




Attacq Limited
Transformation, Social and Ethics Charter
July 2018 2018

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1. AUTHORITY AND FORMATION

- 1.1. The Transformation, Social and Ethics Committee (**'the Committee'**) is constituted as a committee of the Board of Attacq Limited (**'Attacq'**) (a listed public company) and subsidiaries (**'the Attacq Group'**) in terms of section 72(4) to 72(10) of the Companies Act, 71 of 2008 (**'the Companies Act'**) and the King IV report on Corporate Governance in South Africa 2016, read with regulation 43 of the Companies Regulations, 2011.
- 1.2. The cautionary note in this paragraph 1.2 is addressed to members of the Committee who are also members of the Board of Attacq. The duties and responsibilities of those Committee members 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 with regard to their fiduciary duties and responsibilities and they must continue to exercise due care and judgement in accordance with their statutory obligations.
- 1.3. The terms of reference as set out in this Charter are subject to the provisions of the Companies Act, Attacq's memorandum of incorporation and other applicable statutory and regulatory requirements. Any expenses and contributions payable by the Committee are subject to the annual budget approved by the Board of Attacq;
- 1.4. In broad terms, the Committee is responsible to monitor the activities of the Attacq Group in relation to compliance with legislation and prevailing codes of best practice with regard to social and economic development; good corporate citizenship; the environment; health and public safety; consumer relationships; labour and employment.

2. COMPOSITION OF THE COMMITTEE AND THE CHAIRPERSON

- 2.1. The Committee shall comprise -
 - 2.1.1. At least three members consisting of executive and non-executive directors, with a majority of non-executive members;
 - 2.1.2. Prescribed officers and other members of management may be standing invitees of this committee;
 - 2.1.3. The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of the following:
 - 2.1.3.1. Sustainability reporting;
 - 2.1.3.2. Corporate law;
 - 2.1.3.3. Sustainability issues;
 - 2.1.3.4. Transformation;
 - 2.1.3.5. Ethical conduct and values; and
 - 2.1.3.6. Governance processes within the Group.
- 2.2. The chairperson of the Board may be a member of this Committee but may not serve as its chairperson;
- 2.3. The chairperson of the Committee, who shall be an independent non-executive director, shall be appointed by the Board.

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3. ROLE OF THE COMMITTEE

- 3.1. The Committee will act independently with accountability to the Board and draw matters within its mandate to the attention of the Board as occasion requires and report quarterly.
- 3.2. The Committee will report to the shareholders at the annual general meeting Attacq all within its mandate.

4. FUNCTIONS AND DUTIES OF THE COMMITTEE

- 4.1. The Committee has an independent role with accountability to both the Board and shareholders. The Committee does not assume the functions of management, which remains the responsibility of the executive directors, prescribed officers and other members of senior management.
- 4.2. The Committee will monitor Attacq's activities to achieve and maintain standards in Attacq's transformation, social and ethics environment with due regard to relevant legislation, policies and codes of best practice.
- 4.3. The Committee can provide assistance on policies and guidelines applicable to TSE compliance matters.
- 4.4. Committee will amongst others have regard to the following matters:
 - 4.4.1. Transformation, social and economic development and, more specifically —
 - 4.4.1.1. The ten principles set out in the United Nations Global Compact Principles (see Appendix W hereto);
 - 4.4.1.2. The OECD recommendations regarding corruption;
 - 4.4.1.3. The Employment Equity Act, 55 of 1998;
 - 4.4.1.4. The Broad-Based Economic Empowerment Act, 53 of 2003.
- 4.5. Good corporate citizenship including -
 - 4.5.1. The Committee should assist the Board to assume responsibility for corporate citizenship by setting and recommending the direction for how it should be approached and addressed by the Group.
 - 4.5.2. The Committee should oversee that the Group's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies.
 - 4.5.3. The Committee should oversee that the Group's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.
 - 4.5.4. The Committee should oversee and monitor, on an ongoing basis, how the consequences of the Group's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas:
 - 4.5.4.1. Workplace (including employment equity; and the safety, health, dignity and development of employees).

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- 4.5.4.2. Society (including health and safety; consumer protection; community development; and protection of human rights).
- 4.5.4.3. Environment (including responsibilities in respect of pollution and waste disposal; and protection of biodiversity).
- 4.5.5. The Committee would monitor appropriate disclosure in relation to corporate citizenship as it relates to:
 - 4.5.5.1. Key areas and planned areas of focus during the reporting period.
 - 4.5.5.2. Measures taken to monitor corporate citizenship and how the outcomes were addressed.
 - 4.5.5.3. Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance. This will be reported from the Committee via the Combined Assurance Forum to the Audit and Risk Committee.
 - 4.5.5.4. Review reports on consumer complaints or any other consumer related matters
- 4.6. Consumer relationships including Attacq's public relations and with consumer protection laws to one extent acceptable;
- 4.7. contractors and employment -
 - 4.7.1. Monitor Attacq's standing on decent work and working conditions; and
 - 4.7.2. Attacq's employment and its commitment towards the educational development of its employees.
- 4.8. Ethics –
 - 4.8.1. The Committee should ensure that appropriate mechanisms are in place to ensure the Group avoid conflicts of interest. In cases where a conflict cannot be avoided, it should be disclosed to the Board in full at the earliest opportunity, and then proactively managed as determined by the Board and subject to legal provisions;
 - 4.8.2. The Committee should assist in creating awareness of ethics and report on any irregularities brought to the Committee's attention
 - 4.8.3. The Committee should review and recommend to Board the Code of Conduct and ethics regularly. The Committee should ensure that codes of conduct and ethics policies;
 - 4.8.3.1. Encompass the Group's interaction with both internal and external stakeholders; and
 - 4.8.3.2. Address key ethics risks of the Group.
 - 4.8.4. The Committee should monitor that the codes of conduct and ethics provides for arrangements that familiarise employees and other stakeholders with the Group's ethical standards.
 - 4.8.5. The Committee should exercise ongoing oversight of the management of ethics and, and monitor the reports provided from Legal, operations and Human

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Resources on the relevant codes of conduct, policies in suppliers, employee contracts and induction / training programmes

- 4.9. Stakeholder relationships
 - 4.9.1. The Committee should establish and recommend for approval by the Board a stakeholder engagement policy and plan;
 - 4.9.1.1. Measurement of the quality of material stakeholder relationships, and appropriate responses to the outcomes.
 - 4.9.2. The Committee should ensure appropriate disclosure of following in relation to stakeholder relationships:
 - 4.9.2.1. An overview of the arrangements for governing and managing stakeholder relationships.
 - 4.9.2.2. Key areas of focus during the reporting period and future areas of focus.
 - 4.9.2.3. Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.
- 4.10. Disclosure requirements:
 - 4.10.1.1. An overview of the arrangements for governing and managing compliance (i.e. the applicable non-binding rules, codes and standards to which the company adheres on a voluntary basis);
 - 4.10.1.2. Actions taken to monitor the effectiveness of compliance management and how the outcomes are addressed (i.e. how the Board has discharged its responsibility to ensure the establishment of an effective compliance framework and processes;
 - 4.10.1.3. Planned areas of future focus;
 - 4.10.1.4. Material or repeated regulatory penalties, sanctions or fines for contravention of, or non-compliance with statutory obligations, whether imposed on the Company or on members of the Board or officers; and
 - 4.10.1.5. Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance.

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5. AUTHORITY OF THE COMMITTEE

- 5.1. The Committee may –
 - 5.1.1. Request from any director, prescribe officer of Attacq any information or explanation necessary for the performance of the committee;
 - 5.1.2. Attend any general meeting of the shareholders of Attacq;
 - 5.1.3. Receive all notices of and other communications relating to any shareholders of Attacq;
 - 5.1.4. Speak at the annual general meeting of Attacq or at any general meeting of shareholders on any part of the business of the meeting that concerns the functions of the Committee; and
 - 5.1.5. Be available for any special meeting which may be convened.

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6. AGENDA AND MINUTES

- 6.1. The Committee shall meet as and when required, but at least on a quarterly basis;
- 6.2. The notice convening each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Committee not fewer than four working days prior to the date of the meeting;
- 6.3. The minutes must be completed at least ten business days after the meeting and circulated to the Chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting;
- 6.4. Minutes of the meeting signed by the Chairperson are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise; and
- 6.5. Minutes of all meetings of the Committee will be submitted to the Board at its next succeeding meeting.

7. QUORUM

- 7.1. 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 and to not have a casting vote; and
- 7.2. The Committee may invite senior management of Attacq or any other attendee as the Committee in its sole and absolute discretion deem fit to attend any of its meetings.

8. REMUNERATION

- 8.1. Non-executive members of the Committee shall be paid such remuneration in respect of their appointment as determined by the Board;
- 8.2. The above fees shall be subject to review by the Nominations Committee from time to time and annual approval by the shareholders of Attacq; and
- 8.3. Executive directors, prescribed officers of and employees of Attacq not receive any remuneration in respect of their appointment to the Committee.

9. REPORTING

- 9.1. The chairperson of this Committee will provide an oral or written summary report to the Board following each meeting of the Committee.

10. GENERAL

- 10.1. This Charter may from time to time be amended, subject to the approval of the Board;
- 10.2. The committee in carrying out its functions under these charter may obtain such outside or other independent professional advice as it considers necessary to carry out its duties; and

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10.3. The Group must pay all the expenses reasonably incurred by the Committee, including, any fees of any consultant or specialist engaged by the Committee on the performance of its functions.

11. APPROVAL

11.1. This charter was approved by the Chairperson of the Board and the Chairperson of the Committee and will be reviewed annually.

Signed on 6 SEPTEMBER 2018



Chairperson of the Board

Chairperson of the Transformation, Social and Ethics Committee