



**THARISA plc**  
**Registration number HE223412**  
**(Incorporated in Cyprus on 20 February 2008)**  
**("Tharisa" or "the Company")**

**SOCIAL AND ETHICS COMMITTEE**  
**TERMS OF REFERENCE**

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**1. BACKGROUND**

1.1 The Board of Directors of the Company ("the **Board**") has resolved to establish a Social and Ethics Committee ("the **Committee**") as required in terms of section 3.84(c) of the JSE Listings Requirements.

1.2 These terms of reference were adopted on [•].

**2. OBJECTIVES OF THE COMMITTEE**

2.1 The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

2.2 The Committee's objective is, among other things, to assist the Board in ensuring that the Company and the other entities in the Group are and remain committed, socially responsible corporate citizens by creating a sustainable business and having regard to the Company's economic, social and environmental impact on the communities in which it operates, which inter alia include public safety, HIV/Aids, environmental management, corporate social investment, consumer relationships, labour and employment, the promotion of equality and ethics management.

2.3 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.

2.4 In respect of the statutory duties of the Committee as set out below, the Committee will be accountable to shareholders. In respect of all other duties as contained in these Terms of Reference, the Committee will be accountable and report to the Board.

2.5 All matters to be considered by the Committee will be for recommendation to the Board.

### 3. **RESPONSIBILITIES**

It is the Committee's statutory responsibility:

3.1 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:

3.1.1 social and economic development, including the Company's standing in terms of the goals and purposes of:

i. the 10 principles set out in the United Nations Global Compact Principles being:

#### **Human Rights**

- supporting and respecting the protection of internationally proclaimed human rights; and
- ensuring that the Company is not complicit in human rights abuses

#### **Labour Standards**

- upholding the freedom of association and the effective recognition of the right to collective bargaining;
- eliminating of all forms of forced and compulsory labour;
- effectively abolishing child labour; and

- eliminating discrimination in respect of employment and occupation

#### **Environment**

- supporting a precautionary approach to environmental challenges;
- undertaking initiatives to promote greater environmental responsibility; and
- encouraging development and diffusion of environmentally friendly technologies

#### **Anti-corruption**

- working against corruption in all its forms, including extortion and bribery.

- ii. the OECD recommendations regarding corruption;
- iii. the Employment Equity Act, applicable to South African subsidiaries; and
- iv. the Broad-Based Black Economic Empowerment Act, applicable to South African subsidiaries;

#### 3.1.2 good corporate citizenship, including the Company'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; and
- record of sponsorship, donations and charitable giving;

#### 3.1.3 the impact of the Company's activities and of its products or services on the environment, health and public safety;

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

3.1.5 labour and employment, including:

- the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
- the Company's employment relationships, and its contribution toward the educational development of its employees;

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

3.3 Be prepared to respond, through its Chairman, to the shareholders at the Company's Annual General Meeting on the matters within its mandate.

#### 4. **OTHER DUTIES**

In order to give effect to the above duties and responsibilities and in considering the requirements of King IV the Committee will:

4.1 Lead ethically and effectively by cultivating and exhibiting characteristics such as integrity, competence, responsibility, accountability, fairness and transparency in their conduct in the following manner:

- i. At all times act in the best interest of the organisation and avoid possible conflicts;
- ii. Act with due, care, skill and diligence;
- iii. Take responsibility for ensuring that the Committee has sufficient knowledge of the organisation, the industry it operates in as well as all rules, laws and regulations applicable to such organisation and continuously develop their level of competence;
- iv. Collectively steer the direction of the organisation by approving policies and planning, oversee and monitor the implementation and execution of such policies and planning by management;

- v. Devoting sufficient time to the organisation by attending relevant meetings and planning sessions;
- vi. Report on the outcome of the performance of the organisation;
- vii. Adopt a stakeholder inclusive approach when making decisions based on the impact on the natural environment, society and future generations; and
- viii. Report on how it achieved the above.

4.2 Govern the ethics of the organisation in a way that supports the establishment of an ethical culture:

- i. approve codes and policies that regulates ethics internally and externally;
- ii. ensure there are processes where employees as well as customers and suppliers are familiarised with the principles set out in these codes and policies such as publication of the codes on various platforms, inclusion of compliance with codes and policies in employee agreements as well as forming part of induction programmes;
- iii. ensure there are processes such as protected disclosure or whistleblowing mechanisms put in place by management to monitor compliance with these codes and policies for which breach of codes and policies are sanctioned; and
- iv. report on how the above has been achieved.

4.3 Ensure that the organisation is seen to be a responsible corporate citizen, by overseeing and monitoring on an ongoing basis the consequences of the organisation's activities and outputs on the:

- i. workplace by ensuring employment equity; fair remuneration; safety, health, dignity and development of employees;
- ii. economy by ensuring economic transformation;
- iii. prevention, detection and response to fraud and corruption;
- iv. society by ensuring public health and safety; consumer protection; community development and protection of human rights;
- v. environment by ensuring preventing pollution; minimise waste disposal and protect biodiversity;

- 4.4 With respect to ethical leadership and ethical behaviour, the Committee shall:
- i. review any statements on ethical standards or requirements for the Company and the procedures or review system implemented to promote and enforce compliance therewith;
  - ii. review the Company's Code of Ethics and make recommendations to the Board for approval;
  - iii. review results of whistleblowing activities;
  - iv. review and recommend any policy and strategy pertaining to the Company's programme of corporate social investment to the Board for approval;
  - v. review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company;
  - vi. where requested, make recommendations on any material potential conflict of interest or questionable situations;
  - vii. ensure that the Company's ethics performance is assessed, monitored, reported and disclosed;
  - viii. be informed of all sustainability risks; and
  - ix. review and approve (at least every second year) the Company's stakeholder management plan and policy.

## 5. **COMPOSITION**

- 5.1 Members of the Committee shall be made up of at least three members. The members of the Committee shall include executive and non-executive directors. The Chairman of the Board may be a member of the Committee.
- 5.2 The Board shall appoint the members of the Committee and may also fill any vacancies and terminate the membership of any member of the Committee. Given the fact that the duties of the Committee overlap with those of other committees of the Board, the membership of the Committee shall, for the time being, comprise all board members.
- 5.3 The Board shall appoint one member of the Committee to act as its Chairman, who shall be a non-executive director. In the absence of the Committee Chairman

and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

- 5.4 Only members of the Committee have the right to attend Committee meetings. However, those members of senior management responsible for the various areas of risk management and other individuals may be invited to attend all or part of any meeting.

6. **QUORUM**

- 6.1 The quorum necessary for the transaction of business shall be a majority of the members of the Committee.

- 6.2 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. **MEETING ADMINISTRATION**

- 7.1 The Committee shall meet as often as it deems necessary but in any case at least once a year and at such other times and places as determined by the Committee Chairman, with further meetings to occur, or actions to be taken by majority written consent, when deemed necessary or desirable by the Committee or its Chairman.

- 7.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

- 7.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required), together with an agenda of the items to be discussed and supporting documentation, shall be forwarded to each member of the Committee, any other person required to attend, no later than five working days before the date of the meeting, or as soon as is practicable. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

8. **SECRETARY**

8.1 The Company Secretary or such person as the Company Secretary nominates shall act as the secretary of the Committee.

8.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.3 Minutes of Committee meetings shall be approved by the Committee at the next meeting of the Committee.

9. **EVALUATION**

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

The Board shall review the performance of the Committee, its composition and terms of reference on an annual basis.

10. **REPORTING RESPONSIBILITIES**

10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is desirable.

10.3 The Committee Chairman shall attend the Company's annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

11. **OTHER MATTERS**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;



- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to laws and regulations, the provisions of the King Code on Corporate Governance for South Africa 2016, the King IV Report on Corporate Governance for South Africa 2016, the requirements of the Johannesburg Stock Exchange Listings Requirements, and any other applicable rules, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference.

12. **AUTHORITY**

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee or contractor in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee;
- (d) call any Group employee or contractor to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.