

## **OCEANA GROUP LIMITED**

### **SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE CHARTER**

#### **1. Introduction**

The Social, Ethics and Transformation Committee (the Committee) is constituted as a committee of the Board of the Oceana Group Limited (the Company) and its subsidiaries in terms of section 72(4) of the Companies Act no. 71 of 2008 ("Companies Act") read with regulation 43 of the Companies Regulations, 2011 and in accordance with the recommended practice 68 under principle 8 of King IV.

The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.

These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation, King IV and any other applicable law or regulatory provision.

#### **2. Purpose of the terms of reference**

The purpose of these terms of reference is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

#### **3. Composition of the Committee**

The Committee shall be appointed by the board of directors of Oceana Group Limited (the "Board").

The committee shall comprise:

- a minimum of three Board members, executive and non-executive members, of which the majority shall be non-executive Board members; and
- at least one Board member who has not been involved in the day-to-day management of the Company's business, and
- must not have been so involved within the previous three financial years.

The Chairperson of the committee who shall be an independent non-executive director shall be appointed by the Board.

The members of the Committee should collectively have sufficient qualifications and experience to fulfill their duties, in particular the knowledge of the industry, the markets in which the company operates, business ethics and the understanding of the community and/or material stakeholders of the business.

The Committee members keep up-to-date with developments affecting the required skill-set and the Board may from time to time review the composition so as to meet the requirements of the Act and regulations.

Notwithstanding the above, the board shall have the power at any time to remove any members from the committee and to fill any vacancies so created by such removal.

The Oceana Group Company Secretary shall be the secretary of the Committee.

#### **4. Role**

The Committee has an independent role with accountability to the Board and is required to report annually to shareholders through its Chairperson.

The Committee shall not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The overall role of the Committee is to ensure that the Company complies with s72 (4) to (10) read with regulation 43 of the Companies Act 2008 and to assist the Board with the oversight of social, environmental, compliance, stakeholder and ethical matters relating to the Company as required under King IV.

#### **5. Responsibilities**

The Committee is constituted as the custodian of the Companies performance and standing as a corporate citizen and its role and responsibility shall be to:

- a) Oversee the development of policies, guidelines, standards and practices for matters relating to safety, health, sustainable development, environment, employment, stakeholder and customer relations, social and ethics conduct of the company.
- b) Review and approve the Oceana Business Code of Conduct and Ethics, the Compliance policy, the Environmental policy and the Anti-corruption and Bribery policy on an annual basis. These policies shall encompass the Company's interaction with both internal and external stakeholders and the broader society and shall also address the key ethical risks of the Company.
- c) Ensure that the codes of conduct and ethics policies provide for arrangements that familiarize employees and other stakeholders with the Company's ethical standards.
- d) The Committee shall exercise oversight of the management of ethics.
- e) The Committee shall oversee the process for setting the direction and approach taken by the Company with regards to being a responsible corporate citizen;
- f) The Committee shall ensure that the Company's responsible citizenship efforts include compliance with the Constitution of the Republic of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies;
- g) The Committee shall oversee and monitor, on an ongoing basis, how the consequences of the Company's activities and outputs affect its status as a responsible corporate citizen.
- h) The Committee shall assist the Board with the oversight of the governance of compliance by the Group in accordance with King IV, applicable laws and adopted non-binding rules, codes and standards in a way that support the Group being an ethical and a good corporate citizen.
- i) The Committee shall oversee stakeholder relations within the Group, which shall encompass the the Group adopting a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Group overtime.
- j) Review and recommend for approval by the Board appropriate and best practice standards the company should apply on matters falling under its mandate.
- k) Review, monitor and report on the company's activities and performance having regard to any relevant legislation, other legal requirement or prevailing best practice with regards to matters relating to social and economic development, including the Company's standing in terms of the goals and purposes of:

the 10 principles set out in the United Nations Global Compact Principles; and

- the OECD recommendations regarding corruption;
  - the Employment Equity Act; and
  - the Broad-Based Black Economic Empowerment Act;
  - 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;
  - the environment, health and public safety, including the impact of the Company's activities and of its products or services;
  - consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
  - 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;
- l) Drawing matters within its mandate to the attention of the Board as occasion requires; and
- m) Reporting, through one of its Chairmen, to the shareholders at the Company's annual general meeting on the matters within its mandate.
- n) In addition the Committee performs the following duties, delegated by the board:
- Oversees the performance of subsidiaries on matters referred to in clause 5(a) to 5(c) above;
  - Receives and reviews reports covering matters relating to its mandate from all subsidiaries.
  - Ensure that the Group's ethics are managed effectively in accordance with the recommendations of King IV code of corporate governance.
  - Coordinate its activities with those of other committees for the purpose of the Company's Sustainability and Integrated Report and reporting to shareholders.
  - Develop and present an annual work plan to the board that prioritises key areas for consideration having regard to its mandate and the needs of the company.

## **6. Authority**

The Committee acts in accordance with the delegated authority of the Board as recorded in these terms of reference and within the powers prescribed in the company's Memorandum of Incorporation "MoI".

It has the powers to in terms of the Companies Act investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the chairpersons of the other Board committees, any of the executive directors, Company officers, Company secretary or assurance providers to provide it with information subject to a Board approved process.

The Committee has access to the Company's records, facilities and employees necessary to discharge its duties and responsibilities subject to following Board approved process and may:

- a) require from any director or prescribed officer of the company any information or explanation necessary for the performance of its functions;
- b) request from any employee of the company any information or explanation necessary for the performance of its functions.

The Committee may form, and delegate authority to, subcommittees, one or more designated members of the Committee and to one or more members of the executive.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at Company's cost, subject to a Board approved process being followed.

## **7. Meetings and Procedures**

### Frequency

The Committee holds sufficient scheduled meetings to discharge all its duties as set out in these terms of reference and annual work plan but subject to a minimum of two meetings per year.

### Attendance

Other assurance providers, professional advisors and Board members may be in attendance at Committee meetings, by invitation only, at the discretion of the Chairperson.

Committee members 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 or committee secretary.

If the elected Chairperson of the Committee is absent from a meeting, the members present elects one of the members present to act as chairman.

The chairman and other members of the committee shall be entitled to:

- a) Attend any general meetings of the shareholders of the company including the annual general meeting;
- b) Receive notices of and other communications relating to any annual or general meeting of the shareholders of the company; and
- c) Be heard at any annual or general meeting of the shareholders of the company on any part of the business of the meeting that concerns the functions of the committee.

#### Agenda and minutes

The Committee establishes 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.

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

Committee members are fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.

The minutes are 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.

Minutes of the meeting signed by the Chairperson are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

#### Quorum

Two-thirds of members of which one must be a non-executive director constitute a quorum for a meeting.

Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings and accordingly may not vote on any matter.

#### Remunerations

Non-executive members of the Committee shall be paid such remuneration in respect of their appointment as approved by the shareholders.

The Chairman of the Committee shall, in addition to his or her remuneration as member, receive a further sum as approved by the shareholders.

The above fees shall be subject to review by the Board from time to time and annual approval by the shareholders.

#### **8. Evaluation**

The Committee performs a self-evaluation of its effectiveness every year and reports the results thereof to the Board.

**9. Approval of these terms of reference**

This Charter shall be reviewed annually and may be amended from time to time as required, subject to the approval of the board.

  
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Chairman of the Committee

  
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Chairman of the Board

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Date 15 November 2017

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Date 16 November 2017