



## **Nampak 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 directors of Nampak Limited (the "Company"). The duties and responsibilities of the members of the Committee are in addition to those 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 judgement in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation 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**

The Committee comprises at least three independent non-executive directors.

Members of this Committee and its chairman are nominated by the Board.

The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

## **4. Role and functions**

The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of management.

The role of the Committee is to assist the Board to ensure that there are appropriate strategies, policies and processes in place in order to;

- drive transformation; and
- direct the building and sustainability of an ethical culture within the Company.



## **5. General Responsibilities**

The Committee will;

- review this Charter every three years unless circumstances warrant an earlier review.
- Review appropriate sections in the group's annual sustainability report for submission to the Board for approval;
- Carry out such other duties or functions as may be delegated to the Committee by the Board;

## **6. Transformation Responsibilities**

The Committee must perform all the functions necessary to fulfil its role as stated above and including the following:

- Approving the appointment of a verification agency;
- Recommending the group transformation commitments and targets for approval by the Board;
- Ongoing revision of the group's strategy, charter and targets in respect of Broad Based Black Economic Empowerment and recommend to the Board for debate and approval;
- Ongoing revision of the group corporate social investment strategy and recommend to the Board for debate and approval;
- Review trends and issues of relevance for transformation practices in the group;
- Define the group's transformation commitments, monitor achievement against targets and report to the Board;
- Provide guidance on the overall transformation process for the group in order to achieve the transformation commitments;
- Ensure that appropriate programmes and internal committees are in place to drive transformation within the group;
- Provide guidance on socio economic transformation processes to ensure that the group maintains its listing in the JSE Limited's Socially Responsible Index or any other index or rating as agreed;
- Provide guidance on policy frameworks in respect of corporate social investment;
- Monitor and report to the Board on performance against the approved Broad Based Black Economic Empowerment Charter and provide guidance on ways to improve or enhance performance;
- Ensure participation in an accredited transformation indice as approved by the Board;
- Review group corporate social investment strategy and monitor delivery by the Board

## 7. Social and Ethics Responsibilities

7.1 In terms of the Companies Act, 2008 and the regulations made thereunder, the Committee has the following responsibilities:

- Monitoring the Company's activities, having regard to relevant legislation, legal requirements and prevailing codes of best practice, with regard 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 National Global Compact Principles;
    - The OECD recommendations regarding corruption;
    - The Employment Equity Act;
    - 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 sponsorship, donations and charitable giving;
  - The environment, health and public safety, including the impact of the Company's activities and of its products and 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;
    - To draw matters within its mandate to the attention of the Board as occasion requires;
    - To report, through one of its members, to the shareholders at the Company's annual meeting on the matters within its mandate.

7.2 The Committee shall also have the following responsibilities in addition to those set out above:

- To assist the Board in building and sustaining an ethical corporate culture in the Company;
- To ensure that the Company's ethical standards are clearly articulated;
- To ensure that an ethics risk profile is compiled by management;
- To oversee the issue of a code of conduct for the Company;

- To ensure that the Company's ethical standards are integrated into the Company's strategies and operations;
- To ensure that the Company's ethics performance is assessed, monitored, reported and disclosed.

## **8. Authority**

The Committee acts in terms of the delegated authority of the Board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference.

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

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

The Committee may require any information or explanation necessary for the performance of the Committees functions from any director, prescribed officer, or employee.

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

The Committee is entitled to receive all notices of and other communications relating to any general shareholders meeting and be heard at any such meeting on any part of the business of that meeting that concerns the Committee's functions.

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 following a Board approved process.

The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

## **9. Meeting procedures**

### ***Frequency***

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.

Meetings in addition to those scheduled may be held at the request of the chairman, chief executive officer, head of human resources or other members of senior management or at the instance of the Board.

The chairman of the Committee may meet with the chief executive officer, head of human resources and / or the secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

### ***Attendance***

The chief executive officer, head of human resources or other members of senior management as may be required; assurance providers, professional advisors and Board members may be in attendance at Committee meetings, but by invitation only and they may not vote.

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 chairman or Company secretary.

A secretary will be appointed by this Committee.

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.

### ***Agenda and minutes***

The Committee must establish 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. The annual plan must ensure proper coverage of the matters laid out in these terms of reference; the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Board 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 chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

## **Quorum**

A representative quorum for meetings is a majority of members present.

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

## **10. Evaluation**

The Board must evaluate the effectiveness of the Committee every two years.

## **11. Approval of these terms of reference**

These terms of reference were approved by the Board and the Committee on 1 February 2011 and will be due for review every three years unless circumstances warrant an earlier review.