



**TIGER BRANDS LIMITED**  
**(Registration Number 1944/017881/06)**  
**("the Company")**

**TERMS OF REFERENCE OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE**

**1. Constitution and general principles**

- 1.1 In line with the requirements of section 72(4) of the Companies Act of 2008 ("the Act") the board of directors of the Company ("the Board") resolved to establish a statutory committee of the Board to be known as the Social, Ethics and Transformation Committee ("the Committee") which shall fulfil the duties as listed below.
- 1.2 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company who must continue to exercise due care and diligence in accordance with their statutory and fiduciary duties.
- 1.3 These terms of reference have been approved by the Board and shall be reviewed annually. It shall be read with the Board Charter and shall be subject to the provisions of the Act, the Memorandum of Incorporation of the Company and any other applicable law or regulatory provision.
- 1.4 In addition to ensuring compliance with the law, the Committee shall be expected, in fulfilling its functions, to apply the principles of good corporate governance as set out in King IV.
- 1.5 All members of the Committee shall be required to keep up to date with developments affecting the areas of responsibility of the Committee. Members are furthermore expected to be fully prepared for meetings and to provide appropriate and constructive input on matters under consideration.

1.6 In these terms of reference, “Group” shall refer to the Company and its subsidiaries.

## **2. Composition**

2.1 The Committee shall be appointed by the Board, on recommendation of the Nomination and Governance Committee, and shall comprise a minimum of 3 (three) directors of the Company, the majority of whom shall be independent non-executive directors as defined in King IV, each of whom shall have a vote, and one of whom shall be the Chief Executive Officer.

2.2 The chair of the Committee shall be appointed by the Board from one of the independent non-executive directors serving as members of the Committee.

2.3 The chair of the Board may be a member of the Committee but not its chair.

## **3. Authority**

3.1 In respect of the statutory duties of the Committee as set out below, the Committee shall be accountable to shareholders and report to shareholders as provided for in the Act. In respect of all other duties as contained in these terms of reference, the Committee shall be accountable and report to the Board.

3.2 The Committee shall have decision-making power in respect of its statutory duties and such other duties, if any, where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.

3.3 The Committee is authorised by the Board, subject to the approval process as set out in the Board Charter, to obtain outside legal or other independent professional advice and to secure the attendance at meetings of the Committee of outsiders with relevant experience and expertise if deemed necessary.

3.4 The Committee may establish and delegate authority to any member or sub-committee to assist it in carrying out certain of its functions. Such delegation, and the extent thereof, shall be properly recorded in a formal resolution of the Committee passed at a meeting of the Committee or via written resolution.

3.5 The Company shall meet all expenses reasonably incurred by the Committee in the fulfilling of its duties.

#### **4. Committee meetings and resolutions**

##### **4.1 Attendance at meetings**

- 4.1.1 Every member of the Board is entitled to attend any meetings of the Committee as an observer. However, unless that member is also a member of the Committee, the member shall not be entitled to participate without the consent of the chair and does not have a vote.
- 4.1.2 The Committee shall identify those members of management who shall have a standing invitation to attend the meetings of the Committee. Other individuals, including members of management and external consultants and service providers may be invited to attend from time to time in consultation with the chair.
- 4.1.3 The company secretary (or duly authorised representative of the company secretary) shall be in attendance at each meeting of the Committee to act as secretary of the Committee.
- 4.1.4 Committee members are expected to attend all meetings of the Committee, unless an apology with reasons has been submitted to the chair or the company secretary.
- 4.1.5 If the chair of the Committee is absent from the meeting, any other member of the Committee may act as chair for that meeting as agreed by those present or as nominated by the chair of the Committee.

##### **4.2 Frequency of meetings**

- 4.2.1 Meetings of the Committee shall be held as frequently as the Committee, in consultation with the company secretary, considers appropriate, but it shall normally meet not less than 3 (three) times per annum.
- 4.2.2 Meetings shall be scheduled in advance, as per the annual Board calendar. The agenda and supporting meeting papers will serve as adequate notice of such meeting.
- 4.2.3 A member of the Committee may request a meeting if deemed necessary and a meeting shall then be arranged in consultation with the chair of the Committee. Formal notice of such special meeting shall be given as and when required.

- 4.2.4 The Committee must undertake such work as is necessary in preparation for relevant Board meetings and to properly report to the Board on its activities and recommendations.
- 4.2.5 An annual work plan, based on the duties as listed in clause 6, shall be implemented and approved by the Committee and shall be annually reviewed together with these terms of reference.

#### 4.3 Meeting procedures

- 4.3.1 The meetings of the Committee may be held in person, or by electronic communication as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 4.3.2 A quorum shall be a majority of members present in person or via electronic communication facilities throughout the meeting. Where a member declares an interest and is recused from the meeting, the meeting shall remain quorate during his/her absence.
- 4.3.3 In the absence of a quorum and subject to the discretion of the chair, the meeting can either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.
- 4.3.4 No resolutions tabled for approval by the Committee at a meeting which is not quorate shall be implemented or given effect to until formally approved at the postponed meeting or via written resolution as contemplated in clause 4.3.3.
- 4.3.5 The written resolution circulated in terms of clause 4.3.3 requires majority approval, in the absence of which a special meeting of the Committee shall be convened in order for the matter to be discussed and formally approved during such special meeting.
- 4.3.6 An agenda with supporting papers shall be circulated no later than 5 (five) business days prior to the meeting, where reasonably possible. The company secretary shall be responsible for the preparation of the meeting agenda in consultation with the chair and the chief executive officer.
- 4.3.7 An annual work plan, as a minimum, shall determine the content of the agenda and frequency of the meetings. The work plan will be based on the duties listed in item 6.

4.3.8 Draft minutes of a meeting shall be approved as per the following timeline –

4.3.8.1 Minutes of meetings will be completed within 10 (ten) business days of the meeting and circulated to relevant members of the Executive Committee for comment and approval;

4.3.8.2 Executive Management shall comment on the said minutes within 5 (five) business days of receipt;

4.3.8.3 Should no comments be received by 12:00 midday on the 6<sup>th</sup> (sixth) business day following circulation, the Secretary of the meeting shall circulate the minutes to the chair of the Committee for comment within 7 (seven) business days prior to sending them to the members for their comments as well;

4.3.8.4 The members of the Committee shall provide the Secretary with comments to the minutes and each member shall send an email to the Secretary indicating their approval of the minutes, within 10 (ten) business days; and

4.3.8.5 The final minutes will be tabled for confirmation as a true record of proceedings at the next meeting of the Committee or circulated for this purpose via electronic communication and shall thereafter be signed by the chair of the Committee.

#### 4.4 In-committee meetings

4.4.1 In-committee meetings of the Committee, where only members of the Committee are present, may be held as and when deemed appropriate by the chair of the Committee.

4.4.2 The company secretary may be required to be in attendance at in-committee meetings for minute purposes. In the event that the company secretary is also excused from the meeting, the chair shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.

4.4.3 Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication whereafter it shall be signed by the chair of the Committee.

#### 4.5 Written resolutions

A resolution in writing signed by a majority of the members of the Committee shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

### 5. **Role of the Committee**

#### 5.1 The role of the Committee is to:

- 5.1.1 fulfil the statutory duties as set out in Regulation 43 to the Act;
- 5.1.2 have oversight of and report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships; and to
- 5.1.3 assist the Board in facilitating and supporting the development of transformation objectives, ensuring that the corporate culture is supportive of the approach and monitoring and reporting actual performance against these objectives.

#### 5.2 Unless otherwise indicated, the Committee shall fulfil its statutory duties as listed in clause 6.1 in respect of the Company and any subsidiary that is required by law to have a social and ethics committee. Reference to “Company” in clause 6.1 shall therefore be applicable to both the Company and such relevant subsidiaries.

#### 5.3 In addition, the Committee shall fulfil its other duties as listed in clause 6.2 in respect of the Company and each of its subsidiaries (the Group).

#### 5.4 In performing the role of a Social, Ethics and Transformation Committee as reflected above, the Committee shall place reliance on the work and reports of any employee, advisor or Committee of the Board that has responsibility for any function falling within the role of the Committee.

## 6. Duties of the Committee

The duties of the Committee shall include:

### 6.1 Statutory duties (Regulation 43 to the Act)

- 6.1.1 monitoring 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 –
  - (a) social and economic development, including the Company's standing in terms of the goals and purposes of:
    - (i) the 10 principles set out in the United Nations Global Compact Principles; and
    - (ii) the OECD recommendations regarding corruption;
    - (iii) the Employment Equity Act; and
    - (iv) the Broad-Based Black Economic Empowerment Act;
  - (b) good corporate citizenship, including the Company's:
    - (i) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
    - (ii) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
    - (iii) record of sponsorship, donations and charitable giving;
  - (c) the environment, health and public safety, including the impact of the Company's activities and of its products or services, managed by the Tiger Brands Risk & Sustainability Committee;

- (d) consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
- (e) labour and employment, including:
  - (i) the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - (ii) the Company's employment relationships, and its contribution toward the educational development of its employees;

6.1.2 drawing matters within its mandate to the attention of the Board as occasion requires; and

6.1.3 reporting, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.

## 6.2 Other duties

### 6.2.1 *Organisational ethics*

- (a) provide oversight and report on the Company's planned areas of future focus for ethics in the organisation;
- (b) exercising ongoing oversight of the management of ethics and, in particular, oversee that it results in the following:
  - (i) application of the Group's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers;
  - (ii) having sanctions and remedies in place for when the Group's ethical standards are breached;
  - (iii) the use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately; and

- (iv) the monitoring of adherence to the Group's ethical standards by employees and other stakeholders, through, among others, periodic independent assessments;
- (c) annually reviewing the Group Code of Ethics and relevant ethics policies to ensure that these give effect to the Board's direction on organisational ethics and make necessary recommendations to the Board for approval;
- (d) ensuring that the Group Code of Ethics and ethics policies provide for arrangements that familiarise employees and other stakeholders with the Group's ethical standards, including:
  - (i) publishing the aforementioned documents on the Group website;
  - (ii) incorporating by reference, or otherwise, the relevant codes and policies in supplier and employee contracts; and
  - (iii) including these codes and policies in employee induction and training programmes;
- (e) reviewing significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees;
- (f) where requested, making recommendations on any material potential conflict of interest or questionable situations;
- (g) ensuring that the Group's ethics performance is adequately assessed, monitored and disclosed;

#### 6.2.2 *Responsible corporate citizenship*

- (a) Monitor corporate citizenship and how the outcomes were addressed & planned areas of future focus (strategy) and disclose same in the Integrated Report;

- (b) overseeing that the core purpose and values, strategy and conduct are congruent with the Group being a responsible corporate citizen;
- (c) annually reviewing and recommending relevant policies that address any of the matters listed below to the Board for approval:
  - (i) workplace – employment equity; safety, health, dignity and development of employees;
  - (ii) economy – economic transformation and prevention, detection and response to fraud and corruption;
  - (iii) society – public health and safety; consumer protection; community development and protection of human rights;
  - (iv) environment – pollution; waste disposal and protection of biodiversity;

#### 6.2.3 *Transformation*

- (a) reviewing and monitoring the Group's transformation initiatives, targets and performance in all relevant areas of the operations including, but not limited to, employment practices, procurement, enterprise development and social responsibility initiatives;
- (b) ensuring adequate disclosure of the Group's transformation targets and performance.

### 6.3 General

- 6.3.1 giving due consideration to the relevant provisions of the Act, the Listings Requirements of the JSE Limited and the principles and recommendations of King IV; and
- 6.3.2 considering such other topics and fulfil such other duties as defined by the Board.

## **7. Reporting Procedure**

- 7.1 The Committee shall include a report in the integrated report that provides shareholders with an overview of the matters within the mandate of the Committee (to form the basis of the statutory report to shareholders at the annual general meeting) and that addresses the matters as listed in King IV for disclosure by a committee of the Board.
- 7.2 The chair shall provide a report on the Committee's most recent activities at every subsequent Board meeting.
- 7.3 The chair of the Committee shall be required to attend the Company's annual general meeting to submit the Committee's report as contemplated in clause 6.1.3 and to answer relevant questions posed by shareholders.

## **8. Performance evaluation**

- 8.1 The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.
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