



Mettle Investments Limited

("Mettle" or "the Company")

Terms of reference for the Social, Ethics and transformation Committee

1. Introduction

The Social and Ethics Committee (the "Committee") is constituted as a committee of the Board of Mettle in terms of section 72(4) of the Companies Act no. 71 of 2008 as amended in 2011, read with Regulation 43 of the Companies Regulations, 2011.

The Board should furthermore ensure that both the social and ethics performance of Mettle is well-governed. The Board recognises that compliance is essential to cultivate and sustain an ethical corporate culture, which will assist the Company in gaining reputational advantage, enhance sustainability and improve the management of risk and legal compliance.

The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have 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 judgment in accordance with their legal obligations.

These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2. Purpose of the terms of reference

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.

3. Composition of the Committee

The Committee comprises at least three directors or prescribed officers of the Company, appointed by the Board.

The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.

The Committee is chaired by a non-executive Board member who is not the Chairman of the Board. The Board elects the Chairman of the Committee from the elected members.

The Committee members are required to keep up-to-date with developments affecting the required skill-set.

The Board fills vacancies on the Committee within 40 (forty) business days after the vacancy arises.

4. Role and responsibilities

The Committee has an independent role with accountability to the Board. The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

The Committee will:

- draw matters within its mandate to the attention of the Board as occasion requires;
- report, through the Board, to the shareholder on the matters within its mandate. The report may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make such report; and
- monitor on-going investigations and appeals.

The role of the Committee is furthermore to assist the Board with the oversight of social and ethical compliance relating to the Company, specifically in relation to the:

- 4.1 Market place;
- 4.2 Work place;
- 4.3 Social environment; and
- 4.4 Natural environment.

5. Mandate

5.1 Social responsibility

The Board is responsible to ensure the social responsibility of the Company is managed effectively across the following areas, with the objective of protecting, enhancing and investing in the well-being of the economy, society and the environment. The Committee performs all the functions necessary to assist and support the Board in fulfilling its duties in this regard:

- 5.1.1 Marketplace: consider and be accountable for the impact on the marketplace in which it operates –
 - prevent undermining fair competition;
 - avoid the Company or its supply chain harming local economic development;

- corruption prevention;
conformance to any relevant industry charter;
- conducting negotiations with stakeholders at arm's length and in good faith, with appropriate disclosure of any potential conflict of interest as required in terms of legislation;
- not placing themselves in a position where their own interests conflict with those of the Company or a stakeholder;
- taking care when handling price sensitive information;
- identify and monitor all marketplace risks.

5.1.2 Workplace: consider its social impact on the workplace –

- ensure the health, safety of employees;
- employment equity;
- broad based black economic empowerment;
attracting and retaining suitable staff;
- decent working conditions;
- employees are given appropriate opportunities for career improvement through development and education;
- refraining from discrimination or harassment based on race, colour, religion, national origin, age, physical disability, medical condition, gender, sexual orientation, marital status, or any other legally protected status
- identify and monitor all workplace risks.

5.1.3 Social environment: consider the impact on communities affected by its operations

- impact of its products and services on the safety and health of consumers;
- community development;
- record of donations, sponsorships and charitable giving;
- public health and safety;
- consumer protection;
- consumer relations;
- adherence to relevant country constitutions and bills of right;
- compliance with relevant legislation in terms of social media, public relations and advertising;
- identify and monitor all social environment risks.

5.1.4 Natural environment: consider the impact of its activities on the natural environment –

- pollution;
- use and conservation of scarce natural resources;
- environmental impact of operations including carbon emission;
- environmental sustainability;
- compliance with all environmental laws and regulations applicable to the company's business operations;
- identify and monitor all natural environment risks

5.1.5 Legislation and codes of best practice: compliance with relevant legislation or prevailing codes of best practice relevant to the above, including but not limited to -

- The Bill of Rights of the South African Constitution (specifically the Right to Equality);
- The 10 principles set out in the United Nations Global Compact Principles (refer Annexure 1)
- The Organisation for Economic Cooperation and Development (OECD) recommendations regarding corruption;
- Financial Intelligence Centre Act No. 38 of 2001;
- The Employment Equity Act No. 68 of 2008;
- The Broad Based Black Economic Empowerment Act;
- Transparency International's Business Principles for Countering Bribery;

- International Labour Organisation Discrimination (employment and occupation) Convention;
- Prevention and Combating of Corrupt Activities Act No. 12 of 2004;
- Promotion of Equality and Prevention of Unfair Discrimination Act;
- Competition Act No. 89 of 1998;
- Consumer Protection Act No. 68 of 2008 (product safety provisions);
- National Environmental Management Act No. 107 of 1998;
- Environment Conservation Act Extension No. 73 of 1989 and the Extension Act of 1996;
- National Water Act No. 36 of 1998;
- National Building Regulations and Building Standards Act No. 103 of 1977
- ISO 14000 – environmental management;
- United Nations Environment Programme (business guidance publications);
- National Credit Act;
- Code of Advertising Practice of the Advertising Standards Authority of South Africa;
- Basic Conditions of Employment Act No. 75 of 1997;
- Occupational Health and Safety Act No. 85 of 1993;
- Labour Relations Act No. 66 of 1995;
- Skills Development Levies Act No. 9 of 1999;
- Unemployment Insurance Act No. 63 of 2001 and the Contributions Act No. 4 of 2002;
- Protected Disclosures Act;
- Any relevant industry Charters.

5.1.6 Reporting -

- draw matters within its mandate to the attention of the Board as occasion requires, such as social matters posing a material risk to the Company;
- reporting, through the Chairman, to the shareholders at the Company's annual general meeting on the matters within its mandate.

5.2 Ethics

The Board is responsible to ensure the ethics of the Company are managed effectively as follows, and the Committee performs all the functions necessary to assist and support the Board in fulfilling its duties in this regard.

5.2.1 Assess ethics risks and opportunities: engage with stakeholders to determine if there are any negative risks the Company is exposed to -

- unethical behaviour such as fraud, abuse of company property, gender or racial discrimination;
- unethical practices such as nepotistic employment or corrupt procurement practices;
- unethical beliefs such as unethical corporate culture; and
- identify opportunities arising from ethical behaviours, practices and beliefs from which the Company will benefit.

5.2.2 Develop ethics standards and policies: based on the Company's unique ethics risk profile, develop ethics standards to assist in avoiding ethics risks and embracing ethics opportunities by

- formulating a code of conduct and/or
- ethics policies on specific matters such as giving or receiving gifts, procurement or conflicts of interest.

5.2.3 Implement ethics standards and policies: achieve implementation through interventions such as

- training

- communication
- reporting mechanisms,
- reward systems and
- disciplinary procedures.

5.2.4 Internal and external reporting on the ethics performance of the Company:

- internally management must report to the Board on the adequacy and effectiveness of the ethics management process, and
- externally the ethics performance needs to be reported in the Integrated report disclosed to shareholders and other stakeholders;
- the process and format of reporting must be comparable and consistent, verifiable, timeous and understandable.

5.2.5 Compliance with relevant legislation or prevailing codes of best practice with regards to the above:

- King IV;
- JSE Limited (“JSE”) Listings Requirements
- JSE SRI Index ethics criteria;
- The Ethics SA South African Corporate Ethics Indicator (SACEI) Index.

6. Authority

The Committee acts in accordance with the delegated authority of the Board as recorded in these terms of reference.

It has the power to investigate, at the cost of the company, any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the Chairman of the other Board committees, any of the executive directors, Company officers or assurance providers to provide it with relevant information.

The Committee is entitled to reasonable access to the Company’s records, facilities and employees necessary to discharge its duties and responsibilities. The Committee may form, and delegate authority to, subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the company’s cost, subject to prior approval by the majority of the members.

The Committee has the right to be heard at any general shareholders meeting on any part of the business of the meeting that concerns the Committee’s statutory responsibilities.

7. Meetings and Procedures

7.1 Frequency

The Committee holds sufficient scheduled meetings to discharge all its duties as set out in these terms of reference and its annual work plan, but subject to a minimum of two meetings per year.

7.2 Attendance

Executives of the Company, other assurance providers and professional advisors may attend Committee meetings, by invitation only, at the discretion of the Chairman.

Any other member of the Board is entitled to attend the Committee meetings as an observer.

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 Committee.

The company secretary is the secretary to this Committee.

If the elected Chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairman for the duration of that meeting.

At the commencement of each meeting, all members must declare whether any of them has any conflict of interest in respect of a matter on the agenda.

7.3 Agenda and minutes

The Committee establishes an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

A detailed agenda, together with supporting documentation, is circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.

The minutes are 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.

Minutes of the meeting, signed by the Chairman, are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

7.4 Quorum

The 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 accordingly may not vote on any matter.

7.5 Evaluation

The Committee shall perform a self-evaluation of its effectiveness every year and report the results thereof to the Board.

8. Approval of these terms of reference

These terms of reference were recommended to the Board for approval on _____ and will be reviewed annually.

Annexure 1

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.