

Comprising:

CONDUIT CAPITAL LIMITED AND ITS SUBSIDIARIES; AND
ENTITIES ASSOCIATED WITH AND/OR CONDROLLED BY A DIRECTOR OF CONDUIT CAPITAL LIMITED

HEREINAFTER REFERRED TO AS THE “CONDUIT GROUP” OR “THE COMPANY”

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The Conduit Capital Limited group of companies recognise the importance of operating in an open and transparent manner in all aspects of its business, be it with clients, suppliers, service providers or members of the greater business community, be they directly a part of the financial services industry or not. Whilst legislative requirements may be the foundation of this policy, this statement is more practical in its application and utilises basic business ethics and practices as its overall primary standard. This policy statement has been approved by the board of directors of the above listed insurers and the Financial Service Providers.

Approved by the Board of Directors

Date: 5 October 2018

INTRODUCTION AND CONSTITUTION

In line with the recommendations included in the King IV Report on Corporate Governance for South Africa 2016 ("King IV"), in terms of the Companies Act 71 of 2008 ("the Act") and mandatory as per the Johannesburg Securities Exchange ("JSE") Listing Requirements, the Board of the Company resolved to establish a Committee of the Board to be known as the Social and Ethics Committee ("Committee" or "SEC").

These Terms of Reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation ("Mol"), the JSE Listings Requirements and any other applicable law or regulatory provision.

MEMBERSHIP

- The Committee should consist of no fewer than 3 (three) members, a majority of whom must be independent non-executives, who are appointed by the Board on the recommendation of the Nominations Committee.
- The Board shall appoint an independent non-executive director as the Committee Chairperson and determine the period for which he/she shall hold office.
- The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- The Board may from time to time consider the composition of the Committee and make such changes thereto as it deems fit.
- The following persons shall attend all Committee meetings as invitees in an ex-officio capacity, unless otherwise decided by the Chairperson of the Committee:
 - the Chief Executive Officer;
 - the Chief Financial Officer;
 - the executive responsible for Human Resources; and
 - any other persons, as determined by the Chairperson required to attend a specific meeting (or part thereof) to report on any particular matter/issue.

TERMS OF REFERENCE

- The role of the Committee will be to work on behalf of the Board and be responsible for evaluating all social and ethics responsibilities and to make recommendations to the Board in regard thereto.
- The Board may at its discretion delegate authority to the Committee to act on its behalf in respect of certain matters and may authorise it to approve projects within specified limits or parameters, which parameters shall then be deemed to be part of these Terms of Reference.
- The Committee shall have due regard to the principles of governance and codes of best practice in its functioning and deliberations.

- The Committee has an independent, oversight role with responsibility for monitoring and reporting on the Company's compliance with legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety and consumer protection.
- The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and other members of senior management.

RESPONSIBILITIES

The Committee shall ensure positive impact of the Company's activities on its stakeholders, including employees, communities, members of the public and the impact of operations on the environment and report on this to shareholders at the Annual General Meeting ("AGM").

The Committee's specific duties and main areas of focus are the following:

STEERING AND SETTING STRATEGIC DIRECTION

- The Committee will monitor and report on the Company's ethics, responsible corporate citizenship, safety, health, environmental policies, sustainable development, transformation and stakeholder inclusivity.
- The key function of the Committee is to act as the social conscience of the Company and to ensure that the Company is and is seen to be a responsible corporate citizen, govern compliance with applicable law, adopt non-binding rules, codes and standards, as applicable.
- Adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the Company over time in a manner that supports the setting and achieving of its strategic objectives.
- Consider the social and economic development, including the company's standing in terms of the goals and objectives of the:
 - Ten principles in the United Nations Global Compact Principles;
 - Organisation for Economic Co-operation and Development ("OECD") recommendations regarding corruption;
 - Employment Equity Act, No. 55 of 1998 ("EE"); and
 - Broad-Based Black Economic Empowerment Act, No. 53 of 2003 ("BBEE").

POLICY AND PLANNING

In fulfilling its responsibilities, the Committee shall ensure the development and implementation of mandated relevant policies and procedures, as they relate to ethics, responsible corporate citizenship, safety, health, environmental policies, sustainable development, transformation and stakeholder inclusivity, in order to:

- recommend to the Board policies and guidelines;
- review reports on the policies and performance of the Company, its subsidiaries and the progressive implementation thereof;

- monitor, communicate and report on the implementation of the Business Integrity Policy and its performance standards, and Code of Conduct;
- review key indicators on incidents and, where appropriate, ensure that such information is communicated to other companies managed by, or associated with the Company;
- recommend to the Board for adoption, substantive national and international regulatory and technical developments; and
- encourage participation, co-operation and consultation.

OVERSIGHT AND MONITORING

- Review the Company's compliance with mandatory corporate governance principles and disclosures;
- The Committee members must exercise oversight and monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, regarding matters relating to social and economic development, including the Company's standing in terms of goals and purposes; and
- Good corporate citizenship includes promotion of equality, prevention of discrimination, reduction of corruption; contribution to the development of the communities in which its products or services are marketed; record of sponsorship, donations and charitable giving.
- The environment, health and public safety, including the impact of the Company's activities, in the communities in which it operates.
- Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws.
- The Company's employment relationships, and its contribution towards the educational development of its employees.
- To draw matters within its mandate to the attention of the Board as occasion requires.
- To report, through one of its members, to the shareholders at the company's Annual General Meeting on the matters within its mandate.

AUTHORITY

- The Committee is obliged to account to the Board, shareholders and other stakeholders with regards to the execution of its functions and responsibilities.
- The members of the Committee are collectively responsible for decisions taken in dispensing with its mandate.
- The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is entitled to - request any information or explanation from any directors, prescribed officer or employee of the Group to fulfil its functions.

- The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in its mandate and Terms of Reference and has the power to investigate any activity within the scope of its mandate.
- The Committee is authorised by the Board to, at the Company's cost, obtain legal, or other independent professional advice as it considers necessary to carry out its duties and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- Through the annual Board evaluation process, the Committee shall review and report to the Board on its operating effectiveness and performance.

MEETING PROCEDURES

FREQUENCY

- Meetings of the Committee will be held as frequently as the Committee considers appropriate, but it will normally meet not less than twice a year.
- The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in this Terms of Reference.

AGENDAS, MEETING PAPERS AND MINUTES

- A detailed agenda, together with supporting documentation must be circulated approximately seven (7) days prior to each meeting to the members of the Committee and other invitees.
- The Chairperson, with the assistance of the Company, must ensure that the agenda, as prepared, raises all relevant issues requiring attention in such a way and sequence that effective proceedings are facilitated.
- The minutes must be completed, by the Company Secretary, within two (2) weeks of the meeting. The draft minutes must be circulated to the Company for review, where after the minutes shall be circulated to the Chairperson for review.
- The minutes will be formally approved by the Chairperson at its next scheduled meeting and will thereafter be signed by the Chairperson.
- The directors must treat the meeting papers with the strictest of confidence and to manage their electronic access to their meeting packs with due care and vigilance.

ATTENDANCE

- Directors shall attend all Committee meetings and prepare adequately.
- Directors who are unable to attend a meeting should advise the Chairperson or the Company Secretary at least one (1) week prior to the intended meeting date.
- Directors may invite any person to attend specific meetings or part of a meeting, with the prior approval of the Chairperson.

- Directors are expected to provide appropriate and constructive input on matters for discussion and also to participate fully, frankly and constructively in order to bring the benefit of their particular knowledge, experience, skills and abilities to bear in discharging their duties as directors.
- Executive management, assurance providers and advisors may be in attendance at meetings, but by invitation only.
- Invitees shall not have a right to vote at the meetings of the Committee.

QUORUM

- The Committee shall not have a quorum to proceed with a meeting if more than one of its members is not present.
- Invitees and a representative of the Company Secretary shall not be taken into account when determining a quorum.

WRITTEN RESOLUTIONS

- A resolution in writing, signed by all 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 was afforded reasonable opportunity to express an opinion on the matter to which such resolution relates.

COMPANY SECRETARY

- The Company Secretary provides a central source of guidance and support to the Board and its committees and within the Company on matters of good governance and changes in legislation.
- The Committee is aware of the duties of the Company Secretary and empowers them to fulfil those duties.
- The Company Secretary maintains an arms' length relationship with the Board and its directors as far as is reasonably possible.
- The Company Secretary is not a director of the Company and has a direct channel of communication to the Chairperson.
- The Company Secretary is accountable to the Board.
- The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute these accordingly.
- The Company Secretary shall be the secretary of the Committee.

REPORTING

- The Chairperson of the Committee shall report to the Board on its proceedings, after each meeting, on all significant matters within its duties and responsibilities as set out in these Terms of Reference.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- The Chairperson or in his/her absence, any other member of the Committee shall attend the AGM of the company to provide a report relating to the affairs of the Committee.
- The Committee shall provide input in terms of the Social and Ethics Report, included in the Company's Integrated Annual Report.

ENFORCEMENT

These terms of reference shall be recommended to the Board by the Committee, following a review by its members and ultimately approved by the Board.

REMUNERATION

- The Board will determine the level of remuneration for non-executive directors and remuneration to be approved at the Annual General Meeting of shareholders, as set out in the Companies Act.
- Executive directors shall not receive any fees but will be paid as employees of the Company in accordance with their contracts of employment with the Company.

GENERAL

- Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's MOI, regulating the proceedings of the meetings of the Committee.
- The Committee, in carrying out its responsibilities under these Terms of Reference is authorised to investigate any matter within its terms of reference, may at its discretion, require other employees of the Company to attend meetings or parts of meetings and may consult with and seek any information it requires from any employees. All employees shall be required to cooperate with any request made by the Committee in the course of its duties.
- The Committee may obtain such outside or other independent professional advice as it considers necessary to carry out its duties, in terms of the approval process determined by the Board.
- The Board will ensure that the Committee will have access to professional advice both inside and outside the Company for it to perform its duties.

CLOSING

The Group may amend this Terms of Reference from time to time and shall be reviewed no less than once within each calendar year cycle. Reasonable efforts will be made to inform all members of any amendments to the policy. Non-compliance with this Terms of Reference will be dealt with in accordance with the Code of Conduct.

REVISION HISTORY

Version	Date	Author	Organisation	Revision
1.0	May 2015	R. Kok	Ops Manager	Created charter
2.0	Feb 2018	R. Kok	Ops Manager	Amendments made for review by CoSec
3.0	Aug 2018	R. Kok	Ops Manager	Amendments made for review by Board