

SOCIAL AND ETHICS COMMITTEE CHARTER FOR THE REMGRO GROUP

1 INTRODUCTION

The social and ethics committee ("**Committee**") of Remgro Limited ("**Remgro**" or the "**Company**") is constituted as a committee of the board of directors ("**Board**" or "**Directors**") of the Company.

The Committee's mandate extends to the Company and all subsidiaries of the Company who are required to have a social and ethics committee ("**Remgro Group**") (excluding any subsidiary which has its own social and ethics committee) and, save where the context requires otherwise, any reference in this Charter to the Company shall be deemed to include a reference to each such subsidiary.

The duties and responsibilities of the members of the Committee as set out in this Charter are in addition to those as Directors or prescribed officers, if applicable. The deliberations of the Committee do not reduce the individual and collective responsibilities of the members of the Board in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.

This Charter is subject to the provisions of the Companies Act, No. 71 of 2008 ("**Companies Act**"), the Company's Memorandum of Incorporation, the King IV Report on Corporate Governance 2016, JSE Listings Requirements and any other applicable law or regulatory provision. In this regard, the Charter has given rise to various policies, including, but not limited to the following:

- Code of Ethics;
- Gift policy;
- HIV/AIDS policy and procedures;
- Safety, Health and Environmental Management policy;
- Social Media policy;
- Gender Diversity policy; and
- Policy on the Promotion of Race Diversity.

2 PURPOSE

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 COMPOSITION

The Committee comprises not less than 3 (three) members appointed by the Board, who are Directors or prescribed officers of the Company, provided that the majority of these appointees shall be Directors of the Company who are not involved in the day-to-day management of the Company's business or have been so involved at any time during the previous 3 (three) financial years.

The chairman of the Board may be a member of the Committee but should not be its chair. The Committee shall be chaired by such member as may be determined by the Board from time to time.

The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties, as contemplated in this Charter.

The Board shall have the power at any time to remove any member from the Committee who has been appointed by the Board and to fill any vacancy created by such removal.

The office of a member of the Committee shall be vacated if –

- (a) he or she resigns his or her office by written notice to the Board and the remaining members of the Committee; or
- (b) he or she is removed by the Board as a member of the Committee, or ceases to be a Director or prescribed officer of the Company, as the case may be.

4 RESPONSIBILITIES AND FUNCTIONS

The Committee must oversee and report on the Company's ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, and in particular perform the following functions:-

- 4.1 to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to –
 - 4.1.1 social and economic development, including the Company's standing in terms of the goals and purposes of –
 - (i) the 10 (ten) principles set out in the United Nations Global Compact Principles, being –

Human Rights

Businesses should -

Principle 1: support and respect the protection of internationally proclaimed human rights; and

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

Labour

Businesses should -

Principle 3: uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: eliminate all forms of forced and compulsory labour;

Principle 5: effectively abolish child labour; and

Principle 6: eliminate discrimination in respect of employment and occupation;

Environment

Businesses should -

Principle 7: support a precautionary approach to environmental challenges;

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

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

Anti-Corruption

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

(ii) the Organisation of Economic Co-Operation and Development ("**OECD**") recommendations regarding corruption, which include –

- the development and adoption of adequate internal controls, ethics and compliance programmes or measures for the purpose of preventing and detecting bribery;
- the making of statements in the Company's annual reports or otherwise public disclosure of internal controls, ethics and compliance programmes or measures (including those which contribute to preventing and detecting bribery) adopted by the Company;
- the provision of channels for communication by, and protection of, persons not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for persons willing to report breaches of the law or professional standards or ethics occurring within the Company in good faith and on reasonable grounds, and the taking of appropriate action (including the making of recommendations to the Board) based on such reporting;
- internal monitoring of the Company's implementation of the OECD "Good practice guidance on internal controls, ethics, and compliance" a copy of which is annexed hereto as **Annexure 1**;

(iii) the Employment Equity Act 55 of 1998, the goals of which include –

- promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the Company; and

(iv) the Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act) as amended by B-BBEE Act 46 of 2013 and Government's Amended Black Economic Empowerment Codes of Good Practice, the goals of which include –

- promoting economic transformation in order to enable meaningful participation of black people in the economy;
- achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;
- increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training;

- increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training;
- promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;
- empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills;
- promoting access to finance for black start-ups, small, medium and micro enterprises, co-operatives and black entrepreneurs, including those in the informal business sector; and
- increasing effective economic participation and black owned and managed enterprises, including small, medium and micro enterprises and co-operatives and enhancing their access to financial and non-financial support;

4.1.2 good corporate citizenship, including the Company's –

- (i) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
- (ii) contribution to development of the communities in which the Company's activities are predominantly conducted or within which its products or services are predominantly marketed; and
- (iii) record of sponsorship, donations and charitable giving;

4.1.3 the environment, health and public safety, including the impact of the Company's activities and of its products or services;

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

4.1.5 labour and employment, including –

- (i) the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions, a copy of which is annexed hereto marked **Annexure 2**; and
- (ii) the Company's employment relationships, and its contribution toward the educational development of its employees;

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

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

5 AUTHORITY AND POWERS

The Committee acts in terms of the authority granted to the Committee in terms of the Companies Act and the regulations in terms of the Companies Act. It has the power to investigate any activity within the scope of this Charter.

The Committee is entitled to –

- (a) require from any Director or prescribed officer of the Company any information or explanation necessary for the performance of the Committee's functions;
- (b) request from any employee of the Company any information or explanation necessary for the performance of the Committee's functions;
- (c) attend any general Shareholders' meeting;
- (d) receive all notices of and other communications relating to any general Shareholders' meeting; and
- (e) be heard at any general Shareholders' meeting on any part of the business of the meeting that concerns the Committee's functions.

The Company shall pay all the expenses reasonably incurred by the Committee, including, if the Committee considers it appropriate, the costs or the fees of any external consultant or specialist engaged by the Committee in the performance of its functions.

The Committee has access to Remgro's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee may form, and delegate authority to, sub-committees and may delegate authority to one or more designated members of the Committee.

The Committee will make recommendations to the Board that it deems appropriate on any area within the ambit of this Charter where action or improvement is required.

6 MEETINGS AND PROCEDURES

6.1 Frequency

The Committee must hold such number of scheduled meetings as is required in order to discharge all its duties as set out in this Charter, but subject to a minimum of 2 (two) meetings per financial year.

Meetings in addition to those scheduled may be held at the request of any member of the Committee or at the instance of the Board.

6.2 Attendance

The Committee may invite such other persons to attend any meeting of the Committee, or part thereof, as the Committee may reasonably deem necessary or desirable, provided that such invitees will have the right to speak at the meeting, but not to vote.

The company secretary of Remgro will be the secretary of the Committee ("**Company Secretary**").

Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the chairperson of the Committee or the Company Secretary.

If the appointed chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairperson.

6.3 Notices of meetings

The Board may determine the manner and form of providing notice of the meetings of the Committee.

6.4 Agenda and Minutes

The Committee must establish an annual work plan for each financial year to ensure that all the relevant matters are covered by the agendas of the meetings planned for the year.

A detailed agenda, together with supporting documentation, must be circulated, at least 5 (five) business days prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

The minutes must be completed as soon as possible after the meeting and circulated to the chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

6.5 Quorum

A representative quorum for meetings is a majority of members. Individuals in attendance at Committee meetings by invitation may participate in discussions, but do not form part of the quorum for Committee meetings.

6.6 Decisions

All decisions to be taken by the Committee will be taken by a majority of the members of the Committee present and voting on the relevant matter.

7 EVALUATION

The effectiveness of the Committee is evaluated on an annual basis by way of a self-evaluation and an evaluation by the Board.

8 APPROVAL OF THIS CHARTER

This Charter was approved by resolution of the Board on 19 March 2019 and will be due for review annually thereafter.

This Charter shall be published on Remgro's website, or such other platforms or through media as is appropriate.