



**Nampak**  
packaging excellence

**NAMPAK LIMITED**

**SOCIAL, ETHICS AND TRANSFORMATION  
COMMITTEE CHARTER**

## 1. INTRODUCTION

- 1.1 The Social, Ethics and Transformation Committee (the “Committee”) is constituted as a committee of the board of directors of Nampak Limited (“the Board”) to perform the role of a social and ethics committee for Nampak Limited (“the Company”) and its South African subsidiaries as contemplated in the Companies Act 71 of 2008 (“the Companies Act”) and as a committee of the Board in respect of all other duties assigned to it by the Board. The duties and responsibilities of the members of the Committee are in addition to those as members of the Board.
- 1.2 The charter is subject to the provisions of the Companies Act, the Company’s Memorandum of Incorporation (“MOI”), the Listings Requirements of the JSE Limited (“JSE Listings Requirements”) and any other applicable law or regulatory provision.

## 2. PURPOSE OF THE CHARTER

The purpose of this charter is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

## 3. COMPOSITION

- 3.1 The Committee shall consist of at least five members, the majority of whom shall be non-executive directors.
- 3.2 The Chief Executive Officer (“CEO”) and Executive Director: Human Resources, shall be members of the Committee.
- 3.3 The Board shall appoint an independent non-executive director as the Chairman of the Committee, who shall not be the Chairman of the Board, and determine the period for which he or she shall hold office.
- 3.4 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- 3.5 The Committee shall nominate a committee secretary.

## 4. ROLE AND FUNCTIONS

The Committee acts independently and as Social, Ethics and Transformation Committee of the Company and all direct and indirect subsidiaries of Nampak Limited (“the Group”) in respect of which the Company has the right, or power, to fulfil the functions as detailed in this charter.

The Committee makes recommendations to the Board for its consideration and approval as appropriate. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, the Group Executive Committee (“GEC”) members and senior management.

The role of the Committee is to assist the Board to ensure that there are appropriate strategies, policies and processes in place in order to:

- 4.1 drive transformation; and

4.2 direct the building and sustainability of an ethical culture within the Group.

## 5. RESPONSIBILITIES

The Committee must perform all the functions necessary to fulfil its role as stated above including the following:

### Transformation responsibilities

- 5.1 Providing guidance on socio-economic transformation processes to ensure that the Group maintains its listing in the JSE Limited's Socially Responsible Index or any other index or rating as agreed;
- 5.2 Ensuring participation in accredited sustainability and transformation ranking indices as approved by the Committee;
- 5.3 Providing guidance on the overall transformation process for the Group in order to achieve the transformation commitments;
- 5.4 Making recommendations to the Board in regard to the Group's gender and race transformation commitments and targets and monitoring the Group's gender and race transformation against said commitments and targets;
- 5.5 Reviewing trends and issues of relevance with an impact on transformation practices in the Group;
- 5.6 Ensuring that appropriate programmes are in place to drive transformation within the Group;
- 5.7 Ongoing revision of the Company's strategy, charter and targets in respect of broad-based black economic-empowerment ("B-BBEE") and making recommendations to the Board for debate and approval;
- 5.8 Monitoring the performance against the approved B-BBEE Charter and providing guidance on ways to improve or enhance performance;
- 5.9 Approving the appointment of a verification agency; and
- 5.10 Monitoring compliance with the B-BBEE Act No 53 of 2003 and the Codes issued thereunder;

### Corporate social investment

- 5.11 Providing guidance on policy frameworks in respect of corporate social investment;
- 5.12 Approving a corporate social investment strategy and monitoring the Group's adherence to it;

### Social and ethics functions and responsibilities

The Committee will perform the role of a social and ethics committee for the Company and its South African subsidiaries as contemplated in section 72(4)(a) of the Companies Act read with regulation 43 of the Regulations made thereunder (as set out in appendix A).

In performing the role of a Social and Ethics Committee as reflected above, the Committee shall be entitled to 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.

The Committee will also be responsible to:

- 5.13 Assist the Board in building and sustaining an ethical corporate culture in the Group and that the Company's ethical standards are clearly articulated and integrated into the Company's strategies and operations;
- 5.14 Ensure that an ethics risk profile is compiled by management;
- 5.15 Recommend a code of conduct and business ethics for approval to the Board and ensure that management issues and implements it; and
- 5.16 Monitor the ethical conduct of the Company, its executives and senior officials in terms of the provisions of the code of conduct and business ethics.

## **6. AUTHORITY AND REPORTING**

- 6.1 The Committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the Board and the shareholders. The Committee further acts in terms of authority delegated to it by the Board as recorded in this charter. It has the power to investigate any activity within the scope of its charter.
- 6.2 The Committee, in the fulfilment of its duties, may call upon chairmen of the other Board committees, any of the executive directors, the Company Secretary or any other employee to provide it with information.
- 6.3 The Committee will have access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form and delegate authority to sub-committees and may delegate authority to one or more designated members of the Committee.
- 6.5 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 the Company's internal approval policies and processes.
- 6.6 The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its charter where action or improvement is required.
- 6.7 The Committee shall ensure sufficient disclosures are provided as required by the Companies Act and the Listings Requirements and as recommended in terms of the King Report on Corporate Governance for South Africa 2016 ("King IV™").
- 6.8 The Chairman of the Committee, or a person nominated by him/her, will attend the Company's annual general meeting to respond to relevant questions concerning the Committee's social and ethics responsibilities and other matters within its mandate.

## **7. MEETING PROCEDURES**

### **Frequency**

- 7.1 Meetings of the Committee will be held as the Committee deems appropriate. However, the

Committee should meet at least two times per year.

- 7.2 The Chairman of the Committee or any member of the Committee, or the CEO, or the Executive Director: Human Resources may call further meetings as and when required. A meeting of the Committee may also be held at any time at the insistence of the Board.
- 7.3 The meetings of the Committee may be held in person, by telephone, or other form of long distance conference facility as circumstances may require (such person shall be deemed as being present at the meeting), provided that the required quorum is met.
- 7.4 The Chairman of the Committee may meet with the CEO, Executive Director: Human Resources and/or the committee secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

### **Attendance**

- 7.5 Members of the GEC or senior management; assurance providers, professional advisors and Board members may be in attendance at Committee meetings, but by invitation only. Invitees may not vote.
- 7.6 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 secretary of the Committee.
- 7.7 If the Chairman of the Committee is not present at a meeting, the members present must elect one of the members present to act as Chairman.

### **Agenda and minutes**

- 7.8 The Committee must have an annual work plan to ensure that all relevant matters are discussed. The work plan must ensure proper coverage of the matters laid out in this charter; the more critical matters will need to be attended to as and when required.
- 7.9 The notice of each meeting of the Committee, confirming the venue, time and date and enclosing a detailed agenda of items to be discussed, together with supporting documentation if applicable, must be circulated, at least five working days prior to the date of the meeting.
- 7.10 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 7.11 The committee secretary shall take minutes of meetings. The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and the Committee members for review and subsequent approval at the next Committee meeting.
- 7.12 The Chairman of the Committee shall report back to the Board. The Committee shall keep the Board fully informed of its actions, decisions or recommendations.

### **Quorum and written resolutions**

- 7.13 The quorum of the Committee shall be a majority of members present throughout the meeting. A decision shall be deemed as passed if a majority vote on the matter for decision is passed by the members present at the Committee.
- 7.14 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

- 7.15 A decision that could be voted on at a meeting of the Committee may instead be adopted by written consent of a quorum of members, given in person, or by electronic means, provided that each member received notice of the matter to be decided. A decision made in such manner has the same effect as if it had been approved at a meeting.
- 7.16 Where decisions are required by way of written resolution, a quorum shall constitute a majority of members, of whom one shall be the Chairman of the Committee.

## **8. REMUNERATION**

- 8.1 Having regard to the functions performed by the members of the Committee in addition to their functions as directors, and pursuant to the MOI of the Company, members of the Committee may be paid such remuneration in respect of their appointment as shall be recommended by the Board and approved by the shareholders.
- 8.2 Such remuneration shall be in addition to any fees payable to directors.

## **9. EVALUATION**

The performance of the Committee and the Committee members must be assessed at least every two years.

## **10. REVIEW AND APPROVAL OF THE CHARTER**

- 10.1 This charter was approved by the Board on 28 November 2017.
- 10.2 The Committee will annually review this charter and make recommendations with respect to amendments, if any, to the Board for approval.

## Appendix A

### The functions of the Committee in terms of regulation 43(5)(a)-(c) of the Companies Act, 2008

The Committee will:

1. 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 :
  - 1.1 social and economic development, including the company's standing in terms of the goals and purposes of-
    - 1.1.1 the 10 principles set out in the United Nations Global Compact Principles (**Appendix 1**); and
    - 1.1.2 the OECD recommendations regarding corruption (**Appendix 2**);
    - 1.1.3 the Employment Equity Act; and
    - 1.1.4 the Broad-Based Black Economic Empowerment Act;
  - 1.2 good corporate citizenship, including the company's –
    - 1.2.1 promotion of equality, prevention of unfair discrimination, and reduction of corruption;
    - 1.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
    - 1.2.3 record of sponsorship, donations and charitable giving;
  - 1.3 the environment, health and public safety, including the impact of the company's activities and of its products or services;
  - 1.4 consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
  - 1.5 labour and employment, including-
    - 1.5.1 the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
    - 1.5.2 the company's employment relationships, and its contribution toward the educational development of its employees.
2. Draw matters from within its mandate to the attention of the Board as occasion requires.
3. Report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

## Appendix 1

### The Ten Principles<sup>1</sup>

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.

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<sup>1</sup>Source: The Ten Principles available at: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

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## **OECD Policy Guidelines for Preventing Corruption**

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### **OECD Recommendation on Principles for Transparency and Integrity in Lobbying (2010)**

On 18 February 2010, the OECD Council approved the OECD Recommendation on Principles for Transparency and Integrity in Lobbying. This is the first international policy instrument to provide guidance for policy-makers on how to promote good governance principles in lobbying. The instrument is an important contribution to support cleaner, fairer and stronger economies as it promotes open government and a level playing field for businesses and stakeholders in developing and implementing public policies.

### **OECD Recommendation on Enhancing Integrity in Public Procurement (2008)**

Millions in tax payers' money are lost annually to waste, fraud and corruption in public procurement. OECD countries demonstrated their commitment to prevent risks to integrity in the entire procurement cycle, from needs assessment to contract management and payment. The OECD Recommendation provides policy guidance for the implementation of international instruments developed by the OECD as well as other organisations such as the United Nations, the World Trade Organisation, the World Bank and the European Union.

### **OECD Recommendation on Guidelines for Managing Conflict of Interest in the Public Service (2003)**

Conflicts of interest in both the public and private sectors have become a major matter of public concern world-wide. These guidelines provide the first international reference framework for reviewing existing solutions and modernising mechanisms in line with good practices in OECD countries.

Also available in French, Albanian, Bosnian/Serb, Romanian/Moldovan, Russian, and Ukrainian.

### **OECD Recommendation on Improving Ethical Conduct in the Public Service including Principles for Managing Ethics in the Public Service (1998)**

Increased concern about decline of confidence in government and corruption has prompted governments to review their approaches to ethical conduct. In response to these challenges, the Public Management Committee agreed to a set of Principles for Managing Ethics in the Public Service to help countries review the institutions, systems and mechanisms they have for promoting public service ethics. These principles identify the functions of guidance, management or control against which public ethics management systems can be checked. They draw on the experience of OECD countries, and reflect shared views of sound ethics management.