



Social and Ethics Committee	 F. Futwa Chairperson: Social & Ethics Committee	Revision No:	5
	 R. Frew Chairperson: Board of Directors	Effective date:	April 2020

## Social and Ethics Committee Terms of Reference

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## 1. Constitution

The Committee, , is constituted as a statutory committee of the Board of Directors (“the Board”) of MiX Telematics Limited (“the Company” or “the Group”) in respect of its statutory duties in terms of section 72(4) of the Companies Act 71 of 2008 (“the Companies Act”), read with regulation 43 of the Regulations, 2011, and as a Committee of the Board in respect of all other duties assigned to it by the Board as defined in these terms of reference.

The Committee shall be a standing committee, with the composition and membership reviewed by the Board annually.

The Committee shall report to the shareholders in terms of its statutory responsibilities and to the Board on all other duties assigned to it by the Board.

The deliberations of the Committee do not reduce the individual or collective responsibilities of the Board members with regard to their fiduciary duties and responsibilities, and they must exercise due care, skill and diligence.

These terms of reference, which of subject to the Companies Act, as amended, and the Company’s Memorandum of Incorporation (“MOI”) and any other applicable law or regulatory provision, including the JSE Listings Requirements, have been drafted with due consideration of the King IV Report on Corporate Governance for South Africa, 2016 (“King IV”), and are subject to approval and periodic review by the Board.

## 2. Composition

The Committee shall be nominated by the Nominations Committee and appointed by the Board and shall comprise of at least three members, the majority being independent non-executive directors.

The Group Chief Financial Officer, as an executive director, will be appointed as a member of the Social and Ethics Committee as recommended by King IV.

The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

The Board shall appoint the Committee Chairperson from its members, who shall be an independent non-executive director, and determine the period for which he or she shall hold office.

In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.

A quorum of the Committee shall be a majority of members.

The Company Secretary shall be the secretary to the Committee

Invitations to attend the Committee meetings shall be extended to:

- the head of Transformation and Human Resources for the South African subsidiaries; and
- any other senior executives and professional advisors as deemed appropriate.

Individuals in attendance at Committee meetings by invitation, may participate in discussions, but do not vote on resolutions or form part of the quorum.

### 3. Role

The role of the Committee is to ensure that the Group's activities support its intention to be a responsible corporate citizen and to assist the Board in setting the tone for an ethical organizational culture by overseeing the Group's conduct, approach and manner in which the business is conducted with due regard to value creation in society. To achieve this, the Committee will address its statutory requirements and also assess the trends in the industry to identify one or two areas of focus each year.

It must be specifically noted that the Audit and Risk Committee deals with fraud. Further, the Audit and Risk Committee deals with risk and sustainability. These matters will continue to be dealt with by the Audit and Risk Committee, which will report to the Committee on these matters. As there may be areas of overlap between the functions of the Audit and Risk Committee and the Social and Ethics Committee, the chairperson of the Social and Ethics Committee will also be a member of the Audit and Risk Committee.

### 4. Mandate in respect of subsidiaries

The Committee is appointed to act on behalf of the Company and its subsidiaries. This authority applies to all the MiX Telematics subsidiaries insofar as it relates to governance best practices and Group-wide ethical standards. The Committee shall act as statutory committee of the South African subsidiaries with a Public Interest score above 500, calculated in terms of the Companies Act. It will act on all matters that are significant for the Group to the extent the laws of the countries are in line with the international laws and governance as contemplated in the UN global compact, as well as OECD rules on corruption.

### 5. Rights and responsibilities

The Committee shall operate within the Board's delegation of authority.

In discharging its responsibilities to the Board and shareholders, the Committee will:

- oversee and report on organisational ethics, the Group's responsible corporate citizenship, sustainable development and stakeholder relationships, including the approval of a stakeholder engagement strategy; and
- assist the Board to discharge its responsibility with respect to the approval, implementation, and monitoring of policies and practices that facilitate the Group's responsible corporate citizen credentials, thereby ensuring that the Group is operating in a sound and ethical manner.

#### Responsible Corporate Citizen

- Review and ensure the Group's adoption of the United Nations Global Compact's ten principles ("UNGC") in the area of human rights, labour, environment and anti-corruption;
- review the Group's policy on anti-corruption in accordance with the OECD requirements;
- review the Group's policy on the promotion of equality and prevention of unfair discrimination in the Group;
- review reports relating to the Group's corporate social responsibilities;
- review the Group's policy on environment, health and public safety
- monitor the risks relating to social and ethics matters;
- monitor the Group's consumer relationships including compliance of the Group's advertising, sponsorship and public relations practices against relevant legislation and Group policy; and
- report back to shareholders on an annual basis.

#### Duties in respect of inclusiveness, including transformation

- Review and recommend to the Board the targets for B-BBEE contributor level rating for the Group, including scorecard component ranges;
- review and approve the appointment of a verification agency and annually review the reports and certificates issued by the verification agency;
- review the overall budget to facilitate the transformation strategy;
- review the capacity and effectiveness to implement the B-BBEE codes;
- recommend to the Board certain B-BBEE external communications in relation to the transformation strategy;
- monitor the Group's compliance against all relevant legislation, specifically the Employment Equity Act, Skills Development Act and the B-BBEE Act;
- review the Employment Equity plans and reports submitted to the department of Labour;
- review the quarterly progress against the B-BBEE scorecard; and
- review the B-BBEE compliance report for publication on the Group's website.

#### Duties in respect of employee value creation

- Monitor employees' freedom of association and effective recognition of the right to collective bargaining;
- monitor the Group's standing in terms of the International Labour Organisation Protocol ("ILOP") on decent work and working conditions across the Group;
- monitor the adherence to the Group's ethical standards by employees and other relevant stakeholders through, among others, periodic independent assessments;
- review Group's employment relationships and its contribution towards the educational development of its employees

The emphasis at the meetings shall be directed towards the issues summarised in Appendix B. South African statutory duties in respect of social and ethics are set out in Annexure Appendix A.

## 6. Delegated duties

The Committee has delegated certain of its functions to relating to consumer protection laws and health and public safety to the Audit and Risk Committee; and contributions to development of communities and record of donations and charitable giving has been delegated to the individual subsidiaries, who report back to the Group Head Office.

Feedback from these committees on Social and Ethics Committee issues is submitted to the Group Board and/or Social and Ethics Committee, as appropriate.

## 7. Meetings

The Committee will meet at least three times per year. The Committee Chairperson shall report on key matters addressed by the Committee at each Board meeting.

Additional meetings may be held at the request of the Chairperson or any member of the Committee or Board as required.

All directors of the Board are entitled to attend the Committee meetings.

Committee papers shall be forwarded to each member of the Committee no fewer than seven days prior to the meeting, other than under exceptional circumstances.

Minutes of Committee meetings shall be distributed timeously.

Member of the Committee shall declare any conflict of interest in respect of matters on the agenda and such declarations will be managed as deemed necessary.

The Chairperson (or in his/her absence, an alternative member) of the Committee shall attend the annual general meeting of the Company to report to stakeholders on the Committee's activities.

## 8. Proceedings

The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

The annual work plan must ensure adequate coverage of the matters laid out in in these terms of reference: the more critical matters will be dealt with annually whilst other matters will be dealt with on a rotational basis.

The Committee Secretary shall take minutes of the meetings.

The minutes must be formally approved by the Chairperson at the next scheduled meeting and circulated to members of the Committee and to the Board.

## 9. Authority of the Committee

The Committee shall have the authority to:

- access any information it needs to fulfil its responsibilities;
- seek independent advice at the Company's expense; and
- investigate matters within its mandate.

The Committee shall have the authority to consult with and receive the full co-operation of any employment where necessary to fulfil its responsibilities.

## 10. Remuneration of Members

Non-executive members of the Committee shall be paid such remuneration in respect of their appointment as recommended by the Board and approved by shareholders. The Chairperson of the Committee shall, in addition to his/her remuneration as a member, receive a further sum as recommended by the Board and approved by shareholders.

## 11. Review of the Terms of Reference

The Committee shall review the Terms of Reference annually, to ensure that they remain consistent with its statutory duties and the Board's objectives and responsibilities. The Terms of Reference may be amended as required, subject to the approval of the Board.

## 12. Evaluation of the Committee's Performance

The Committee shall ensure that a formal process, as recommended by the Nominations and Remuneration Committee and approved by the Board, is followed for evaluating the performance of the Committee, every second year.

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## Appendix A: Statutory Duties in respect of Social and Ethics

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1. To monitor the company's activities, having regard to any relevant legislation, regulations and prescribed 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 to:
    - a. the 10 principles set out in the United Nations Global Compact;
    - b. the OECD recommendations regarding corruption;
    - c. the Employment Equity Act; and
    - d. the Broad-Based Black Economic Empowerment Act.
  - 1.2 Good corporate citizenship, including the company's:
    - a. promotion of equality, prevention of unfair discrimination, and reduction of corruption;
    - b. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
    - c. 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 and public relations, compliance with consumer protection laws;
  - 1.5 Labour and employment, including:
    - a. the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
    - b. the company's employment relationships, and its contribution toward the educational development of its employees.
2. Accept the role of the Social and Ethics Committee for the company and the South African subsidiary companies that are required to have a social and ethics committee in terms of the Act.
3. Draw matters within its mandate to the attention of the Board as occasion requires.
4. Report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

Appendix B: Content and Emphasis of Committee Meetings

	January	May	October	Reference
<b>STATUTORY</b>				
Accept the responsibility for the role of the social and ethics committee of subsidiary companies.	X			Co Act
To determine whether the Committee complied with its role for the subsidiaries.			X	Co Act
<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>				
<b>B-BBEE SCORECARD (SOUTH AFRICA)</b>				
Note an update on the B-BBEE scorecard and status report.	X	X	X	Co Act BEE Act
Note the budgets allocated for achievement of B-BBEE targets and plans.			X	ToR
Review and recommend to the Board the corporate targets for the B-BBEE scorecard for the financial year.			X	ToR
Review and approve the appointment of the verification agency, including principles of process and input.	X			ToR
Review the report and certificate from the verification agency.		X		ToR
<b>WORKPLACE INCLUSIVENESS</b>				
<b>South Africa</b>				
Note the year-end quantitative and qualitative progress towards the achievement of employment equity (“EE”) plans in line with the EE Act and the EE plan submitted to the Department of Labour (“DoL”).	X			ToR
Monitor progress and address challenges and barriers in the achievement of EE and disability targets.	X	X	X	ToR



	January	May	October	Reference
Group				
Review talent succession plans for the Group, with due regard to diversity and female representation at senior management levels.			X	BEE Codes Co Act
Confirm that the Group promotes equality and inclusiveness and prevents and eliminates unfair discrimination.		X		Co Act
SKILLS DEVELOPMENT				
South Africa				
Note the Skills Development Plan submitted in line with the Skills Development Act and the report on the contributions towards the educational development of employees.		X		Co Act
Monitor progress against the Skills Development Plan.		X		Co Act
Group				
Review the impact assessment of the training programmes in assisting career development including return on investment on Learning and Development across the Group.			X	Internal
INCOME DIFFERENTIALS				
South Africa				
Review an analysis of the income differentials and the progress to close any gaps.	X			Internal
INCLUSIVE SUPPLY CHAIN TRANSFORMATION				
Review and approve Enterprise Supplier Development (“ESD”) policies, if any.	X			
Review and approve ESD strategies and monitor progress.	X			ToR
Review indigenisation and empowerment strategies for those subsidiaries outside of South Africa.	X			Internal

	January	May	October	Reference
<b>SOCIAL ECONOMIC DEVELOPMENT</b>				
Review the Group Social Development report including updates on the contribution to the development of communities and donations and charitable giving across the Group.	X	X	X	
<b>SPONSORSHIPS</b>				
Review sponsorship activity undertaken by the Group.	X			Co Act
<b>ENVIRONMENT, HEALTH AND SAFETY</b>				
Review the Group’s policy on environment, health and public safety the impact of the Group’s activities and products and services			X	
<b>EMPLOYEE VALUE PROPOSITION</b>				
Review and monitor the activities of the Group relating to: <ul style="list-style-type: none"> <li>o Freedom of association and recognition of the right to collective bargaining;</li> <li>o the ILOP on decent work and working conditions;</li> <li>o adherence to the ethical standards by employees and other relevant stakeholder through periodic assessments;</li> <li>o the impact assessment of the training programme, the Return on Investment on learning and development; and</li> <li>o the Group’s employment relationships.</li> </ul>			X	Co Act
<b>ANNUAL CULTURE AND CLIMATE SURVEY</b>				
Review the results of the Employment Engagement surveys conducted by the Group.	X			Internal
<b>HUMAN RIGHTS DECLARATIONS</b>				
Confirm the Group supports and respects the protection of internationally proclaimed human rights.		X		Co Act
Confirm the Group is non-complicit in human rights abuses.		X		Co Act

Terms of Reference

Confirm the Group supports the elimination and abolition of all forms of forced, compulsory and child labour.		X		Co Act
LABOUR (DoL)				
Monitor progress and address challenges and barriers in the achievement of EE and disability targets.	X	X	X	
Review talent succession plans for the Group, with due regard to diversity and female representation at Senior Management levels.				
Confirm that the Group promotes equality and inclusiveness and prevents and eliminates unfair discrimination.	X			
ANTI-CORRUPTION				
Review and monitor the Group's policy on anti-corruption in line with the OECD recommendations.	X			Co Act

	January	May	October	Reference
<b>CONSUMER RELATIONSHIPS</b>				
Note feedback on the Group’s consumer relationships, including compliance with relevant legislation and Group policy.		X		Co Act
<b>STAKEHOLDER ENGAGEMENT</b>				
Review and approve the Stakeholder Engagement Policy.	X			
Note an update on key stakeholder engagement across the Group (regulators in terms of employment/ consumer relationships/ advertising, etc.).			X	
<b>GOVERNANCE</b>				
<b>Key risk report</b>				
Note the key risk report on social and ethics matters.	X	X	X	King IV
<b>Ethics policies</b>				
Approve, review and monitor the Group’s ethics and related policies.			X	DoA
<b>Terms of reference</b>				
Review the Committee Terms of Reference and recommend changes to the Board for approval.			X	King IV
<b>Annual integrated report</b>				
Review and recommend the Social and Ethics content.	X			DoA
<b>Shareholders meeting</b>				
Approve the Social and Ethics Committee report to be tabled at the Annual General Meeting.		X		DoA
<b>Committee evaluations</b>				
Review the results of the Committee effectiveness evaluation process (every second year).		X 2018 2020		King IV

