

SANTOVA LIMITED

SOCIAL AND ETHICS COMMITTEE CHARTER

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1. Constitution

- 1.1 The Social and Ethics Committee is constituted as a statutory committee of Santova Limited (the Company) in respect of its statutory duties in terms of section 72(4) of the Companies Act, 2008 ("the Companies Act") and a committee of the Board in respect of all other duties assigned to it by the Board.
- 1.3 This charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2. Function

- 2.1 The overall function of the Committee is to assist the directors in discharging their responsibilities relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relations, labour and employment.
- 2.2 The Committee is an advisory committee and not an executive committee. As such it must not perform any management functions or assume any management responsibilities and shall have an objective, independent role.
- 2.3 The Committee undertakes to perform its duties on behalf of all the subsidiaries of the Company.

3. Membership

- 3.1 The Committee will comprise at least three members to be appointed by the Board.
- 3.2 Members of the Committee must be comprised of at least one independent non-executive director.
- 3.3 The Board shall appoint a Chairman to the Committee.
- 3.4 The members of the Committee should collectively have sufficient qualifications, skills and experience to fulfill their duties, including an understanding of the following:

- social and economic issues;
- corporate social investment;
- environmental, health and public safety issues;
- consumer relations and
- labour and employment practices.

3.5 The Board must fill vacancies on the committee within 40 business days after the vacancy arises.

4. **Statutory duties**

The Social and Ethics Committee must:

4.1 monitor the Group's activities with regard to:

- 4.1.1 Social and economic development, including the Group's standing in terms of:
- the ten principles set out in the United Nations Global Compact;
 - the OECD recommendations regarding corruption;
 - The Employment Equity Act; and
 - The Broad-Based Black Economic Empowerment Act.
- 4.1.2 Good corporate citizenship, including the Group's:
- promotion of equality, prevention of unfair discrimination and reduction of corruption;
 - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
 - record of sponsorship, donations and charitable giving.
- 4.1.3 The environment, health and public safety, including the impact of the Group's activities and of its products or services;
- 4.1.4 Consumer relations, including the Group's advertising, public relations and compliance with consumer protection laws; and
- 4.1.5 Labour and employment, including;
- the Group's standing in terms of the International Labour Organisation protocol on decent work and working conditions;
 - the Group's employment relationships and its contribution toward the educational development of its employees.
- 4.2 Report to the shareholders at the Annual General Meetings on matters within its mandate.

4.3 Draw matters within its mandate to the attention of the Board as required.

5. Compliance with laws and regulations

The Committee must consider the legal and regulatory requirements to the extent that it may have an impact on its duties.

6. Meetings and Procedures

6.1 *Agenda and Minutes*

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

6.1.2 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each scheduled meeting, to the members of the Committee and other invitees.

6.1.3 Committee members must be fully prepared for committee meetings, to provide appropriate and constructive input on matters discussed.

6.1.4 The minutes must be completed as soon as possible after the meeting and circulated to the chairman and members of the Committee for review thereof.

6.1.5 Once approved, these minutes should be distributed to all the members of the Board for information purposes.

6.2 *Frequency*

6.2.1 The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of two meetings per year.

6.2.2 Reasonable notice of meetings confirming the venue, time and date; together with an agenda of items to be discussed, shall be forwarded timeously to each member of the Committee, and any other person required to attend the meeting.

6.2.3 Meetings in addition to those scheduled may, with approval of the chairman, be held at the request of the Chief Executive Officer, Group

Financial Director, Group Legal Adviser or other members of senior management or at the instance of the Board.

6.3 **Attendance**

6.3.1 Committee members shall 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 chairman or Company Secretary.

6.3.2 The Company Secretary is the secretary to this Committee.

6.3.4 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

6.3.5 The Chief Executive Officer, Group Financial Director, Group Legal Adviser, professional advisors and Board members may be in attendance at Committee meetings, but by invitation only and they may not vote.

6.3.6 The Group Legal Adviser shall have unrestricted access to the chairman or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee.

6.4 **Quorum**

6.4.1 A representative quorum for meetings is a majority of members of the Committee who are appointed at that time.

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

6.4.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7. **Reporting**

7.1 The chairman of the Committee shall report to the Board on its proceedings after each meeting on all significant matters within its duties and responsibilities as set out in this charter.

- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The chairman (or, in his/her absence, an alternate member) of the Committee shall attend the Annual General Meeting to answer questions, through the Chairman of the Board, on the Committee's activities and its responsibilities.
- 7.4 The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Integrated Report.

8. Authority of the Committee and resources available

- 8.1 The Committee has decision making responsibilities in terms of its statutory duties.
- 8.2 The Committee, in carrying out its tasks under these terms of reference is entitled to:
- Require from a director any information or explanation necessary in the performance of its functions;
 - Request from an employee any information or explanation necessary in the performance of its functions;
 - Attend any general shareholder meetings and receive notices;
 - Be heard at any general shareholder meetings on any business that concerns the Committee's functions; and
 - Have the Company pay the expenses reasonably incurred by the Committee, including the costs of consultants or specialists engaged by the Committee.
- 8.3 In addition, the Social, Ethics and Remuneration Committee is allowed to consult with specialists or consultants to assist it with the performance of its functions, subject to a Board approved process being followed. Such specialists or consultants are not members of the Committee and are not entitled to vote on any matters.

9. Remuneration

- 9.1 Having regard to 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 Memorandum of Incorporation of the Company, members of the

Committee shall be paid such special remuneration in respect of their appointment as shall be determined by the Board.

- 9.2 The chairman of the Committee shall, in addition to his remuneration as a member, receive a further sum as determined by the Board, unless he is also the Chairman of the Board and is remunerated as such.
- 9.3 Such special remuneration in terms hereof shall be in addition to any annual fees payable to directors.

10. General

- 10.1 The members of the Committee shall be provided with appropriate and timely training, where necessary, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.2 The Committee should, on an annual basis, review its own performance and that of its members, its charter and terms of reference to ensure it is operating at maximum effectiveness.
- 10.3 The Board should also perform an evaluation of the effectiveness of the Committee every year.
- 10.4 This charter shall be reviewed annually and amended as required, subject to the approval of the Board.

11. Approval of Charter

This charter of the Santova Social and Ethics Committee as set out above was approved by the Board of Directors on 26 February 2013.