

## **BID CORPORATION LIMITED**

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

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

The Companies Act 71 of 2008, section 72 (the 'Act') requires that all listed public companies should appoint a social and ethics committee and define the rules governing this body under the guidelines as laid out by the Act.

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

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

- 1.1. 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.

#### **2. COMPOSITION**

- 2.1. The SEC shall be appointed by the Board and shall comprise of a chairman and at least 2 other members.
- 2.2. Members of this committee and its' chairman are nominated by the board.
- 2.3. The group company secretary shall be the secretary to the SEC.

#### **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, officers and other members of senior management.

The role of the SEC is to assist the Board by:

- 3.2. Monitoring the company's activities in respect of any relevant legislation relating to:
  - 3.2.1. social and economic development in respect of the 10 UN Global Compact Principles and the OECD recommendations regarding corruption;
  - 3.2.2. the Employment Equity Act; and
  - 3.2.3. the Broad Based Black Economic Empowerment Act.

- 3.3. Monitoring the company's activities in respect of good corporate citizenship including:
  - 3.3.1. promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - 3.3.2. contribution to the development of the communities in which Bidcorp is predominantly involved; and
  - 3.3.3. record of sponsorship, donations and charitable giving.
- 3.4. Monitoring the company's activities in respect of:
  - 3.4.1. the environment, health and public safety;
  - 3.4.2. consumer relationships including advertising, public relations work and compliance with consumer protection laws; and
  - 3.4.3. labour and employment including International Labour Organisation Protocol on decent work and working conditions; Bidcorp's employment relationships and contribution to employee's educational development.
- 3.5. Drawing matters within its mandate to the attention of the Board as necessary and to report on its mandate to the shareholders at the AGM.

#### **4. DUTIES AND RESPONSIBILITIES**

- 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 the 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. Consider with management and 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 performance of the Group.
  - 4.2.3. Review the effectiveness of the Group 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.

4.2.5. Review the effectiveness of the Group's contagious diseases strategy regarding the handling of HIV/AIDS training and education programmes, voluntary, anonymous testing, anti-retroviral and crisis planning.

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 has already been caused;

4.2.6.3. disclosing the nature of their environmental policies, ethos and values; and

4.2.6.4. ensuring a commitment by all Bidcorp entities to be appropriately certified 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. Periodically assess and communicate the quality of key stakeholder relationships.

4.2.9. Consider and communicate the results and evaluation reports relating to the quality and integrity of the annual report; and to ensure appropriate action is taken to address areas identified for improvement.

## 5. AUTHORITY

5.1. The SEC 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.

5.2. The SEC is authorised to seek any information it requires from any Bidcorp employee, as well as at the Group's expense, outside legal or other professional advice on any matters within its terms of reference, subject to following a board approved process.

5.3. The SEC has unrestricted access to all information, including records, property and personnel of the Group, and must be provided with adequate resources in order to fulfil its responsibilities.

- 5.4. The SEC makes 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.

## 6. MEETING PROCEDURES

### Frequency

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

### Attendance

- 6.4. The quorum necessary for the transacting of business shall be two members of whom at least one must be a non-executive director.
- 6.5. The company secretary shall minute the proceedings of SEC meetings. These minutes shall be circulated to all members and chairman for approval and submission to the Bidcorp board.

### Agenda and minutes

- 6.6. The SEC must establish an annual work plan for each year to ensure that all relevant matters are covered.
- 6.7. A detailed agenda, together with supporting documentation, must be circulated, prior to each meeting to the members and other invitees.
- 6.8. The minutes must be completed as soon as possible after the meeting and circulated to the chairman and members of the SEC for review.

### Remuneration

- 6.9. The committee members shall be paid such remuneration for their committee work as recommended by the Board for shareholder approval at the AGM.
- 6.10. The committee chairman shall, in addition to remuneration as a member, receive a further sum as recommended by the Board for shareholder approval at the AGM.

## Reporting

6.11. The chairman of the SEC is required to report the following:

6.11.1. all significant matters arising from the SEC to the Board timeously;

6.11.2. annually prepare a written report to the shareholders to be included in the annual financial statements.

## 7. ANNUAL GENERAL MEETING

7.1. The chairman of the SEC shall attend the AGM prepared to respond to any shareholder questions on the SEC's activities.

## 8. EVALUATION

8.1. The Board must perform an annual evaluation of the effectiveness of the SEC.

## 9. APPROVAL OF THE CHARTER

9.1. On an annual basis this Social and Ethics Committee charter is to be reviewed and recommended to the Board for approval and adoption.