



**AGRARIUS SUSTAINABILITY ENGINEERED (RF) LIMITED**  
(Registration number 2022/521382/06)  
(the "**Company**")

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## **SOCIAL AND ETHICS COMMITTEE – TERMS OF REFERENCE**

### **1. INTRODUCTION**

- 1.1. In accordance with section 72 of the Companies Act, No 71 of 2008, as amended ("**Companies Act**") and regulation 43 of the Companies Regulations, 2011 ("**Regulations**"), the board of directors (the "**Board**") of Agrarius has resolved to establish a committee of the Board to be known as the "Agrarius *Social and Ethics Committee*" ("**the S&E Committee**" or the "**Committee**"), to act in the capacity of a Social and Ethics Committee for Agrarius and all of its related and/or inter-related companies and corporations.
- 1.2. The duties and responsibilities of the members of the Committee as set out in this document are in addition to those as members of the Board.
- 1.3. The deliberations of the S&E 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 statutory obligations.
- 1.4. These terms of reference ("**Terms of Reference**") are subject to the provisions of:
  - 1.4.1. the Companies Act and Regulations;
  - 1.4.2. the Debt Listings Requirements of the JSE Limited ("**JSE**");
  - 1.4.3. the Company's memorandum of incorporation ("**MOI**"); and
  - 1.4.4. any other applicable law or regulatory provision, including but not limited to the United Global Compact Principles.

### **2. PURPOSE OF THESE TERMS OF REFERENCE**

The purpose of these Terms of Reference is to set out the S&E Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

### **3. AUTHORITY**

- 3.1. The Committee acts in accordance with the delegated authority by the Board. In carrying out its mandate the S&E Committee, is authorised to have full, free and unrestricted access to all

the relevant Agrarius activities, records, facilities, information and staff to execute its mandate, subject to Board-approved processes.

- 3.2. The Committee in the fulfilment of its duties, may call upon any of the other Board committees, the executive directors, Company prescribed officers, company secretary and/or assurance providers to provide it with the necessary information, subject to Board-approved processes.
- 3.3. The S&E Committee has the authority to obtain outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary. Any such appointment must be made in accordance with Board-approved processes.

#### **4. PURPOSE OF THE COMMITTEE**

- 4.1. The S&E Committee is established to assist the Board in directing strategy and maintaining oversight of social, ethical and sustainable development matters and in ensuring that the Company is and remains a committed socially responsible corporate citizen.
- 4.2. The commitment to sustainability development involves ensuring that the Company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs.
- 4.3. The Committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of social and ethics and sustainable development related matters which, *inter alia*, include the following:
  - 4.3.1. safety and occupational hygiene;
  - 4.3.2. health and wellness, including occupational health;
  - 4.3.3. environmental management;
  - 4.3.4. climate change including water and energy management;
  - 4.3.5. ethics management;
  - 4.3.6. social labour plans as well as any corporate social investment;
  - 4.3.7. human resources development, employment equity and transformation;
  - 4.3.8. stakeholder engagement; and
  - 4.3.9. the protection of Company assets.

#### **5. COMPOSITION**

##### **5.1. Appointment of Committee members**

- 5.1.1. The S&E Committee should comprise of a minimum of five (5) members, the majority of which should be non-executive directors of the Board.
- 5.1.2. The members of the S&E Committee shall be appointed by the Board of the Company. The members must collectively, have sufficient skills and experience to duly execute their duties.
- 5.1.3. Suitably qualified persons may be co-opted onto the S&E Committee to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter. To the extent that additional members are co-opted as contemplated in this clause, the co-opted members shall have no voting rights.
- 5.1.4. Given the overlap and synergies in the various Board committees, there shall be a mechanism in place, through the composition of the S&E Committee, to facilitate the interaction with the other Board committees.

## 5.2. **Chairperson**

The Board will appoint the chairperson of the S&E Committee who shall be an independent, non-executive director of the Agrarius Board. In the event that the chairperson is not present at a meeting of the S&E Committee, the Committee shall elect an acting chairperson from amongst the members, who shall be a non-executive director on the Board.

## 5.3. **Attendance**

Unless otherwise determined by the chairperson of the Committee, the following functions of the Company will have a standing invitation to attend meetings of the S&E Committee, provided that they will not be entitled to vote:

- 5.3.1. ethics;
- 5.3.2. corporate social investment;
- 5.3.3. stakeholder relations;
- 5.3.4. sustainability;
- 5.3.5. credit committee;
- 5.3.6. marketing; and
- 5.3.7. risk, legal and compliance.

## 5.4. **Termination**

The Board of the Company may, on recommendation of the S&E Committee, or at its discretion based on the evaluation feedback, terminate the membership of any of the members serving on the S&E Committee.

## 5.5. **Secretarial function**

The company secretary of Agrarius, Resolve Corporate Services Proprietary Limited (“**Company Secretary**”), will perform the secretarial function of the S&E Committee.

## 6. **COMMITTEE MEETINGS**

### 6.1. **Frequency of meetings**

- 6.1.1. The Committee will meet at least four (4) times a year.
- 6.1.2. Any member of the Committee or the chief executive officer, if not a member of the Committee, may request a meeting if deemed necessary and a meeting will then be arranged in consultation with the chairperson of the Committee.
- 6.1.3. The S&E Committee shall, upon agreement by the respective chairpersons of the Board committees, participate in a combined meeting, with the Audit and Risk Committee to consider enterprise risk management matters or any other agenda items common to both committees.

### 6.2. **Agendas**

- 6.2.1. The chief executive officer, the Board and the Company Secretary shall, in consultation with the chairperson of the S&E Committee, draft an agenda, which shall be circulated with supporting documentation and notice of the meeting preferably five (5) days before the meeting.

6.2.2. The Committee must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual work plan must ensure proper coverage of the matters referred to in this Terms of Reference and act as a guide for the Committees' oversight.

6.2.3. Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters tabled at meetings.

### 6.3. **Minutes and reporting procedures**

6.3.1. The Company Secretary shall attend and minute all meetings of the S&E Committee.

6.3.2. The minutes of the Committee meetings shall be completed within 14 (fourteen) days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.

6.3.3. The Company Secretary shall incorporate the approved minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes.

6.3.4. In addition to the above, the chairperson of the Committee will provide verbal and/or written feedback at the meetings of the Board on the Committee's recent activities.

6.3.5. A written resolution ("**round robin resolution**") signed by a majority of the members of the Committee present in South Africa at the time of circulating such resolution for signature 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.

### 6.4. **Quorum requirements**

6.4.1. A valid quorum for holding meetings of the Committee shall be a simple majority of members present in person or via telecommunication facilities, one of whom must be a non-executive director on the Board.

6.4.2. If the chairperson of the Committee is not present within 15 (fifteen) minutes of the stipulated time for such meeting, then the members of the Committee present shall elect a chairperson from among them to act as acting chairperson of the meeting.

## 7. **MEMBER SKILLS AND EXPERIENCE**

7.1. Every Committee member should have experience in some area pertinent to the business of the Committee, and at least two (2) members should be familiar with the industry within which the Company operates.

7.2. New members should receive a complete orientation that allows them to function effectively from the start.

7.3. Opportunities for continuous education and training on sustainability issues should be actively pursued by each member.

7.4. All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee.

## 8. **REMUNERATION**

- 8.1. The chairperson and Committee members shall be remunerated according to the remuneration policy proposed by the Company and approved by the shareholder at an annual general meeting of the Company.
- 8.2. Notwithstanding the aforementioned, it is acknowledged that, given that the Company is a newly created business with limited operations, the remuneration payable by the Company to Board members and Board committee members shall, for the three (3) year period following incorporation of the Company, be limited.
- 8.3. Members of the Board and Board committees are made aware of the Company's remuneration policy referred to in paragraph 8.2 above prior to their acceptance of their appointment to the Board and/or Board committees.

## **9. EVALUATION**

The Committee shall conduct a self-assessment or self-evaluation of its effectiveness on an annual basis as part of the Board evaluation process. After completing its evaluation, the Committee should review the results with the Board so that appropriate action can be taken on any recommendations resulting from the review.

## **10. GENERAL**

- 10.1. The Committee members are obliged to disclose in writing any interest they have within or outside the Company and any related and/or inter-related companies and/or corporations that may be perceived to be a conflict of interest and interfere with the performance of their duties.
- 10.2. All Company-related information that becomes known to the members of the Board and Board committees in the performance of their duties must at all times be kept confidential.