

WESCOAL

WESCOAL HOLDINGS LIMITED

Social and Ethics Committee Charter

Introduction

The Social and Ethics Committee (“the Committee”) is constituted as a statutory committee of Wescoal Holdings Limited (“the Company”) in respect of its statutory duties in terms of regulation 43 of the Regulations to the Companies Act, 71 of 2008, as amended.

The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that the committee members have as members of the board. The deliberations of the Committee do not reduce the individual and the collective responsibilities of the 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.

These terms of reference are subject to the provisions of the Companies Act, No 71 of 2008, the Regulations to the Companies Act mentioned, the Company’s Memorandum of Incorporation, King 4 and any other applicable law or regulatory provision, in effect from time to time.

Purpose

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.

Role of the Committee

The Committee has an independent role, operating as a decision maker and on matters of principle 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 senior management.

The Committee is to assist the board to fulfil its corporate governance responsibilities and to ensure the Company’s commitment to no harm from the impact of its businesses on the wellbeing of the Company, all its employees, shareholders, clients and business partners and society in general, and to monitor its ethical practices.

To oversee and report on organisational ethics, responsible corporate citizenship, stakeholder relationships, sustainable development and stakeholder inclusivity.

Committee Membership

The Committee shall comprise of at least three members to be elected by the Board, majority of which must be non-executive directors, who are not been involved in the day-to-day management of the business within the previous three financial years. The Committee must be chaired by a non executive director.

A quorum shall be two members.

The members of the Committee must collectively have sufficient qualifications and experience to fulfill their duties and must keep up-to-date with developments affecting the required skill-set.

Members of the Committee shall be appointed for at least a two-year term of office at a time.

The board must fill vacancies on the Committee within 40 business days after the vacancy arises.

Meetings and Agenda

The Committee should 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 chief executive, the financial director or other members of senior management or at the instance of any member of the Board.

The chief executive, financial director 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 the company secretary.

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.

The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to respond to shareholder questions on the Committee's activities.

The Committee must establish an annual work plan for each year to ensure that the relevant matters are covered by the agendas of the meetings planned for the year. 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 three working days prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input in the matters for discussion.

Company Secretary

The Company Secretary of the company shall be the secretary of the Committee and shall ensure minutes are kept of all meetings.

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.

Authority

The Committee acts in terms of the delegated authority of the board as recorded in this term of reference. It has the power to decide any activity within the scope of its terms of reference.

The Committee, in the fulfillment of its duties, may call upon the chairmen of the other board Committees, any of the executive directors, company officers, the company secretary or assurance providers to provide it with information subject to board approved process.

The Committee has reasonable access to the company's records, facilities, employees and any other resources necessary to discharge its duties and responsibilities subject to following board approved process.

The Committee may delegate decision making authority to one or more designated members of the Committee.

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.

Responsibilities

The Committee shall have the following responsibilities, which encompasses the sustainability requirements as set out in King 4 and which are derived from the Regulations to the Companies Act:

Monitor the Company's activities having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

social and economic development, including the Company's standing in terms of goals and purposes of –

- the 10 principals set out in the National Global Compact Principles;
- the OECD recommendations regarding corruption;
- the Employment Equity Act; and
- the Broadbased Black Economic Empowerment Act;

good corporate citizenship, including the Company's promotion of equity, prevention of unfair discrimination; and the reduction of corruption; contribution to the development of communities in which the Company's activities are predominantly conducted; and record of sponsorship, donation and charitable giving;

the environment, health and 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 legislation, including the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and the Company's employment relationships and its contribution towards the education and development of its employees.

Draw matters within its mandate to the attention of the board as occasion requires.

Report annually to the shareholders at the company's annual general meeting on sustainability issues, which include environmental, social, ethical and governance issues.

Self- assessment

The Committee should conduct continual self-assessment or self-evaluation and the Board must perform an evaluation of the effectiveness of the Committee every year.

General

The Committee members are obliged to disclose any interests they have within the organisation or outside the organisation that might interfere with the performance of their duties.

Any group related information that comes to light during their performance of duties must be kept confidential. This information can only be disclosed to the board or any statutory board on demand.