

SOCIAL, ETHICS AND RISK COMMITTEE

TERMS OF REFERENCE

GOV-CH-04

Revision History

Date	Details	By	Approved
15 October 2018	Revision 2	Company Secretary	Committee
1 December 2019	Revision 3	Company Secretary	Committee
14 June 2021	Revision 4	Company Secretary	Committee



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1. INTRODUCTION

- 1.1 In line with the requirements of section 72(4) of the Companies Act of 2008 (the Act) the board of directors of Omnia Holdings Limited (the board) has established a statutory committee of the board to be known as the social, ethics and risk committee (the committee).
- 1.2 The purpose and scope of the committee is to fulfil:
- i) the statutory functions of a social and ethics committee as set out in regulation 43(5) of the regulations to the Act in respect of the company and those entities within the Group that are required by law to have such a committee;
 - ii) the functions of a risk committee as recommended in the King IV Report on Corporate Governance for South Africa, 2016 (King IV); and
 - iii) such additional duties assigned to it by the board from time to time.

2. SOCIAL AND ETHICS DUTIES AND RESPONSIBILITIES

2.1. Statutory duties in terms of regulation 43(5) to the Act

- 2.1.1 Monitor the activities of the company, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice relating to:
- a) Omnia's standing and activities related to the promotion of social and economic development
 - b) Omnia's standing in terms of the goals and purposes of:
 - i) the 10 principles set out in the United Nations Global Compact Principles
 - ii) the OECD recommendations regarding corruption
 - iii) the Employment Equity Act
 - iv) the Broad Based Black Economic Empowerment Act
 - c) Good corporate citizenship, including Omnia'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
 - iii) record of sponsorship, donations and charitable giving
 - d) Ensure health and safety, including the impact of Omnia's activities, products and services
 - e) Omnia's consumer relationships, including advertising, public relations and compliance with consumer protection laws
 - f) Labour and employment, including:
 - i) Omnia's standing in terms of the International Labour Organisation Protocol on decent work and working conditions
 - ii) Omnia's employment relationships, and its contribution toward the educational development of its employees.



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- 2.1.2 Draw matters within its mandate to the attention of the board as the occasion requires, and report, through one of its members, to the shareholders at the company’s annual general meeting (AGM) on the matters within its mandate.

2.2 Social and Ethics Duties assigned by the board

Organisational Ethics Responsibilities

- 2.2.1 Oversee the establishment of an ethical culture and management of ethics in the Omnia Group by:
 - a) Reviewing the relevant policies on organisational ethics, and ensure these meet the recommendations of King IV (Principle 2, par 6) and are effectively communicated
 - b) Reviewing significant cases of employee conflicts or unethical activity by employees
 - c) Monitoring the outcome of the management of ethics in the Omnia Group as recommended in King IV (Principle 2, par 9) and
 - d) Reviewing the disclosure of ethics related information (King IV, Principle 2, par 10)

Sustainable Development and Responsible Corporate Citizenship Responsibilities

- 2.2.2 Ensure that the Group responds to the opportunities and challenges of the triple context in which the Omnia operates and the capitals that it uses and affects, with the aim to achieve the creation of value over time and ensure that the Group is and is seen as a responsible corporate citizen
- 2.2.3 Review transformation initiatives, including setting targets and tracking performance in all relevant areas of the operations
- 2.2.4 Review and approve policies, strategies and plans to ensure that the Omnia Group complies with the industry B-BBEE charter and applicable scorecard, and ensure adequate disclosure of the Group’s transformation targets and performance in the integrated annual report as required by the JSE Limited

Stakeholder Relationships Responsibilities

- 2.2.7 Approve and review policies relating to the management of stakeholder relationships
- 2.2.8 Review and monitor stakeholder engagement plans, guidelines and practices

Environmental Governance Responsibilities

- 2.2.9 Review material non-compliance reports from internal or external assurance providers
- 2.2.10 Review organisational targets relating to environmental performance and sustainability
- 2.2.11 Review rehabilitation provisions for recommendation to the audit committee

3. RISK GOVERNANCE RESPONSIBILITIES

3.1 Relationship with the audit committee

The audit committee shall be an integral component of the risk management process and is obliged to ensure that it has adequate assurance regarding the process for identifying, managing and reporting risk. SERC shall be responsible for ensuring that management has implemented an effective policy and plan for risk management that will enhance the Group’s



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ability to achieve its strategic objectives. Accordingly, SERC shall liaise closely with the audit committee to ensure that:

- a) all salient information is exchanged between the committees
- b) all risks are adequately addressed by either committee
- c) the audit committee has an understanding of and adequate assurance regarding the process for identifying, managing and reporting risk
- d) the audit committee oversees the management of a combined assurance process to address significant company risks
- e) the audit committee oversees the management of information and technology related risks

3.2 Risk duties assigned by the board

- 3.2.1 Support the board in the effective governance of risk as contemplated in Principle 11 of King IV, including the review of any information in respect of risk governance and management published by the Omnia Group
- 3.2.2 Assess the adequacy and effectiveness of the risk management function throughout the Group, including managing risks and opportunities and the protection of the Group's assets
- 3.2.3 Review the risk management policy and plan, taking into account the nature and extent of the risks that the Group should be willing to take in pursuit of its strategic objectives and in particular, risk appetite and tolerance levels, for recommendation to the board for approval
- 3.2.4 Review and debate risk reports generated by the operating entities within the Group, including risk responses and the strategic risk dashboard and oversee tender risk management and business continuity arrangements
- 3.2.5 Identify and evaluate the corruption risks that Omnia's employees or others acting on its behalf are likely to encounter and use this knowledge as a basis for developing appropriate measures to reduce these risks

3.3 Duties in respect of Compliance

- 3.3.1 Review and monitor the governance of compliance to support the Group being ethical and a good corporate citizen as recommended in Principle 13 of King IV
- 3.3.2 Review the effectiveness of the systems for monitoring non-compliance or fraudulent acts and the results of management investigations and follow-up (including disciplinary action)
- 3.3.3 Implement a Corporate Compliance Programme

4. MEMBERSHIP

The committee shall comprise no less than three members of the board, appointed by the board on recommendation of the remuneration & nomination committee. The committee shall comprise of at least one executive director; and a majority of non-executive directors.



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5. MEETINGS

5.1 Frequency

The committee shall meet at least three times a year but may at its discretion meet more often, depending on the circumstances. Meetings shall be scheduled in advance and no formal notice of the meeting shall be given, excluding the agenda and supporting meeting papers.

5.2 Attendance

5.2.1 The committee may invite such other persons to attend any meeting of the committee, or part thereof, as the committee may reasonably deem necessary or desirable, provided that such invitees will have the right to speak at the meeting with the consent of the chair, but not to vote

5.2.2 Committee members shall 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 chair of the committee or the company secretary

5.3 Reporting Responsibilities

5.3.1 The chair of the committee shall provide a verbal report on the committee's most recent activities, approvals and recommendations at every subsequent board meeting. The minutes of preceding meetings of the committee shall be presented to the board for noting

5.3.2 The committee shall approve all disclosures concerning matters forming part of its mandate including risk management disclosures made in the Sustainable Development Report.

5.4 Agenda

5.4.1 The company secretary in consultation with the committee chair, shall prepare an agenda and related documents that will be circulated to the committee no later than 7 (seven) days prior to the meeting of the committee

5.4.2 Closed session 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. The company secretary shall be in attendance at in-committee meetings for minute purposes. Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication.

5.5 Quorum

The quorum for a meeting of the committee shall be a majority of members being present in person or via electronic communication.



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5.6 Written Resolutions

A round robin resolution should be consented to by all members of the committee

6. PERFORMANCE OF THE COMMITTEE AND COMMITTEE FEES

- 6.1 The performance of the committee shall be evaluated in accordance with the methodology approved by the board from time to time.
- 6.2 Committee members shall be paid such fees as approved by shareholders of the Company from time to time on recommendation from the Remuneration and Nominations Committee.

7. REVIEW OF THE TERMS OF REFERENCE

This terms of refence shall be reviewed on an annual basis by the committee and amended, subject to the approval of the board.

Chair of the Committee	Signature	Date
B Swanepoel		14 June 2021

Chair of the Board	Signature	Date
Ralph Havenstein		14 June 2021