



**HARMONY GOLD MINING COMPANY LIMITED**  
**("the Company")**

**SOCIAL AND ETHICS COMMITTEE TERMS OF REFERENCE**

**1. CONSTITUTION AND INTRODUCTION**

1.1. In line with section 72(4) of the Companies Act, 2008 ("**the Act**"), read together with regulation 43 of the Companies Regulations, 2011 ("**the Regulations**"), and the King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**"), the Social and Ethics Committee ("**the Committee**") is constituted as –

1.1.1. a statutory committee of the Company in respect of its statutory duties in terms of sections 72(8) of the Act and regulation 43 of the Regulations; and

1.1.2. a committee of the board of directors of the Company ("**the Board**") in respect of all other duties that the Board has delegated to it in terms of these Committee terms of reference ("**these Terms of Reference**") and the Board's approved delegation of authority policy, with the Board remaining ultimately accountable for such delegated responsibilities.

1.2. The Committee has an independent role with accountability to both the Board and the Company's shareholders. The Committee does not assume the functions of management of the Company, which functions remain the responsibility of the Company's executive directors, executive management and senior managers.

1.3. The Committee's activities, responsibilities and duties are subject to –

1.3.1. these Terms of Reference; and

1.3.2. the Board's approved delegation of authority policy, it hereby being recorded that an extract of the current delegation of authority, in so far as it pertains to the Committee is attached hereto as **Annexure B**. [*King IV, principle 8, RP 43(c)*]

- 1.4. The scope of the Committee's activities, responsibilities and duties extends to all relevant operations of (i) the Company; and (ii) any company or companies that are subsidiaries of the Company, as defined in the Companies Act, 2008 ("the **Act**") (collectively, "the **Group**").
- 1.5. These Terms of Reference are subject to the provisions of the Act, the Regulations, the Company's Memorandum of Incorporation ("the **Memorandum of Incorporation**") and any other applicable laws and regulations.

## 2. **PURPOSE OF THESE TERMS OF REFERENCE**

[King IV, principle 8, RP 43]

The purpose of these Terms of Reference is to set out, among other things -

- 2.1. the functions, responsibilities and duties of the Committee;
- 2.2. the requirements for membership of the Committee;
- 2.3. the meeting procedures of the Committee.

## 3. **FUNCTIONS, RESPONSIBILITIES AND DUTIES**

[King IV, principle 8, RP 43(b)]

- 3.1. The responsibilities and duties of the Committee are set out below under the following headings: Statutory duties (in line with regulation 43 of the Regulations); and Other duties (as delegated to the Committee by the Board):
  - 3.1.1. Statutory duties (in line with regulation 43 of the Regulations) [King IV, principle 8, RP 69]
  - 3.1.2. monitor the Company's activities and associated risks (*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 –
    - 3.1.2.1. social and economic development, including the Company's standing in terms of the goals and purposes of –
      - 3.1.2.1.1. the 10 principles set out in the United Nations Global Compact Principles (being those set out in Annexure A hereto);

- 3.1.2.1.2. the Organisation for Economic Co-Operation and Development (OECD) recommendations regarding corruption;
- 3.1.2.1.3. the Employment Equity Act, 1998;
- 3.1.2.1.4. the Broad-Based Black Economic Empowerment
- 3.1.2.1.5. (BBBEE) Act, 2003, as amended;
- 3.1.2.1.6. the Mining Charter; and
- 3.1.2.1.7. the Petroleum Resources Development
- 3.1.2.1.8. Amendment Bill (MPRDA)
- 3.1.2.2. good corporate citizenship, including the Company's –
  - 3.1.2.2.1. promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - 3.1.2.2.2. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - 3.1.2.2.3. record of sponsorship, donations and charitable giving;
- 3.1.2.3. the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- 3.1.2.4. consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
- 3.1.2.5. labour and employment, including –
  - 3.1.2.5.1. the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions;
  - 3.1.2.5.2. the Company's employment relationships, and its

- 3.1.2.5.3. contribution toward the educational development of its employees; and
- 3.1.2.5.4. the Company's contribution toward fostering meaningful, sustainable and long-term partnerships with black-owned companies, particularly with women and the youth;
- 3.1.3. draw matters within its mandate to the attention of the Board as occasion requires; and
- 3.1.4. report, through one of its members, to the shareholders at the Company's AGM on the matters within its mandate,

provided that the Committee shall be responsible for performing any additional and/or amended functions that may from time to time be prescribed by the Act and/or the Regulations;

3.2. **Other duties** (as delegated to the Committee by the Board) *[King IV, principle 8, RP 69]*

The Committee shall:

- 3.2.1. assume responsibility for, oversee and report on –
  - 3.2.1.1. the governance of ethics in a way that supports the establishment of an ethical culture; *[King IV, principle 2]*
  - 3.2.1.2. corporate citizenship in a way that the Company is seen to be a responsible corporate citizen; *[King IV, principle 3]*
  - 3.2.1.3. the governance of compliance by the Company with applicable laws, including the Act (including, without limitation, specifically relating to the Company's incorporation) and adherence to adopted non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen; *[King IV, principle 13] [LR 7.F.6; LR8.63(r)]*
  - 3.2.1.4. the governance of conformance by the Company with its memorandum of incorporation and/or relevant constitutional documents; *[LR 7.F.6; LR8.63(r)]*
  - 3.2.1.5. the governance of stakeholder relationships, in a way that is inclusive of stakeholders and balances the needs, interests and expectations

of material stakeholders in the best interests of the Company over time; *[King IV, principle 16]*

- 3.2.2. set the direction for how –
  - 3.2.2.1. ethics should be approached and addressed by the Company; *[King IV, principle 2, RP 4];*
  - 3.2.2.2. corporate citizenship should be approached and addressed by the Company; *[King IV, principle 3, RP 11];*
  - 3.2.2.3. compliance with applicable laws including the Act (including, without limitation, specifically relating to the Company’s incorporation) and adopted non-binding rules, codes and standards should be approached and addressed in the Company; *[King IV, principle 13, RP 18] [LR 7.F.6; LR8.63(r)];*
  - 3.2.2.4. conformance by the Company with its memorandum of incorporation and/or relevant constitutional documents should be approached and addressed by the Company; *[LR 7.F.6; LR8.63(r)]*
  - 3.2.2.5. stakeholder relationships should be approached and conducted in the Company; *[King IV, principle 16, RP 1];*
- 3.2.3. assisting the Board to direct the Company in a way that does not adversely affect the natural environment, society or future generations; *[King IV, principle 1, RP 1(e)(ii)];*
- 3.2.4. review and approve at least every second year, the following strategies, programmes, plans and policies, designed to articulate and give effect to the direction on (i) organisational ethics; *[King IV, principle 2, RP 5]* (ii) responsible corporate citizenship; *[King IV, principle 3]* (iii) compliance; *[King IV, principle 13, RP 19]* and (iv) stakeholder relationships *[King IV, principle 16, RP 2]:*
  - 3.2.4.1. the Company’s ethics management plan and programme;
  - 3.2.4.2. the Group code of conduct;
  - 3.2.4.3. policy that addresses the Company’s key ethical risks *[King IV, principle 2, RP 6(b)];*
  - 3.2.4.4. broad based black economic empowerment (BBBEE) policy;

- 3.2.4.5. environmental policy (including policy in respect of pollution and waste disposal, and protection of biodiversity); [*King IV, principle 3, RP14(d)*];
  - 3.2.4.6. health and safety policy (including public safety) [*King IV, principle 3, RP14(c)*];
  - 3.2.4.7. stakeholder management policy which encompasses (i) the Company's interaction with both internal and external stakeholders [*King IV, principle 2 RP 6(a)*] and (ii) articulates and give effect to the Board's direction on stakeholder relationships; [*King IV, principle 16 RP 2*];
  - 3.2.4.8. people development policy; [*King IV, principle 3, RP14(a)*];
  - 3.2.4.9. policy in respect of employment equity, fair remuneration and the dignity of employees; [*King IV, principle 3, RP14(a)*];
  - 3.2.4.10. sustainable development framework and policy;
  - 3.2.4.11. whistle blowing policy;
- 3.2.5. ensure that the codes of conduct and policies (including ethics policies) provide for arrangements that familiarise employees and other stakeholders with the Company's standards (including ethical standards). These arrangements should include –
- 3.2.5.1. publishing the Company's codes of conduct and policies on the Company's website, or on other platforms or through other media as is appropriate;
  - 3.2.5.2. the incorporation by reference, or otherwise, of the relevant codes of conduct and policies in supplier and employee contracts, and
  - 3.2.5.3. including the codes of conduct and ethics policies in employee induction and training programmes.
- [King IV, principle 2, RP 7]*
- 3.2.6. ensure effective stakeholder relationship management; [*King IV, principle 16, RP 3*];

3.2.7. oversee and monitor on an ongoing basis –

3.2.7.1. the management of ethics and, in particular, oversee that it results in the following –

3.2.7.1.1. application of the Company's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers;

3.2.7.1.2. having sanctions and remedies in place for when the Company's ethical standards are breached;

3.2.7.1.3. the use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately; and

3.2.7.1.4. the monitoring of adherence to the Company's ethical standards by employees and other stakeholders through, among others, periodic independent assessments;

*[King IV, principle 2, RP 9]*

3.2.7.2. that the Company's core purpose and values, strategy and conduct are congruent with being a responsible corporate citizen; *[King IV, principle 3, RP 13]*

3.2.7.3. how the consequences of the Company's activities and outputs affect its status as a responsible corporate citizen against measures and targets agreed with management in all of the following areas:

3.2.7.3.1. workplace (including employment equity; fair remuneration; and the safety, health, dignity and development of employees).

3.2.7.3.2. economy (including economic transformation prevention, detection and response to fraud and corruption, and responsible and transparent tax policy).

3.2.7.3.3. society (including public health and safety; consumer protection; community development; and protection of human rights).

3.2.7.3.4. environment (including responsibilities in respect of pollution and waste disposal, and protection of biodiversity);

*[King IV, principle 3, RP 14(a)-(d)] [LR 7.F.6; LR8.63(r)]*

3.2.7.4. compliance with applicable laws, including the Act (including, without limitation, specifically relating to the Company's incorporation), rules, codes and standards (including relating to BBBEE, employment equity, environmental management, health and public safety, HIV/Aids, corporate social responsibility, consumer relationships and human resources), in a way that supports the Company being ethical and a good corporate citizen, *[King IV, principle 13]* and in particular, oversee that it results in the following –

3.2.7.4.1. compliance being understood not only for the

3.2.7.4.2. obligations it creates, but also for the rights and protections it affords;

3.2.7.4.3. compliance management taking a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another; and

3.2.7.4.4. continual monitoring of the applicable regulatory environment and appropriate responses to changes and developments.

*[King IV, principle 13, RP 21] [LR 7.F.6; LR8.63(r)]*

3.2.7.5. that the Company is operating in conformity with its memorandum of incorporation and/or relevant constitutional documents; *[LR 7.F.6; LR8.63(r)]*

3.2.7.6. stakeholder relationship management and, in particular, oversee that it results in the following:

3.2.7.6.1. methodologies for identifying individual stakeholders and stakeholder groupings;



- 3.2.7.6.2. determination of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the Company;
- 3.2.7.6.3. management of stakeholder risk as an integral part of organisation-wide risk management; and
- 3.2.7.6.4. formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes;
- 3.2.7.6.5. measurement of the quality of material stakeholder
- 3.2.7.6.6. relationships, and appropriate responses to the outcomes;

*[King IV, principle 16, RP 4(a)-(e)]*

3.2.8. provide guidance in relation to the initiatives required to maintain the Company's listing on the FTSE/JSE Responsible Investment Index and other relevant indices; *[King IV, principle 3];*

3.2.9. ensure disclosure -

3.2.9.1. in the annual financial statements of the Company of a narrative (i) of the Company's compliance with the provisions of Act (including, without limitation, specifically relating to the Company's incorporation); and (ii) that the Company is operating in conformity with its memorandum of incorporation and/or relevant constitutional documents;

3.2.9.2. [of the following information where required in terms of section 7 of the JSE Limited Listings Requirements –

3.2.9.2.1. a statement made by the Committee that it has fulfilled its mandate as prescribed by the regulations and that there are no instances of material non-compliance to disclose; and if such instances of such non-compliance exist, these have been disclosed; and

- 3.2.9.3. of the overall role and associated responsibilities and functions of the Committee; its composition, including each member's qualifications and experience; any external advisers or invitees who regularly attend committee meetings; the number of meetings held during the reporting period and attendance at those meetings; and whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period; *[King IV, principle 8, RP 50]*
- 3.2.9.4. of the arrangements by which the Board and its individual members are being held to account for ethical and effective leadership; *[King IV, principle 1, RP 3];*
- 3.2.9.5. of an overview of the arrangements for governing and managing (i) organisational ethics; *[King IV, principle 2, RP 10(a)]* (ii) responsible corporate citizenship; *[King IV, principle 3, RP 15(a)]* (iii) governing and managing compliance *[King IV, principle 13, RP 23(a)]* (iv) stakeholder relationships *[King IV, principle 16, RP 5(a)];*
- 3.2.9.6. of key areas of focus during the reporting period *[King IV, principle 8, RP 50]* including in relation to (i) organisational ethics; *[King IV, principle 2, RP 10(b)]* (ii) responsible corporate citizenship; *[King IV, principle 3, RP 15(b)]* (iii) governing and managing compliance *[King IV, principle 13, RP 23(b)]* (iv) stakeholder relationships; *[King IV, principle 16, RP 5(b)];*
- 3.2.9.7. of measures taken to monitor (i) organisational ethics; and (ii) responsible corporate citizenship and in each case, how the outcomes were addressed; *[King IV, principle 2, RP 10(c) and principle 3, RP 15(c)];*
- 3.2.9.8. of actions taken to monitor the effectiveness of (i) compliance management; and (ii) stakeholder management, and in each case how the outcomes were addressed; *[King IV, principle 13, RP 23(c) and principle 16, RP 5(c)]* and
- 3.2.9.9. of future areas of focus in relation to (i) organisational ethics; *[King IV, principle 2, RP 10(d)]* (ii) responsible corporate citizenship; *[King IV, principle 3, RP 15(d)]* (iii) governing and managing compliance *[King IV, principle 13, RP 23(d)]* (iv) stakeholder relationships; *[King IV, principle 16, RP 5(d)];*

- 3.2.9.10. of the workplace, social, economic and environmental issues affecting the Company's business;
- 3.2.9.11. of material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, whether imposed on the Company or on members of Board or officers; [King IV, Principle 13, RP 24];
- 3.2.9.12. of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance; [King IV, Principle 13, RP 25];
- 3.2.9.13. of the effect the Company's operation has had on the workplace, economic, social and environmental wellbeing of the community;
- 3.2.9.14. of material or significant risks within the ambit of the Committee's responsibilities;
- 3.2.10. annually review the Company's integrated annual and sustainable development reports for recommendation to the Board in conjunction with the Audit and Risk Committee for disclosures in respect of which it is responsible;
- 3.2.11. ensure that sustainability reporting conforms to the Global Reporting Initiative (GRI) Guidelines, as amended from time to time [King IV, principle 5, RP 10].
- 3.2.12. ensure that a formal process of assurance with regard to sustainability reporting is established through the Audit and Risk Committee; [King III, principle 5, RP 14];
- 3.2.13. approve material elements of sustainability reporting over which the external assurance provider should provide assurance as well as management's bases for determining materiality for the purpose of deciding which information should be included in external reports with regard to sustainability reporting; [King IV, principle 5, RP 13];
- 3.2.14. at all times give due consideration to the relevant provisions of the Act read with the Regulations, the Listings Requirements, the Board's approved delegation of authority policy and King IV;

#### 4. **POWERS**

- 4.1. The Committee is accountable to the Board and the Company's shareholders.

- 4.2. The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment. The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in these Terms of Reference.
- 4.3. The Board has an oversight responsibility in relation to the Company and the Committee assists the Board in fulfilling this responsibility.
- 4.4. The Committee is entitled to [Sections 72(8)(c), (d) and (e) of the Act] -
  - 4.4.1. attend any general shareholders meeting;
  - 4.4.2. receive all notices of and other communications relating to any general shareholders meeting; and
  - 4.4.3. be heard at any general shareholders meeting contemplated in this paragraph on any part of the business of the meeting that concerns the committee's functions
- 4.5. The Committee is authorised by the Board to:
  - 4.5.1. investigate any matters of activities falling within the scope of responsibilities set out in these Terms of Reference;
  - 4.5.2. access outside legal or other independent professional advice in order to provide (i) professional and independent guidance on corporate governance and its legal duties; and (ii) support to co-ordinate its functioning, at the Company's expense, in accordance with any procedure developed by the Board for this purpose; [*King IV, principle 6, RP3, principle 8, RP 43(f), principle 10, RP 90 and Section 72(9) of the Act*];
  - 4.5.3. secure the attendance, at Committee meetings, of non-Committee members with the relevant experience and expertise where necessary, at the Company's expense, in accordance with any protocol or procedure developed by the Board for this purpose;
  - 4.5.4. seek any information it requires from any employee, the Chairmen of Board or statutory committees of the Company, any of the Company's directors, prescribed officers or the Company Secretary, within the scope of responsibilities set out in these Terms of Reference, and all these parties will be required to co-operate with any reasonable requests made by the Committee to provide it with information or explanations necessary for the performance of its functions; [*King IV, principle 8, RP43(f), King IV, principle 6, RP4*];

- 4.5.5. form and delegate its duties to a sub-committee, sub-committees or to any one or more designated members of the Committee, to the extent that same is permitted by the Act and the Regulations.
- 4.5.6. perform any other function or exercise any other authority which the Board may from time to time assign or delegate to the Committee, as the case may be.

## 5. **MEMBERSHIP**

*[King IV, principle 8, RP 43(a)]*

### 5.1. **Composition**

- 5.1.1. The members of the Committee shall be appointed by the Board and shall comply with the following membership composition criteria -
  - 5.1.1.1. the Committee shall consist of at least 3 (three) members *[King IV, principle 8, RP 46]*, which members must be non-executive directors of the Company, of which the majority shall be independent non-executive directors.
  - 5.1.1.2. the Chairman of the Committee shall be an independent non-executive director.
- 5.1.2. The members of the Committee as a whole must have sufficient qualifications, knowledge, skills, experience and capacity to execute their duties effectively. *[King IV, principle 8, RP 45]*

### 5.2. **Appointment**

- 5.2.1. On recommendation by the Nomination Committee, the Board shall appoint the members of the Committee and fill any vacancy as and when required.
- 5.2.2. The Board shall elect the Chairman of the Committee and shall determine the period for which the Chairman shall hold such office. The Chairman of the Committee shall be required to attend the Company's Annual General Meeting ("AGM") to answer relevant questions posed by shareholders. *[King IV, principle 16, RP 6]*.
- 5.2.3. The Chairman of the Board may be a member of the Committee but should not be its chairman. *[King IV, principle 7, RP 36(e)]*.

### 5.3. **Duration of membership**

Members of the Committee shall be appointed for such period of time as the Board requires.  
*[King IV, principle 8, RP 43(d)]*

**5.4. Termination**

5.4.1. The Board may terminate the membership of any member of the Committee.

5.4.2. Members of the Committee may resign by giving written notice thereof to the Committee Chairman, with a copy to the Company Secretary who will notify the Board of any such resignations as soon as reasonably possible.

**6. MEETINGS**

*[King IV, principle 8, RP 43(g)]*

**6.1. Frequency**

6.1.1. The Committee must hold sufficient scheduled meetings in order to discharge all of its duties and will meet at least 4 (four) times a year, or more frequently as circumstances dictate.

6.1.2. Meetings, in addition to those scheduled, may be held with the approval of the Chairman of the Committee or at the request of the Chairman of the Board.

**6.2. Notice and Agenda**

6.2.1. The Company Secretary shall, in consultation with the Chairman of the Committee, draft an agenda for the forthcoming Committee meeting, which shall be circulated, with supporting documentation and a notice of the Committee meeting, to the members of the Committee (and where applicable to anyone invited to attend the meeting) at least 5 (five) days prior to forthcoming meeting, so as to provide members of the Committee (and where applicable to anyone invited to attend the meeting) with reasonable notice of the meeting and of the business to be conducted at the meeting. The members of the Committee shall be entitled to make such agenda proposals as they may consider necessary.

6.2.2. The Committee must establish 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. The annual work plan must ensure proper coverage of the matters contemplated in these Terms of Reference.

**6.3. Attendance**

- 6.3.1. The Chief Executive Officer shall attend all meetings of the Committee as an invitee. *[King IV, principle 10, RP 79]* The Committee may (via the Committee Chairman) invite any other member of the Board and/or executive management and/or senior managers and/or professional advisors to attend Committee meetings. Such persons, to the extent that they are not Committee members, shall not be entitled to vote at Committee meetings.
- 6.3.2. Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Committee Chairman; does not have a vote; and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and has been approved by the Company's shareholders in accordance with the Act; *[King IV, principle 8, RP 48]*
- 6.3.3. Members of the Committee must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless they have, prior to the relevant meeting, submitted to the Committee Chairman, or in Chairman's absence, the Company Secretary, an apology for their absence at the meeting.
- 6.3.4. Where the Committee Chairman is not present within 15 (fifteen) minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to act as Chairman of that meeting.
- 6.3.5. The Committee may, if deemed fit, confer by telephone, closed circuit television, webinar or video conferencing ("**Conference**"). Notwithstanding that the members of the Committee are not present together in one place at the time of the Conference, a resolution passed by members constituting a quorum at such a Conference shall, provided such resolution is recorded in writing and confirmed at the next meeting of the Committee, be deemed to have been passed at a meeting of the Committee held on the day on which and at the time at which the Conference was held. The provisions of these Terms of Reference relating to proceedings of the Committee apply so far as they are capable of application *mutatis mutandis* to such Conferences.
- 6.3.6. The Company Secretary shall be the secretary of the Committee.

#### 6.4. **Quorum**

- 6.4.1. A quorum for meetings of the Committee shall be a majority of members present in person or via Conference.

6.4.2. Persons who are in attendance at Committee meetings by invitation do not form part of the quorum for Committee meetings.

6.5. **Committee Resolutions**

6.5.1. Each member of the Committee has 1 (one) vote on a matter before the Committee and a majority of the votes cast on a resolution at a Committee meeting is sufficient to approve that resolution.

6.5.2. A resolution in writing ("**round robin resolution**") signed by a majority of the members of the Committee 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 received notice of the matter to be decided and, thereby, have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates. *[Section 74 of the Act]*

6.5.3. Any round robin resolution:

6.5.3.1. may be signed or accepted in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document;

6.5.3.2. may, in signed or unsigned form, be conveyed or transmitted by telefax, e-mail or any other form of electronic means, subject to any conditions decided upon by the Committee.

6.5.4. The passing of round robin resolutions of the Committee must not detract from the requirements for frequency of Committee meetings as set out in these Terms of Reference.

6.5.5. All round robin resolutions should be tabled at the next Committee meeting for noting.

6.6. **Minutes and Reporting Procedure**

*[King IV, principle 8, RP 43(e)]*

6.6.1. The Company Secretary shall attend and minute all Committee meetings. In his/her absence, the Committee Chairman may appoint any person to act as the secretary of the Committee at a meeting of the Committee.



6.6.2. The minutes of the Committee meetings shall be completed as soon as possible, but in any event within 14 (fourteen) days of such meeting, and shall be given to the Committee Chairman for review prior to circulation thereof to all members of the Committee for their review thereof. The minutes must be formally approved by the Committee at the next meeting thereof.

6.6.3. The Company Secretary shall incorporate the minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes. In addition, the Chairman of the Committee will provide feedback at the meetings of the Board on the Committee's recent activities.

## 7. MEMBER SKILLS AND TRAINING

7.1. Every member should have knowledge, skills and experience in some area pertinent to the business of the Committee, and at least 1 (one) member should be familiar with the industry within which the Group operates, to ensure that, as a whole, the Committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively. *[King IV, principle 8, RP45]*

7.2. The members of the Committee shall be knowledgeable about the affairs of the Group, the Group governance framework that articulates and gives effect to the Board's direction on the relationships and the exercise of authority across the Group. *[King IV, principle 16, RP12]*

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

7.4. All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee and members should receive training on developments to the Company's ethical standards, codes of conduct and ethics policies. *[King IV, principle 2, RP7(c)]*

7.5. Opportunities for continuous education and training on sustainability issues should be actively pursued by each member.

## 8. REMUNERATION

8.1. Committee members shall be remunerated for their services. The Chairman of the Committee shall be paid an additional fee for his or her services as Chairman.

8.2. The Remuneration Committee of the Company shall recommend the remuneration to be paid to Committee members for approval by the Board and, to the extent required by the Act, approval by shareholders of the Company via special resolution. Such remuneration shall be

fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. *[Section 66(9) of the Act, King IV, principle 14]*

9. **COMMITTEE EXPENSES**

All expenses reasonably incurred by the Committee shall be paid by the Company.

10. **COMMITTEE EVALUATION**

*[King IV, principle 8, RP 43(h)]*

10.1. The Committee should annually conduct a performance evaluation, including an evaluation of the Committee's compliance with, and fulfilment of its responsibilities under, these Terms of Reference. *[King IV, principle 8, RP 43(h), King IV, principle 9, RP 73]*

10.2. After completing its evaluation, the Committee should review the results with the Board, to enable the Board to ensure that such evaluation supports continued improvement in the Committee's performance and effectiveness *[King IV, principle 9]* and so that appropriate action can be taken on any recommendations resulting from the review.

10.3. The Committee must review and reassess the adequacy of these Terms of Reference annually and must recommend to the Board any improvements to these Terms of Reference that the Committee considers necessary. *[King IV, principle 8, RP 42]*

11. **GENERAL**

11.1. The Committee members are obliged to disclose in writing any personal financial interest in terms of section 75 of the Act and any other interests they have within or outside the Company and the Group that may be of interest to the Company or that may interfere or conflict with the performance of their duties, and to disclose at the commencement of each meeting of the Committee if they have any conflict of interest in respect of any matter on the agenda, in which case the member shall be required to recuse themselves from the meeting if so determined by the remaining members of the Committee.

11.2. All Company and Group related information that becomes known to persons in the performance of their duties must at all times be kept confidential.

11.3. Except to the extent of legal or regulatory provisions to the contrary, Committee members, being non-executive directors, are entitled to rely on the executives of the Company and those of other entities within the Group in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Committee

member is not aware of any reasonable grounds upon which reliance or assumption may be inappropriate.

## **Annexure A UNITED NATIONS GLOBAL COMPACT PRINCIPLES**

### **1. The Ten Principles**

1.1. The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

1.1.1. the Universal Declaration of Human Rights;

1.1.2. the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;

1.1.3. the Rio Declaration on Environment and Development;

1.1.4. the United Nations Convention Against Corruption.

1.2. The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

### **2. Human Rights**

2.1. Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

2.2. Principle 2: make sure that they are not complicit in human rights abuses.

### **3. Labour**

3.1. Principle 3: Businesses should uphold the freedom of association and the effective recognition

3.2. Principle 4 the elimination of all forms of forced and compulsory labour;

3.3. Principle 5: the effective abolition of child labour; and

3.4. Principle 6: the elimination of discrimination in respect of employment and occupation.

### **4. Environment**

4.1. Principle 7: Businesses should support a precautionary approach to environmental challenges;

4.2. Principle 8: undertake initiatives to promote greater environmental responsibility; and

4.3. Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **5. Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.”



**Annexure B      EXTRACT OF DELEGATION OF AUTHORITY FRAMEWORK AS APPROVED BY THE BOARD ON AUGUST 2022 DELEGATION OF AUTHORITY MATRIX FOR THE SOCIAL AND ETHICS COMMITTEE**

		<b>Sub-delegation permitted Yes/No</b>	<b>Chief Executive Officer/ Financial Director</b>	<b>Board Committees</b>	<b>Board of Directors</b>	<b>Shareholders</b>
<b>3. ADMINISTRATIVE/OPERATIONAL</b>						
<b>3.5.</b>	Broad Based Black Empowerment policy	No	CEO - <b>Recommend</b>	SE – <b>Approve</b>	Notify	
<b>3.6.</b>	Environmental policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.7.</b>	Health and safety policy	No	CEO - <b>Recommend</b>	SE and TECH – <b>Approve</b>	Notify	
<b>3.8.</b>	Stakeholder management policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.9.</b>	People development policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.10.</b>	Employment equity policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.11.</b>	Sustainable development framework and policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.12.</b>	Whistle blowing policy	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.13.</b>	Ethics management plan and programme	No	CEO - <b>Recommend</b>	SE - <b>Approve</b>	Notify	
<b>3.33.</b>	Group Code of Conduct and Behavioural Code	No	CEO - <b>Agree</b>	SE - <b>Recommend</b>	<b>Approve</b>	
<b>4. ACQUISITIONS OR SALE/DISPOSAL OF ASSETS/INVESTMENTS/PROPERTY</b>						
<b>4.4.</b>	Donation of cash not in budget (per event)					
	Below R 5 million	Yes	CEO or FD - <b>Approve</b>	SE Com – Notify		

	Between R 5 million – R 25 million	No	CEO or FD - <b>Recommend</b>	SE Com – <b>Approve</b>	<b>Notify</b>	
	Greater than R 25 million	No	CEO - <b>Agree</b>	SE Com – <b>Recommend</b>	<b>Approve</b>	