

OCEANA GROUP LIMITED
Registration number: 1939/001730/06

(Company)

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE CHARTER

1. Introduction and constitution

- 1.1 The Social, Ethics and Transformation Committee (**Committee**) is constituted as a committee of the board of directors (**Board**, and each being a **Director**) of the Company and its subsidiaries (**Group**) in terms of section 72(4) of the Companies Act no. 71 of 2008, as amended (**Companies Act**), read with regulation 43 of the Companies Regulations, 2011 (**Regulations**) and in accordance with the recommended practice 68 under principle 8 of the King IV Report on Corporate Governance for South Africa 2016 (King IV).
- 1.2 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, in terms of the Company's memorandum of incorporation (**MOI**), the Board charter, the Companies Act and otherwise. 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.
- 1.3 These terms of reference are subject to the provisions of the Companies Act, the MOI, King IV, the Listings Requirements of the securities exchange operated by the JSE Limited 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

- 3.1 The Committee shall be appointed by the Board.
- 3.2 The Committee shall comprise:
- 3.2.1 a minimum of three Board members,
- 3.2.2 executive and non-executive members, of which the majority shall be non-executive Board members; and
- 3.2.3 at least one Board member who is not 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.
- 3.3 The chairperson of the Committee (**Chairperson**), who shall be a non-executive Director, shall be appointed by the Board.
- 3.4 The members of the Committee should collectively have sufficient qualifications and experience to fulfil their duties, in particular the knowledge of the industry, the markets in

which the Group operates, business ethics and the understanding of the community and/or material stakeholders of the business.

3.5 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 Companies Act and the Regulations.

3.6 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 Committee's composition shall nonetheless be reviewed annually by the Board.

3.7 The Company's Group Company Secretary shall be the secretary of the Committee.

4. **Role**

4.1 The Committee has an independent role with accountability to the Board and is required to report annually to shareholders of the Company (**Shareholders**) through its Chairperson.

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

4.3 The overall role of the Committee is to ensure that the Company complies with section 72(4) to (10) of the Companies Act, read with Regulation 43, 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**

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

5.1.1 oversee the development of policies, guidelines, standards and practices for matters relating to safety, health, sustainable development, environment, employment, stakeholder and customer relations and social and ethics conduct of the company;

5.1.2 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;

5.1.3 ensure that the codes of conduct and ethics policies provide for arrangements that familiarize employees and other stakeholders with the Company's ethical standards. These arrangements should include:

5.1.3.1 publishing the Company's codes of conduct and policies on the Company's website or on other platforms or through other media as the Committee deems appropriate;

5.1.3.2 the incorporation by reference, or otherwise, of the relevant codes of conduct and policies in supplier and employee contracts; and

5.1.3.3 including the codes of conduct and ethics policies in employee induction and training programs;

- 5.1.4 exercise oversight of the management of ethics and, in particular, oversee that it results in the following:
 - 5.1.4.1 application of the Company's ethical standards to the processes for recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers;
 - 5.1.4.2 having sanctions and remedies in place for when the Company's ethical standards are breached;
 - 5.1.4.3 the use of protected disclosure or whistleblowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately; and
 - 5.1.4.4 the monitoring of adherence to the Company's ethical standards by employees and other stakeholders through, among others, periodic independent assessments;
- 5.1.5 oversee the process for setting the direction and approach taken by the Company with regards to being a responsible corporate citizen;
- 5.1.6 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;
- 5.1.7 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. The oversight and monitoring shall be performed against measures agreed with management in all of the following areas:
 - 5.1.7.1 workplace (including employment equity; and safety, health, dignity and development of employees);
 - 5.1.7.2 economy (including economic transformation; prevention, detection and response to fraud and corruption);
 - 5.1.7.3 society (including health and public safety; consumer protection; community development; and protection of human rights);
 - 5.1.7.4 environment (including responsibilities in respect of pollution and waste disposal; and protection of biodiversity).
- 5.1.8 review and recommend for approval by the Board appropriate and best practice standards for the Company to apply on matters falling under its mandate;
- 5.1.9 review, monitor and report on the Company's activities and performance having regard to any relevant legislation, other legal requirements or prevailing codes of best practice with regards to matters relating to:
 - 5.1.9.1 social and economic development, including the Company's standing in terms of the goals and purposes of:
 - 5.1.9.1.1 the 10 principles set out in the United Nations Global Compact Principles; and

- 5.1.9.1.2 the OECD recommendations regarding corruption;
- 5.1.9.1.3 the Employment Equity Act, no. 55 of 1998; and
- 5.1.9.1.4 the Broad-Based Black Economic Empowerment Act, no. 53 of 2003;
- 5.1.9.2 good corporate citizenship, including the Company's:
 - 5.1.9.2.1 promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - 5.1.9.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - 5.1.9.2.3 record of sponsorship, donations and charitable giving;
- 5.1.9.3 the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- 5.1.9.4 consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
- 5.1.9.5 labour and employment, including:
 - 5.1.9.5.1 the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - 5.1.9.5.2 the Company's employment relationships, and its contribution toward the educational development of its employees;
- 5.1.10 drawing matters within its mandate to the attention of the Board as occasion requires; and
- 5.1.11 reporting, through its Chairperson, to the Shareholders at the Company's annual general meeting on the matters within its mandate.
- 5.2 In addition, the Committee performs the following duties, delegated by the Board:
 - 5.2.1 oversee the compliance by subsidiaries with the policies, guidelines, standards and practices approved by the Committee for the Group;
 - 5.2.2 receive and review reports covering matters relating to its mandate from all subsidiaries;
 - 5.2.3 consider for adoption substantive national, international, regulatory and technical standards in the fields of health, safety, environment and sustainable development;
 - 5.2.4 if deemed necessary, facilitate the participation, cooperation and consultation with governmental, national or international organizations and other companies in respect of matters falling under its mandate;
 - 5.2.5 ensure that the Group's ethics are managed effectively in accordance with the recommendations of King IV;

- 5.2.6 coordinate its activities with those of other committees for the purpose of the Company's Sustainability and Integrated Report and reporting to Shareholders; and
- 5.2.7 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.
- 5.3 The following matters should be disclosed in relation to corporate citizenship:
- 5.3.1 an overview of the arrangements for governing and managing responsible corporate citizenship;
- 5.3.2 key areas of focus during the reporting period;
- 5.3.3 measures taken to monitor corporate citizenship and how the outcomes were addressed; and
- 5.3.4 planned areas of future focus.
- 5.4 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.
- 5.5 The following should be disclosed in relation to compliance:
- 5.5.1 an overview of the arrangements for governing and managing compliance;
- 5.5.2 key areas of focus during the reporting period;
- 5.5.3 actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed; and
- 5.5.4 planned areas of future focus.
- 5.6 The Committee shall oversee stakeholder relations within the Group, which shall encompass the Group adopting a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Group over time.
- 5.7 The following shall be disclosed in relation to stakeholder relations:
- 5.7.1 an overview of arrangements for governing and managing stakeholder relationships;
- 5.7.2 key areas of focus during the reporting period;
- 5.7.3 actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed; and
- 5.7.4 future areas of focus.
6. **Authority**
- 6.1 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 MOI.
- 6.2 It has the power to investigate any activity within the scope of its terms of reference.

- 6.3 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 to provide it with information.
- 6.4 The Committee, in the fulfilment of its duties, may call upon the assurance providers of the Company to provide it with information, subject to a Board-approved process.
- 6.5 The Committee has reasonable access to the Company's records, facilities and employees necessary to discharge its duties and responsibilities subject to following Board approved process and may:
- 6.5.1 require from any Director or prescribed officer of the Company any information or explanation necessary for the performance of its functions; and
- 6.5.2 request from any employee of the Company any information or explanation necessary for the performance of its functions.
- 6.6 The Committee may form subcommittees and delegate authority to any such subcommittee, one or more designated members of the Committee and to one or more members of the executive.
- 6.7 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

7.1 Frequency

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

7.2 Attendance

- 7.2.1 Other assurance providers, professional advisors and Board members may be in attendance at Committee meetings, by invitation only, at the discretion of the Chairperson.
- 7.2.2 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.
- 7.2.3 If the elected Chairperson of the Committee is absent from a meeting, the members present elect one of the members present to act as chairperson.
- 7.2.4 The Chairperson and other members of the Committee shall be entitled to:
- 7.2.4.1 attend any general meetings of the Shareholders including the annual general meeting;
- 7.2.4.2 receive notices of and other communications relating to any annual or general meeting of the Shareholders; and
- 7.2.4.3 be heard at any annual or general meeting of the Shareholders on any part of the business of the meeting that concerns the functions of the Committee.

8. Agenda and minutes

- 8.1 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.
- 8.2 A detailed agenda, together with supporting documentation, is circulated, except under exceptional circumstances, at least one week prior to each meeting to the members of the Committee and other invitees.
- 8.3 Committee members are fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.
- 8.4 The minutes are completed as soon as reasonably 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. The minutes shall be tabled at the following Board meeting.
- 8.5 Minutes of the meeting signed by the Chairperson are sufficient evidence that the matters referred to therein have been fully discussed and agreed.

9. Quorum and voting

- 9.1 Two-thirds of members, of which one must be a non-executive Director, constitute a quorum for a meeting.
- 9.2 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.
- 9.3 Members of the Committee who are not Board members shall have no vote on matters to be decided by the Committee.

10. Evaluation

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

11. 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.

Chairperson
SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE
OCEANA GROUP LIMITED

03 December 2020

DATE

Chairperson
BOARD OF DIRECTORS
OCEANA GROUP LIMITED

03 December 2020

DATE