1. INTRODUCTION

The Social, Ethics and Sustainability Committee (“the Committee”) performs the duties of a Social and Ethics committee as required by sections 72(4) and (5) of the Companies Act, 2008 (“the Companies Act”), read in conjunction with Regulation 43 of the Companies Regulations, 2011 (“the Regulations”), and the King Code of Governance Report for South Africa (“King IV”). In addition to its statutory monitoring duties the Board has delegated to the Committee the performance of duties relating to (ii) safety, security, health and the environment, (ii) transformation and localisation and (iii) monitoring the implementation of the company’s ethics programme, (iv) ensuring the sustainable development of the Company’s corporate citizenship and developing government and stakeholder relationships.

The duties and responsibilities of the members as set out in this document are in addition to those duties and responsibilities that they have as members of the board. The deliberations of the Committee do not reduce the individual and collective responsibilities of such persons as board members in regard to their fiduciary duties and responsibilities and they must continue to exercise due care and judgement in accordance with their legal obligations. The Committee has an independent role, operating as an overseer with accountability to the Board. It shall make recommendations to the Board for the latter’s consideration and approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. In the execution of their duties, Committee members must apply the “Standards of directors’ conduct” as set out in section 76 of the Companies Act, 2008 (“the Act”) and “Director’s personal financial interests” as set out in Section 75 of the Companies Act and the recommendations of King IV.

These terms of reference set out the Committee’s role and responsibilities, as well as the requirements for its composition, meeting procedures, remuneration of members and other matters relevant to the proper functioning of the Committee.

2. PURPOSE OF THE COMMITTEE

The Social, Ethics and Sustainability Committee’s purpose is to assist the Board in discharging its oversight responsibilities relating to safety, security, health, environment, social, ethics and sustainable development matters, to ensure the Company upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner, whilst developing government & stakeholder relationships.

The Committee’s mandate is to monitor, provide strategic guidance, and advice management on matters...
within its area of responsibilities as well as monitor the implementation of strategies and policies aimed at enabling AGA to fulfil the obligations set by the Companies Act in relation to socio-economic development. For so long as the Committee exists it shall have the powers set out herein.

3. COMPOSITION OF THE COMMITTEE

3.1 Membership and Quorum

3.1.1 The Committee comprises at least three members, which members must be directors or prescribed officers of the Company and the majority must be non-executive directors who are not involved in the day-to-day management of the Company’s business within the previous three financial years.

3.1.2 Members of this Committee are appointed by the Board on recommendation by the Nominations Committee. Vacancies on the Committee must be filled within 40 (forty) business days.

3.1.3 The Board elects the Chairperson of the Committee and determines the period for which the Chairperson shall hold such office.

3.1.4 The Chairperson of the board can be a member of this committee but should not chair it.

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

3.1.6 The Committee members must keep up-to-date with key developments affecting their required skills set.

3.2 Secretary

The Secretary of the Committee shall be the Company Secretary or such or such other person as the Committee may appoint and the independence of the Company Secretary is to be assessed annually.

In the event that the Secretary is absent from any meeting, the Committee shall designate any member of the Secretarial department or any officer or employee of the Company to act as Secretary.

3.3 Executive Sponsor

The Executive Sponsor is the member of the Executive Committee responsible for liaising with the Secretary and the Chairperson of the Committee on matters relating to the Committee’s meetings.

The Executive Sponsor of the Committee shall be the Executive Vice President: Sustainable Development or such other person as the Chief Executive Officer may appoint, in consultation with the Chairperson of the Committee.

The main duties of the Executive Sponsor shall include the following:

3.3.1 Discussing the draft agendas for the Committee’s meetings with the Secretary prior to submission to the Chairperson.

3.3.2 As and when necessary, discussing the agenda and the papers for the Committee’s meetings with the Chairperson prior to meetings.

3.3.3 Ensuring that the Committee meeting papers meet the standard approved format for board/committee meeting papers and that the content of the papers is relevant to the strategic mandate of the Committee and generally devoid of unnecessary details.

3.3.4 Reviewing draft minutes of meetings prior to circulation to the Committee.
3.3.5 Attending the Committee’s meetings.
3.3.6 Determining the attendees for the meeting in consultation with the Chairperson of the Committee and the CEO.
3.3.7 Assisting the Secretary in any follow up needed to resolve matters arising from the previous meeting(s) of the Committee.

4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The duties and responsibilities of the Committee are set out under Appendix 1.

5. MEETING PROCEDURES

5.1 General

The meetings and proceedings of the Committee shall be governed, mutatis mutandis, by the provisions of Article 7.8 of the Memorandum of Incorporation of the Company which regulates the meetings and proceedings of the directors, so far as they are applicable and are not superseded by any of the conditions laid down in these terms of reference.

5.2 Quorum and attendance at meetings

5.2.1 The quorum for the transaction of business shall be the majority of members present in person or via telecommunication facilities. Individuals in attendance at the Committee meetings by invitation may participate in discussions but do not form part of the quorum.

5.2.2 If the Chairperson of the Committee is not present within fifteen (15) minutes of the scheduled time for commencement of a meeting or is unable to attend a meeting, the members present shall nominate a chairperson from among them to chair the meeting.

5.2.3 If a member is unable to act for any reason, and there is no quorum for the Committee to deliberate on a matter before it, then the Chairperson may co-opt another non-executive director of the Board as an additional member.

5.2.4 Members must be fully prepared for meetings, to provide appropriate and constructive input on matters discussed.

5.2.5 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 Chairperson or the Secretary.

5.2.6 Members of the executive and senior management should be invited to attend these meetings on an ad hoc basis to provide pertinent information and insights in their areas of responsibility.

5.2.7 Any director (whether or not a member of the Committee) shall be entitled to attend meetings of the Committee as an observer. However, if such attendee is not a member of the Committee they will not be able to participate without the consent of the chairperson, will not be able to vote and accordingly will not be entitled to fees for such attendance unless the payment of such fee is agreed to by the Committee and shareholders. The chief operating officers, senior management responsible for sustainability issues, the head of compliance will normally attend the committee’s meetings as invitees.

5.2.8 The Committee may invite any person it deems appropriate to attend any of its meetings. Individuals
in attendance at Committee meetings by invitation may participate in discussions, but do not form part of the quorum for Committee meetings.

5.2.9 The Chairperson of the Committee shall have the right to exclude any executive from the entire meeting, or from any item on the agenda, should, in his opinion, a conflict of interest become evident.

5.3 Frequency of Meetings

5.3.1 The Committee shall hold sufficient scheduled meetings to discharge its duties as set out in these terms of reference but subject to a minimum of two meetings per year. These meetings shall be convened by the Secretary of the Committee on approval by the Chairperson.

5.3.2 With the approval of the Chairperson, meetings in addition to those scheduled may be held at the request of the Chief Executive Officer, a Committee member or at the instance of the Board of Directors.

5.3.3 A decision in writing signed by all members of the Committee shall be as effective as a decision passed at a meeting of the Committee, provided that decision making in such manner shall not detract from the requirements for frequency of meetings as set out herein.

5.4 Agenda and Minutes

5.4.1 The Committee must establish an annual work plan to ensure proper coverage of the duties and responsibilities of the Committee as set out in these terms of reference. Steps should be taken to give priority to matters of a critical nature whilst other matters may be dealt with on a rotation basis as deemed appropriate by the Committee. The agendas of quarterly meetings are to be determined in accordance with the annual plan.

5.4.2 The Secretary of the Committee in consultation with the Executive Sponsor shall prepare an agenda for each meeting, for approval by the Chairperson. The agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

5.4.3 The minutes are to be completed as soon as possible after the meeting and circulated to the Executive Sponsor for review and thereafter to the Chairperson and to the members of the Committee for review before the next scheduled meeting.

5.4.4 On completion of the minutes, the Secretary will communicate matters arising to the relevant attendees.

5.4.5 The minutes must be formally approved by the Committee at its next scheduled meeting.

6. AUTHORITY OF THE COMMITTEE

The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in these terms of reference.

6.1 The Committee is authorised by the Board:

6.1.1 To investigate any activity within its terms of reference.

6.1.2 To seek any information it requires from any employee of the Company.

6.1.3 To access the Company’s records, facilities and any other resources necessary to discharge its
duties and responsibilities subject to following the proper channels.

6.1.4 To have decision-making authority in regard to its statutory duties and is accountable in this respect to both the Board and the shareholders. If differences of opinion arise between the Board and the Committee, where the Committee’s statutory functions are concerned, the Committee’s decision will prevail. On all responsibilities delegated to it by the board outside of the statutory duties, the Committee makes recommendations for approval by the board, unless indicated otherwise by the delegation of authority or these terms of reference.

6.1.5 To obtain, at the Company’s expense, any external legal or other independent professional advice as it considers necessary to assist with the performance of its functions, subject to the Board approved process being followed.

6.1.6 The Committee shall be entitled to attend annual general meetings of shareholders and be heard at such meetings on any part of the business of the meeting that concerns the committee’s functions.

7. DELEGATION OF DUTIES AND RESPONSIBILITIES

The Committee may delegate any of its duties or responsibilities, as it deems appropriate, to any of its members or a sub-committee of its members or to such other person(s), subject to the Committee’s direction and supervision and with the express condition that the Committee retains full and exclusive authority over and responsibility for any activities of such other person or persons. Nothing contained in this paragraph shall be construed to confer upon any such person any discretion, authority or control in respect of any matter, unless expressly authorised in writing.

8. REMUNERATION OF COMMITTEE MEMBERS

8.1 Having regard to the functions performed by the members of the Committee in addition to their function as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Memorandum of Incorporation of the Company, members of the Committee shall be paid such remuneration in respect of their appointment to the Committee as shall be recommended by the Board and approved by shareholders.

8.2 The Chairperson of the Committee shall, in addition to his/her remuneration as a member, receive a further sum as approved by the shareholders for fulfilling the role of Chairperson.

9. REPORTING BY THE COMMITTEE

9.1 The Secretary of the Committee shall circulate the minutes of each meeting of the Committee to all members of the Board. The Chairperson of the Committee shall report, at Board meetings, on material matters from meetings.

9.2 The Committee must report to shareholders of the Company at Annual General Meetings and in the integrated report on how it carried out its functions during a particular year. The Chairperson of the Committee or, in his/her absence, any other member of the Committee, shall be in attendance at Annual General Meetings of shareholders to respond to any questions on the report of the Committee’s activities, matters within the scope of the Committee’s responsibilities and any other issues that relate to the work of the Committee.
9.3 The Committee must review and make recommendations to the Audit and Risk Committee on the sustainability aspects of the Integrated Report. The Audit and Risk Committee is responsible for reviewing and recommending the entire Integrated Report to the Board.

10. EXPENSES OF THE COMMITTEE
The Company shall pay expenses reasonably incurred by the Committee in relation to its duties and responsibilities.

11. EVALUATION OF THE COMMITTEE
11.1 The Committee must perform a review and evaluation, at least annually, of the performance of the Committee and its members, including an evaluation of the compliance of the Committee with these terms of reference.
11.2 In addition, the Committee shall review and reassess, annually or as and when necessary, the adequacy of these terms of reference and recommend any amendments that the Committee considers necessary to the Board, following recommendations to be made by the Secretary of the Committee.
11.3 The Committee may conduct such evaluations and reviews in such manner as it deems appropriate.
11.4 The Board must annually evaluate the Committee’s performance in terms of its composition, mandate and effectiveness.

12. SCOPE AND GOVERNANCE
The scope of the Committee’s activities extends to all relevant operations of the Company and the group. In this regard:

12.1 Wholly-owned South African subsidiaries of the Company which are required in terms of the Regulations to have a social and ethics committee, without regard to their form of incorporation, fall within the ambit of the Committee’s functions and are to be fully included in all relevant Company procedures and processes;
12.2 Majority-owned South African subsidiaries which are required in terms of the Regulations to have a social and ethics committee are required to appoint a social and ethics committee with terms of reference substantially in accordance with the terms of reference of the Committee. Further in this regard –
12.2.1 Minutes or draft minutes of subsidiary company social and ethics committee meetings shall be submitted to the Committee for consideration at its immediate following meeting. In the event of any relevant material circumstance of importance to the Company, the Chairperson of the subsidiary company’s social and ethics committee shall inform the Chairperson of the Committee of such as soon as possible after conclusion of the meeting and he/she in turn will communicate such to the other Committee members if considered necessary and appropriate,
12.3 The Chairperson of the subsidiary company’s social and ethics committee shall attend the Committee meetings at least annually, or more frequently as appropriate in the event of any special circumstances.
12.4 Associate companies (being companies in which the group exercises significant influence) which are required in terms of the Regulations to have a social and ethics committee will be encouraged to appoint a social and ethics committee.

13. ACCURACY OF INFORMATION

Except to the extent of legal or regulatory provisions to the contrary, Committee members, being non-executive directors, are entitled to rely on the Company’s executives in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Committee member is not aware of any reasonable grounds upon which reliance or assumption may be inappropriate.
1. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Statutory Duties in Terms of Regulation 43(5) of the Companies Act

The statutory duties if the Committee are to 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 –

(i) Social and economic development, including the company’s standing in terms of the goals and purpose of:-
   (a) The 10 principles set out in the United Nations Global Compact Principles (Annexure 2);
   (b) The OECD recommendations regarding corruption;
   (c) The Employment Equity Act, and
   (d) The Broad Based Black Economic Empowerment Act;

(ii) 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 productions or services are predominantly marketed; and
   (c) Record of sponsorship, donations and charitable giving;

(iii) The environment, health and public safety, including the impact of the company’s activities and of its products or services;

(iv) Consumer relationships, including the company’s advertising, public relations and compliance with consumer protection laws; and

(v) Labour and employment, including –
   (a) The company’s standing in terms of the international Labour Organisation.
   (b) Protocol on decent work and working conditions; and
   (c) The company’s employment relationships, and its contribution toward the educational development of its employees;

1.1 Other Duties

1.1.1 Safety, Security, Health, Environmental Management and Sustainable Development

1.1.1.1 Review the frameworks, policies and guidelines on safety, security, health, environmental management, social and community development, sustainable development and human rights and security of employees, communities and assets.

1.1.1.2 Consider the performance of the Company in the field of safety, security, health, environmental management, social and community development, sustainable development, human rights and security of employees, communities and assets.

1.1.1.3 Consider material local and international regulatory and technical developments in the fields of safety, security, health, environmental management and practice and, where appropriate, to have the impact of these on the business assessed and provide appropriate strategic guidance.

1.1.1.4 Satisfy itself that codes which address both positive and negative behaviours in respect of safety, security, health and the environment, are in place.
1.1.5 Periodically review and approve for recommendation to the Board, any appropriate policies, including any amendments thereto, of the Company, which may be formulated concerning safety, security, health, environmental management, social and community development, sustainable development, security and human rights.

1.1.6 Make recommendations to the Board, among other things, for the formulation and setting of objectives to be achieved in the fields of safety, security, health, environmental management, social and community development, sustainable development, security and human rights.

1.1.7 Review, periodically, compliance by the Company and departures from policy, guidelines and appropriate local and international standards and relevant local laws in safety, security, health and environmental matters.

1.1.8 To receive and consider safety, security, health and environmental audits carried out in terms of both legal and Company requirements.

1.1.2 Transformation and localisation

1.1.2.1 Ensure that policies aimed at achieving the company’s global transformation vision, values and objectives are developed and implemented;

1.1.2.2 To promote an organisational culture which affords all employees the development opportunities which will enable them to achieve their optimal levels of career development in the course of their employment with the Company, recognising the diversity of the society within which the Company conducts its business

1.1.3 Compliance with Laws and Regulations

Ensure that plans and strategies aimed at compliance with legislation that impact or have the potential to impact on the company’s rights and/or license and/or permit to mine and/or operate are in place and implemented;

1.1.4 Government and Stakeholder Engagements

Review and monitor the Company’s stakeholder engagement strategies, plans and performance and provide strategic guidance thereof. The Committee oversees the management of stakeholder relationships on an ongoing basis and ensures it results in:

- Methodologies for identifying individual stakeholders and stakeholder groupings;
- Determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of the Company;
- Management of stakeholder risk as an integral part of the organisation’s risk management;
- Formal mechanisms for engagement and communication with stakeholders, including using dispute resolution methods and similar processes;
- Measuring the quality of material stakeholder relationships and appropriate responses.

In executing its roles and responsibilities, the Committee should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the Company by:
• assuming responsibility for the governance of stakeholder relationships by setting direction for how stakeholder relationships should be approached and conducted in the Company;
• approving a policy that gives effect to the direction of the board for stakeholder relationships.

1.1.5 Ethics

1.1.5.1 The Committee will be responsible for monitoring the ethical conduct of the Company, its board of directors, executives, senior officers in terms of AngloGold Ashanti’s Code of Business Principles of Ethics and related policies, including Conflicts of Interest, Insider Trading, Gifts Policies and creating platforms to help employees and other stakeholders to familiarise themselves with the Company’s ethical standards;

1.1.5.2 Reviewing and approving any statements or policies on any ethical codes of conduct or requirements;

1.1.5.3 The codes of conduct and ethics policies should encompass interaction with internal and external stakeholders and address the key ethical risks of the Company.

1.1.5.4 Consider and make recommendations on any existing or potential material conflicts of interest or questionable situations.
UNited Nations Global Compact Principles

The Ten Principles
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."