strategies relating to sustainable growth.

3.3 OTHER DUTIES

- 3.3.1 To develop the framework, policies and guidelines for health, social investment, HIV/Aids and environmental management;
- 3.3.2 To review the policies and performance in respect of sustainable development of the Group and the progressive implementation of its policies;
- 3.3.3 To encourage independently managed subsidiaries, associates and significant investments in the Group to develop policies, guidelines and practices congruent with the Group's health, social, HIV/Aids and environmental policies;
- 3.3.4 To receive and consider reports from all companies in the Group covering sustainable matters and produce the integrated report that focuses on the impact of the Company in the economic environmental and social spheres;
- 3.3.5 To consider material, national and international regulatory and technical developments in the fields of health, social, HIV/Aids and environmental management;

- 3.3.6 To ensure facilitated participation, cooperation and consultation within the Group on health, social investment, HIV/Aids and environmental matters with government, industry, national and international organisations and institutions;
- 3.3.7 To provide guidance relative to the initiatives required to improve the Company's listing in the Socially Responsible Investment Index;
- 3.3.8 To provide guidance in relation to the promotion of good sustainability practice such as Environmental, CSI, BBBEE and stakeholder engagement policies; and
- 3.3.9 To be informed of sustainability risks.

3.3 **GENERAL**

The Committee shall at all times;

- 3.3.1 Give due consideration to the relevant provisions of the Act, the JSE Listings Requirements and the Code of Governance Principles as contained in the King Report;
 - 3.3.2 Retain a copy of the current Charter of the Committee at the registered office of the Company and provide shareholders with a copy of same if requested; and
 - 3.3.3 Consider such other topics and fulfill such other duties as defined by the Board.
- 3.4 In order to discharge its responsibilities and fulfill its duties, the Committee will engage in the specific activities in accordance with the Committee's approved work plan.

4. **POWERS**

- 4.1 In respect of the statutory duties of the Committee as set out above, the Committee will be accountable to shareholders and report to shareholders as

provided for in the Act. In respect of all other duties as contained in this Charter, the Committee will be accountable and report to the Board.

- 4.2 The Board supports and endorses the Committee, which operates independently of management and is free of any organizational impairment.
- 4.3 The Board has an oversight responsibility and the Committee assists the Board in fulfilling this responsibility.
- 4.4 The Committee has unrestricted access to all information, including records, property and personnel of the Group, and must be provided with adequate resources in order to fulfill its responsibilities.
- 4.5 The Committee is authorized by the Board to:
 - 4.5.1 Investigate any activities within the provisions of this Charter;
 - 4.5.2 Seek outside legal or other independent professional advice at the group's expense in accordance with a procedure developed by the Board for this purpose;
 - 4.5.3 Secure the attendance of outsiders with the relevant experience and expertise where necessary at the Group's expense in accordance with a procedure developed by the Board for this purpose;
 - 4.5.4 Seek any information it requires from any employee, to enable the Committee to carry out its responsibility and duties in terms of this Charter and all employees are required to cooperate with any reasonable requests made by the Committee; and
 - 4.5.5 Delegate duties to a management committee of this Committee.

5. MEMBERSHIP

5.1 COMPOSITION

- 5.1.1 The Committee must be constituted so as to ensure its independence.

5.1.2 The members of the Committee shall be appointed by the Board of directors and shall comply with the following membership composition guidelines:

5.1.2.1 Comprise of not less than 3 (three) directors or prescribed officers of the company, at least 1 (one) of whom must be director who is not involved in the day –to-day management of the company’s business;

5.2 **APPOINTMENT**

5.2.1 On recommendation of the Nomination Committee the Board shall appoint the members of the Committee and fill any vacancy as and when required.

5.2.2 If the Board does not appoint a Chairman, the members of the Committee may appoint a Chairman of the Committee by majority vote of the full Committee membership. The Chairman of the Committee shall be required to attend the Company’s annual general meeting to answer relevant questions posed by the shareholders.

5.3 **DURATION OF MEMBERSHIP**

Members of the Committee shall be appointed for such period of time as the Board requires.

5.4 **TERMINATION**

The Board may terminate membership of any person serving on the Committee on recommendation of the committee or on recommendation of the Nomination Committee.

6. MEETINGS

6.1 FREQUENCY

6.1.1 The Committee will meet at least twice a year, or more frequently as circumstances dictate.

6.1.2 Any member of the committee or the chief executive officer, if not a member of the Committee, may request a meeting if deemed necessary and a meeting will be arranged in consultation with the chairman of the Committee.

6.2 NOTICE AND AGENDA

6.2.1 The Company Secretary shall, in consultation with the Chairman of the committee, draft an agenda, which shall be circulated with supporting documentation and notice of the Committee meeting to the members of the Committee (and where applicable to anyone invited to attend the meeting), preferably 5 days prior to each meeting.

6.2.2 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agenda's of the meetings planned for year. The annual work plan must ensure proper coverage of the matters referred to in this Charter.

6.3 MINUTES AND REPORTING PROCEDURE

6.3.1 The Company Secretary shall attend and minute all meetings.

6.3.2 The minutes of the Committee meetings shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.

6.3.3 The secretary shall incorporate the approved minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes.

6.3.4 The Chairman of the Committee will provide verbal feedback at the meetings of the Board of Directors on the Committee's recent activities.

6.3.5 A resolution in writing ("round robin resolution") signed by a majority of the members of the Committee who are present at the time when such

resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

6.4 **QUORUM**

A quorum for meetings of the Committee shall be a majority of members present in person or via telecommunication facilities.

6.5 **ATTENDANCE**

6.5.1 The Chief Executive, the executive responsible for sustainable development and any other senior member of management may be invited to attend Committee meetings.

6.5.2 The Committee (via the Committee Chairman) and/or the Chief Executive Officer may invite any other relevant person to attend Committee meetings.

6.5.3 Other Board members shall have the right of attendance with the prior consent of the Chairman of the Committee.

6.5.4 The Company Secretary shall be the secretary of the Committee.

7. **MEMBER SKILLS AND TRAINING**

7.1. Every member should have experience in some area pertinent to the business of the Committee, and at least one member should be familiar with the industry within which the Group operates.

7.2 New members should receive a complete orientation that allows them to function effectively from the start.

- 7.3 Opportunities for continuous education and training on sustainability issues should be actively pursued by each member.
- 7.4 All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee.

8. SELF ASSESSMENT

- 8.1 The Committee should conduct continual self-assessment or self-evaluation. The Committee chairman shall assess the performance of individual Committee members, and the Board shall evaluate the Committee's Chairman, based on several factors. These include:
 - 8.1.1 Expertise;
 - 8.1.2 Inquiring attitude, objectivity and independence;
 - 8.1.3 Judgement;
 - 8.1.4 Understanding of the Group's business;
 - 8.1.5 Understanding of and commitment to the Committee's duties and responsibilities;
 - 8.1.6 Willingness to devote the time needed to prepare for and participate in Committee deliberations;
 - 8.1.7 Timely responses;
 - 8.1.8 Attendance at meetings.
- 8.2 Input from management should form part of the Committee evaluation.
- 8.3 After completing its evaluation, the Committee should review the results with the Board of Directors, so that appropriate action can be taken on any recommendations resulting from the review.

9. GENERAL

- 8.4 The Committee members are obliged to disclose in writing any interests they have within or outside the company and the Group that may interfere or conflict with the performance of their duties.

8.5 All Group related information that becomes known to directors in the performance of their duties must at all times be kept confidential.

ATTACHMENT ANNEXURES:

1. Annexure 1 The 10 Principles set out in the United Nations Global Compact Principles
2. Annexure 2 The Organisation for Economic Cooperation & Development recommendation regarding corruption
3. Annexure 3 Summary of the Employment Equity Act
4. Annexure 4 Broad Based Black Economic Empowerment Act

This revised Social and Ethics Committee Charter was adopted by the Social and Ethics Committee on 29 August 2017 and approved by the Board of Directors on 30 August 2017.