



Bid Corporation Ltd  
Social & Ethics Committee Charter

## **BID CORPORATION LIMITED**

**Registration Number: 1995/008615/06**

### **SOCIAL & ETHICS COMMITTEE CHARTER**

In terms of section 72 of the Companies Act 71 of 2008 (the 'Act') and regulation 43 of the Companies Regulations, 2011 (the 'Regulations'), all listed companies are required to appoint a social and ethics committee to perform the functions as set out in the Regulations.

As such Bid Corporation Limited ('Bidcorp') has constituted this Social & Ethics Committee (the 'SEC' or 'committee') as a statutory committee of the Bidcorp Board of Directors ('board') to discharge its duties and responsibilities in this regard.

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.

This Charter serves as the terms of reference which are subject to the provisions of the Act, the Regulations, Bidcorp's Memorandum of Incorporation and any other applicable laws or regulatory provisions.

#### **1. PURPOSE OF THE CHARTER**

- 1.1. The purpose of this document is to set out the committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

#### **2. COMPOSITION**

- 2.1. Members of the SEC and its chairman are recommended by the Nominations Committee and appointed by the board.
- 2.2. The committee shall comprise of at least three members including executive and non-executives, the majority of whom must be non-executive directors of the board.
- 2.3. Members of the committee as a whole must have sufficient skills and experience to fulfil their duties.
- 2.4. The composition of this committee will be reviewed annually by the Nominations Committee.

#### **3. ROLE**

- 3.1. The SEC has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The SEC does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.
- 3.2. The role of the SEC is to assist the board by:
  - 3.2.1. Monitoring the company's activities in respect of any relevant legislation relating to:
    - 3.2.1.1. social and economic development in respect of the 10 UN Global Compact Principles and the OECD recommendations regarding corruption;
    - 3.2.1.2. the South African Employment Equity Act; and



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- 3.2.1.3. the South African Broad Based Black Economic Empowerment Act.
- 3.2.2. Monitoring the company's activities in respect of good corporate citizenship including:
  - 3.2.2.1. promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - 3.2.2.2. contribution to the development of the communities in which Bidcorp is involved; and
  - 3.2.2.3. records of sponsorships, donations and other charitable giving (both monetary and non-financial).
- 3.2.3. Monitoring the company's activities in respect of:
  - 3.2.3.1. the environment, health and public safety;
  - 3.2.3.2. consumer relationships, including advertising, public relations work and compliance with consumer protection laws; and
  - 3.2.3.3. labour and employment including Bidcorp's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; Bidcorp's employment relationships; and its contribution towards employee's educational development.
- 3.2.4. Drawing matters within its mandate to the attention of the board as necessary and reporting on its mandate to the group's stakeholders, specifically shareholders, at the AGM.

#### **4. STATUTORY AND DELEGATED DUTIES OF THE SEC**

- 4.1. The responsibilities and duties of the SEC shall focus primarily on the monitoring and compliance of the group's sustainability and transformation responsibilities, establishing a Code of Ethics standard and ensuring compliance with relevant regulatory requirements.
- 4.2. The committee must perform all the functions necessary to fulfil its role as stated above, including the following:
  - 4.2.1. Review the group's ethics management framework and consider with management any feedback from external providers (as relevant), any contraventions of the Code of Ethics and other ethical standards and the relevant management response and action taken in light of such events.
  - 4.2.2. Identify and monitor the non-financial aspects relevant to Bidcorp and review appropriate non-financial information that should be included in assessing the performance of the group.
  - 4.2.3. Review the effectiveness of the group's affirmative action strategy on creating opportunities that will enable previously disadvantaged employees to prepare themselves to occupy more skilled and responsible positions within the organisation.
  - 4.2.4. Review the effectiveness of the group's dealing with Safety, Health and the Environment (SHE) issues and to provide the necessary guidance in developing and approving the policy, strategy and structure to manage SHE issues.



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- 4.2.5. Review the appropriateness and effectiveness of the group's contagious diseases strategy, education programmes and crisis management.
- 4.2.6. Review the effectiveness of the group's environmental strategy regarding:
- 4.2.6.1. taking of reasonable measures to prevent significant pollution or degradation to the environment from occurring, continuing or recurring;
  - 4.2.6.2. minimising and rectifying pollution or degradation that may have already been caused;
  - 4.2.6.3. disclosing the nature of the group wide environmental policies, ethos and values; and
  - 4.2.6.4. ensuring a commitment by all Bidcorp entities to be compliant with the required international safety and environmental standards.
- 4.2.7. Review the effectiveness of the employment equity and transformation strategy and ensuring the group's compliance with the relevant legislation.
- 4.2.8. Annually assess the quality and strength of key stakeholder relationships.
- 4.2.9. Consider and communicate the results and evaluation reports relating to the quality and integrity of the annual integrated report and ensure appropriate action is taken to address areas identified for improvement.

## **5. AUTHORITY**

- 5.1. The committee is governed by the Act, Regulations and duties delegated by the board, with the power to investigate any activity within the scope of these terms of reference.
- 5.2. The SEC, in the fulfilment of its duties, may call upon the executive directors or company secretary to provide information, as required.
- 5.3. The committee has unrestricted access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 5.4. The SEC has the right to obtain independent outside professional advice to assist with the execution of its duties, at Bidcorp's cost, subject to following a board approved process.
- 5.5. The SEC makes recommendations to the board that it deems appropriate on any area within the ambit of these terms of reference where action or improvement is required.

## **6. MEETING PROCEDURES**

### **Frequency**

- 6.1. The SEC shall meet at least quarterly.
- 6.2. Additional meetings may be held at the request of the chief executive officer, chief financial officer or other members of senior management or at the request of the board.
- 6.3. The chairman of the committee may meet with the chief executive officer, chief financial officer and/or the company secretary prior to a committee meeting to discuss important issues and agree on the agenda.



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### Attendance

- 6.4. The representative quorum for SEC meetings shall be a majority of members present, of whom at least one must be a non-executive director.
- 6.5. As may be required, members of senior management, assurance providers, professional advisors and board members may be in attendance at SEC meetings, but by invitation only and they may not vote.
- 6.6. The company secretary is the secretary to this committee.

### Agenda and minutes

- 6.7. The SEC must establish an annual work plan to ensure that all relevant matters are covered.
- 6.8. A detailed agenda, together with supporting documentation, must be circulated, prior to each meeting to the members and other invitees.
- 6.9. The minutes of meetings must be completed as soon as possible after a meeting and circulated to the chairman and members of the SEC for review and approval during the next meeting. Minutes will be signed by the chairman once approved by the committee.

### Remuneration

- 6.10. The committee chairman and members shall be paid such remuneration for their committee work as approved by the shareholders at the AGM.

### Reporting


- 6.11. The chairman of the SEC is required to:
  - 6.11.1. report all significant matters arising from the SEC to the board timeously;
  - 6.11.2. attend the AGM to answer all question, through the chairman of the board, on the committee's activities and responsibilities; and
  - 6.11.3. annually prepare a written report to shareholders to be included in the annual financial statements.

## 7. EVALUATION

- 7.1. Annual assessments will be undertaken over a three-year rolling review period, during which committee self-assessments are to be performed during two of the years and an independent board evaluation will be performed during one of the years.

## 8. APPROVAL OF THE CHARTER

- 8.1. This Charter is to be reviewed by the SEC and recommended to the board for approval and adoption annually.

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Mrs T Abdool-Samad  
Chairman: Social and Ethics Committee