

 <b>AFRIMAT</b> LIMITED	<b>SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE CHARTER</b>	www.afrimat.co.za
		F2019

## 1. Constitution and purpose

Afrimat Limited (“Afrimat” or “Company”) will establish a committee to be known as the Social, Ethics and Sustainability Committee (“Committee”). The Committee gives guidance to nurture a culture of ethical leadership in Afrimat based on Afrimat values, workplace and business ethics caring for its employees, customers and stakeholders.

Afrimat is committed to operating a sustainable “triple bottom line” business that is positioned to deliver sound business growth for shareholders as well as enhance and safeguard its people, the surrounding communities and the environment. Operating in the mining arena the group recognises the imperative for environmentally-conscious practices and is unswerving in its compliance with all legal requirements and mining licence conditions.

## 2. Membership

- 2.1 The Committee shall consist of not less than three directors appointed by the Board of Directors of Afrimat Limited (“Board”), preferably a majority of non-executive members and where practical, the non-executive directors shall be independent non-executive directors.
- 2.2 The Board shall appoint a chairperson from the non-executive directors on the Committee and determine the period for which he/she shall hold office.
- 2.3 The Committee shall nominate a Committee Secretary.
- 2.4 Suitably qualified persons may be co-opted onto the Committee when necessary to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter, but shall have no rights of voting.

## 3. Meetings

- 3.1 Meetings of the Committee will be held as the Committee deems to be appropriate; however, the Committee should meet at least twice annually. The chairperson of the Committee or any member of the Committee may convene a meeting at any other time.
- 3.2 The notice of each meeting of the Committee, confirming the venue, time and date enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee

not less than five working days prior to the date of the meeting.

- 3.3 The quorum for decisions of the Committee shall be a majority of members present throughout the duration of a meeting.

#### **4. Proceedings at Committee Meetings**

4.1 Unless varied by this Charter, meetings and proceedings of the Committee will be governed by the Company's memorandum of incorporation regulating the meetings and proceedings of directors and committees.

4.2 The Committee's secretary shall take minutes of meetings. Minutes of all meetings shall be circulated to all the members of the Committee and be circulated to other members of the Board.

#### **5. Remuneration of non-executive director Committee members**

5.1 Considering that the functions performed by the members of the Committee are in addition to their functions as directors, members of the Committee may be paid such remuneration for their work as members of the Committee to be fixed by the Board from time to time.

Such remuneration shall be in addition to the annual fees payable to non-executive directors.

5.2 Those members of the Committee who are not directors, may be paid such remuneration as shall be fixed by the Board from time to time.

#### **6. Duties**

The Committee is established by the Board to assist the Board in discharging its duties relating to the implementation of practices that are consistent with good corporate citizenship being the following:

Social and Ethics review

- CSI spend
- Transgressions of Code of Conduct
- Annual compliance certification by management
- Review quality of ethical leadership demonstrated

Responsible corporate citizenship review

Stakeholder relationships review

- Stakeholder communication strategy

Transformation review

- B-BBEE ratings status
  - \* B-BBEE ownership
  - \* Management control
  - \* Employment equity
  - \* Skills development and training
  - \* Preferential procurement
  - \* Enterprise development
  - \* Socio-economic development
- Employment equity statistics

#### Labour relations

#### Safety, health and environment review

- SHE status report
- SHE incident reporting

#### Mining rights/licences review

- DMR compliance review
- Status of conversion of old order to new order mining rights
- Status of mining rights applications
- Annual DMR returns submission status
- DMR audits findings
- NEMA/LUPO status

#### Compliance to laws and regulations review

- Annual compliance certification by management

#### Commit to safeguarding our environment

- Monitor strategies for ensuring adequate supplies of water for long-term societal sustainability

#### 6.1 The role of the Committee shall be to:

- 6.1.1 Provide advice about sustainability trends and issues and the relevance of these for sustainability practice in the Company;
- 6.1.2 Assist with the identification and appropriate management of sustainability risks that may impact on the sustainability of the business and/or the good reputation of the Company;
- 6.1.3 Provide guidance relative to the desired scope and objectives of the Company's business sustainability process;
- 6.1.4 Provide guidance relative to the sufficiency of the policy framework that is required to promote good sustainability practices and policies;
- 6.1.5 Monitor business sustainability risks and the suitability of associated

risk management strategies;

- 6.1.6 Review and monitor progress toward achievement of sustainability objectives as described in the group's annual sustainability report.
  - 6.1.7 Review compliance to the approved social and labour plans for the respective new order mining rights.
  - 6.1.8 Conduct exit interviews with resigning employees.
- 6.2 The Committee will ensure that the chairperson (or in his/her absence, an alternative member) of the Committee attends the Company's annual general meeting to answer questions concerning sustainability issues and policies and their development and/or implementation.

## **7. Organisational integrity / ethics**

- 7.1 review any statements on ethical standards or requirements for the Company and the procedures or review system implemented to promote and enforce compliance;
- 7.2 review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company;
- 7.3 where requested, make recommendations on any material potential conflict of interest or questionable situations;

## **8. General**

- 8.1 The Committee, in carrying out its tasks under this Charter, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties at the Company's expense.
- 8.2 The Committee may obtain such internal professional or technical advice deemed necessary for it to perform its duties.
- 8.3 The Committee's activities and effectiveness shall be assessed annually and reviewed by the Board.
- 8.4 This Charter may be amended as required, subject to the approval of the Board.
- 8.5 This Charter shall be reviewed annually by the Committee and the Board.

**END.**