

SOCIAL AND ETHICS COMMITTEE - TERMS OF REFERENCE

1. CONSTITUTION

A formally appointed social and ethics committee of the board comprising executive and non-executive directors, as well as prescribed officers shall be constituted to assist 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”) should consist of not less than 3 (three) members appointed by the board of directors (“board”).
- At least one of the members shall be a director who has not been involved in the day-to-day management of the company’s business within the past 3 financial years.
- Members of the committee shall continue to hold office as members for so long as they remain directors or prescribed officers of the Company, or unless removed from office by the Board.
- 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, normally the company secretary.

3. TERMS OF REFERENCE

- The role of the Committee will be to work on behalf of the board and be responsible for evaluating all social and ethics responsibilities and to make 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 will be assisted with the execution of its responsibilities by officers of the Billion Group Proprietary Limited (the appointed asset and property manager of the company).
- The committee shall have due regard to the principles of governance and codes of best practice in its functioning and deliberations.

4. FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE

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

1. To monitor the company’s activities with regard to matters relating to:
 - social and economic development (including the UN Global Compact Principles; the OECD recommendations regarding corruption, attached

hereto as annexures); the Employment Equity Act; the Broad-Based Black Economic Empowerment Act.

- good corporate citizenship: including promotion of equality, prevention of unfair discrimination, reduction of corruption; contribution to the development of the communities in which its products or services are marketed; record of sponsorship, donations and charitable giving
- 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, and its contribution toward the educational development of its employees (if applicable).

2. To draw matters within its mandate to the attention of the Board as occasion requires; and
3. To report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate and include a report in such regard in the company's integrated annual report.

5. MEETINGS

- Meetings of the Committee will be held as the Committee deems to be appropriate, however, the Committee should meet at least twice 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, shall other than under exceptional circumstances be forwarded to each member of the Committee an adequate time prior to the date of the meeting.
- The quorum for decisions of the Committee shall be a majority of members.

6. REPORTING

- The chairperson (or in his/her absence, any other member) of the Committee shall attend board meetings as well as annual general meetings of the company to provide a report relating to the affairs of the Committee.

7. PROCEEDINGS

- Unless varied by these terms of reference, meetings and proceedings of the Committee will 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. Any director may, provided that there is no conflict of interest and with the consent of the chairperson, obtain copies of the Committee's minutes.
- Should any member of the Committee have an interest in a matter to be discussed by the Committee, he shall declare his interest and not participate in any decision making process regarding such matter.

8. REMUNERATION

- Having regard to the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, and pursuant to the specific power conferred upon the board by the MOI of the company, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board.
- Such special remuneration shall be in addition to the annual fees payable to the non-executive directors.
- Expenses reasonably incurred by the committee shall be borne by the company.

9. GENERAL

- The Committee, in carrying out its tasks under these terms of reference, 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 should ensure that the Committee will have 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.

OECD RECOMMENDATIONS

Anti-corruption guidelines for multinational enterprises are as follows:

- The Guidelines seek to promote and facilitate contributions to the fight against corruption.
- The anti-corruption content of the Guidelines is broader than that of the Convention and the Revised Recommendation, as the Guidelines cover private sector bribery, solicitation of bribes and extortion. They also encourage companies to extend their anti-corruption programmes to their subsidiaries and business partners.
- The standards promoted by the Guidelines reflect more than just the perspectives of developed countries. These standards can be found in other inter-governmental instruments adhered to by a wide range of non-member countries. They have also been integrated in the anti-corruption initiatives of several international private sector associations.
- The Guidelines' distinctive contribution as an anti-corruption instrument is that it provides a framework through which governments and civil society can encourage companies' contribution to the fight against corruption.

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.