



## TERMS OF REFERENCE (“TOR”)

# Social & Ethics Committee

The purpose of these TOR is to define the Committee’s role and responsibilities, its delegated authority and its membership and meeting procedures.

These TOR were approved by the CSA Board. The Board is required periodically to revise the TOR as necessary and Committee members are responsible for familiarizing themselves with the most current TOR to fully understand their committee responsibilities.

Document Owner	Social & Ethics Committee
Reviewed by	CSA Social & Ethics Committee and all directors
Review date	9 March 2016
Approved by	CSA Board of Directors
Effective date	13 May 2016

### 1. INTRODUCTION

- 1.1 The Social & Ethics Committee ("SEC" or "committee") is a statutory committee of the Board of Cricket South Africa NPC and is constituted in terms of section 72(4) of the Companies Act no. 71 of 2008 ("the Act"). The SEC would have duties and responsibilities flowing from the Act, the Company's Memorandum of Incorporation ("MOI"), any other applicable laws and regulatory provision and would also have additional duties assigned to it by the Board.
- 1.2 The duties and responsibilities of those committee members who are also Board directors are in addition to those duties and responsibilities that they assume as directors of the CSA Board. The deliberations of the committee do not reduce any individual and collective responsibilities of directors with regard to their fiduciary duties and responsibilities and they must at all times exercise due care and judgement in accordance with their legal duties arising from the Act.

### 2. COMMITTEE MEMBERSHIP AND TENURE

- 2.1 The Board shall appoint the committee members, which shall be comprised as follows:
  - 1) Not less than three members of which at least one must be an independent non-executive director;
  - 2) An independent director as the Chairperson; and
  - 3) The Chief Executive, Chief Financial Officer, Human Resources Manager, Internal Auditor and Company Secretary shall be permanent invitees to SEC meetings.
- 2.2 The Chairperson and committee members are to be confirmed by the Board based on a recommendation received from the CSA President/ Board Chairman. In making such appointments, the CSA President and Board shall have due regard to the necessary and desirable skills and experience required for the effective functioning of the committee.
- 2.3 The Board shall determine the period for which the Chairperson and committee members shall hold office, which period cannot exceed six consecutive years.
- 2.4 A committee member, who holds office as a Director of the Board, will automatically cease to be a member of the committee upon resignation from the Board.
- 2.5 A member may resign at any time by giving due notice to the Secretary and the Chairman of the Board.

### 3. SKILL SETS AND ORIENTATION

- 3.1 The SEC membership shall meet the necessary qualifications, independence standards and other relevant laws and regulations to ensure that the SEC as a whole comprises persons with adequate expertise, experience and relevant knowledge to ensure the committee performs its functions and fulfils its obligations.
- 3.2 Committee members must keep up-to-date with key developments in the areas of Social and ethics which is essential to enhance the skill sets required from each committee member.

## **Confidential**

- 3.3 New members shall undergo appropriate induction programmes with the Chairperson (or his nominee) assisted by the committee Secretary.

### **4. SECRETARY**

- 4.1 The Secretary of the committee shall be the Company Secretary or such other person as the committee Chairperson and Chief Executive may appoint.
- 4.2 The Secretary shall be responsible for setting meeting dates, planning the agenda with the Chairperson, drafting minutes of meetings and to provide general secretarial support for the efficient functioning of the committee.
- 4.3 The Secretary of the committee shall prepare an agenda for each meeting for approval by the Chairperson. The agenda, together with meeting papers shall be circulated to all members and invitees at least 7 days before the scheduled meeting date.
- 4.4 The Secretary shall ensure that resolutions, directives and any action steps of the committee are communicated and implemented by the responsible persons.

### **5. MEETINGS**

- 5.1 There should be at least two scheduled committee meetings per year, which meetings should correspond with key dates in the company's financial reporting cycle.
- 5.2 The Chairperson in consultation with the Secretary may call for additional meetings.
- 5.3 There should be sufficient time set aside for each meeting so that the committee can fulfil its obligations and there should be a reasonable interval between committee and Board meetings to allow for the satisfactory follow up of matters and action points.
- 5.4 Meetings may be held in person, by telephone, videoconference or other form of electronic means that would prove efficient, provided that the required quorum is met. All persons shall be deemed to be present at the meeting.
- 5.5 The Chairperson may meet with key executives at any time during the course of the year and should meet at least once a year together with the Chief Executive and Company Secretary.

### **6. QUORUM, ATTENDANCE AND MEETING PROCEDURES**

- 6.1 The quorum for a meeting shall be the majority of members of the committee present in person or via telecom facilities. A decision shall be considered passed if the majority of members present (in person or by proxy) vote in favour of the resolution.
- 6.2 The Chairperson shall have a casting vote, if required.
- 6.3 A decision that could be voted on at a meeting may instead be adopted by written resolution provided a quorum of members is obtained and each member has received adequate notice

## Confidential

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.

- 6.4 Committee members must attend all scheduled and ad hoc meetings of the committee unless prior apology with reasons has been submitted to the Chairperson or Secretary.
- 6.5 If the Chairperson of the committee is not present within (30) minutes of the scheduled start time of the meeting or is unable to attend a meeting, the committee members present shall nominate an acting Chairperson from among themselves.
- 6.6 Where decisions are required by way of written resolution, a quorum shall constitute the majority of members, one of whom must be the Chairperson.
- 6.7 Individuals in attendance at the meeting by invitation may participate in discussions but do not form part of the quorum and may not vote on resolutions. No invitee or attendee shall have a vote at meetings of the committee.
- 6.8 The Chief Executive, Company Secretary, Chief Financial Officer, Internal Auditor and Human Resource Manager who are permanent invitees to SEC meetings, shall have unrestricted access to the Chairperson or any other member of the committee as may be required in relation to any matter falling within the remit of the committee.
- 6.9 The Chairperson in consultation with the Secretary, may invite other executives and managers to attend and to be heard at meetings of the committee.
- 6.10 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, in consultation with the Board Chairperson, co-opt another independent director as an additional member.
- 6.11 Minutes of the meeting are to be completed within 21 days of the meeting, circulated to all those present for comments and approval and then be formally approved by the committee at its next scheduled meeting.

## 7. AUTHORITY

- 7.1 The Committee has authority to make decisions in so far as it is empowered to do so by the Board and as recorded in these Terms of Reference. On matters beyond its authority, the Committee makes recommendations to the Board for its approval.
- 7.2 As per s72 of the Companies Act the SEC, in carrying out its duties, has powers to consider and make decisions on:
  - a) The need to investigate any activity within its scope of responsibilities;
  - b) Consulting with or seeking any information it requires from any employee who shall be obliged to co-operate with the SEC;
  - c) Access internal or external resources to properly carry out its duties;
  - d) Obtain independent professional advice at the company's expense if it believes this is necessary to fulfil its duties. Such advisors may attend meetings at the invitation of the Chairperson;

## Confidential

- e) Access relevant company records, facilities and any other resources necessary to discharge its duties and responsibilities;
- f) Delegate its authority and duties, in so far as it is not precluded from doing so by these TOR or legal or regulatory requirements, to other Board Committees, working groups or other persons including employees or individual members of the SEC; and
- g) Make recommendations to the Board for approval by the Board.

7.3 The SEC may not perform any management functions or assume any management responsibilities and shall have no executive powers with regard to its findings and recommendations.

## 8. RESPONSIBILITIES AND REPORTING

- 8.1 The committee's responsibilities are determined by the Board from time to time (see [Annexure A](#)). The committee may draft an annual work plan that will assist it to monitor its activities on a regular basis. This work plan should be reviewed each year to ensure that all items are covered.
- 8.2 In performing their duties and functions, each committee member must act in the best interest of the Company in terms of their fiduciary duties and also in accordance with their duties under the Company's Code of Ethics. Committee members should maintain appropriate relationships with relevant executives of the company.
- 8.3 The committee should establish formal and appropriate reporting arrangements to the Board.
- 8.4 The Chairperson of the SEC shall provide a written, summary of the committee's deliberations and or activities at each Board meeting following a committee meeting.
- 8.5 The Chairperson (or, in his/her absence, another member) of the SEC shall attend the Annual General Meeting to report to the Members' Council on how it has fulfilled its statutory duties in terms of the Act or any other applicable requirements during the financial year.
- 8.6 The committee is entitled to attend any General Meeting of the Members' Council and receive all notices and other communications relating to any General Meeting of the Members' Council.

## 9. REMUNERATION OF COMMITTEE MEMBERS AND COMMITTEE EXPENSES

- 9.1 In terms of the company's MOI, the director fees which include committee member and/or chairperson fees payable to non-executive directors, shall be recommended annually by the Board and approved by the Members Council at the Annual General Meeting.
- 9.2 Other qualifying committee members, save for executives, employees and contractors shall be paid a meeting attendance fee as determined by the Board from time to time. Employees denotes persons involved full time in cricket and is applicable to CSA, its Members, Franchises, SACA and players.
- 9.3 The Company shall pay all expenses reasonably incurred by the SEC in relation to the execution of its duties and responsibilities. The same applies to committee members.

## **10. EVALUATION OF THE COMMITTEE**

- 10.1 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 committee's compliance with these TOR.
- 10.2 The committee may conduct such evaluation and reviews in such a manner as it considers appropriate.
- 10.3 The committee shall report annually to the CSA Board on the results of any self-evaluation or self-assessment that the committee undertakes of its own performance and achievements.
- 10.4 The Board must annually evaluate the committee's performance in terms of its composition, mandate and effectiveness.
- 10.5 In addition, the committee shall review and reassess, at least annually, the adequacy of these TOR and recommend any improvements to the Board.

## **11. OVERLAP AND EFFICIENCY OF ALL COMMITTEES**

- 11.1 The committee must take cognizance that its roles and responsibilities may overlap with those of other committees. In instances where the committee needs to exercise oversight on matters handled by other committees or where there is clear overlap, the committee chairperson should agree with the relevant committee chairperson as to which committee shall deal with the matter and report to the Board. Duplication must be avoided.

## **12. ACCURACY OF INFORMATION**

- 12.1 Except to the extent of legal or regulatory provisions to the contrary, SEC members, being independent or non-independent members, are entitled to rely on the Company's executives in relation to matters within their areas 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.

## **13. CONFLICTS OF INTEREST**

- 13.1 The committee shall consistently apply the provisions of the Companies Act on the disclosure and/or avoidance of any conflicts of interest. Members of the SEC shall be required to declare their interests in general on an annual basis and specifically at each meeting of the SEC.
- 13.2 The SEC shall:
  - 1) In respect of each Member, review any interests a member may have which may potentially conflict with a committee matter to be considered;

## Confidential

- 2) Make recommendations to the Board as to whether any such conflict should be authorised and, if so, as to the terms and conditions under which any such authorisation should be given by the Board;
- 3) Review on a regular basis any authorisation given by the Board in order to determine whether the authorisation given should stand on the terms and conditions on which it was given or whether additional terms and conditions should be imposed or whether the authorisation should be revoked (subject to giving the relevant member notice of the proposed revocation); and
- 4) In the case of a review of the interests of a member, the affected member shall not participate and must excuse him/herself in the review or in discussions or decisions of the committee relating to that member.

## 14. CONFIDENTIALITY

- 14.1 All matters discussed, papers prepared and materials disclosed as part of the committee's activities are strictly confidential and shall not be disclosed to any third party (other than directors of the CSA Board) without the prior written consent of the Board Chairperson, unless it is required by law or such information is already within the public domain, such obligation remaining even after any relevant period of appointment has expired.
  - 14.2 All information provided to committee members shall, unless otherwise agreed with the Chairperson in advance, become and remain the property of CSA even after any relevant period of appointment has expired.
-

**1. Secretarial functions**

The main duties of the Secretary shall include the following:

- 1) Scheduling dates for committee meetings and arranging the logistics;
- 2) Preparing the draft agenda in consultation with the Chairperson;
- 3) Preparing meeting papers to the required standard and sending meeting papers to the committee members at least 7 days before the meeting;
- 4) Preparing the draft minutes for circulation to the committee members within 21 days of the meeting;
- 5) Determining the attendees for the meeting in consultation with the Chairperson of the committee and the Chief Executive; and
- 6) Following-up any matters arising from previous meetings.

**2. Specific duties of the SEC**

**2.1.** The SEC shall ensure that the Board is aware of and manages all matters which would impact significantly on the image and reputation of CSA.

**2.2.** The SEC has powers to deal with any matters relating to a CSA Member or Franchise if such matter impacts on the good image and reputation of CSA or the game of cricket in South Africa.

**2.3.** The committee is responsible for the design and implementation of the company's Code of Ethics and any other policies necessary to ensure the company's image and reputation is protected through the proper conduct of all persons involved in or associated with the company. The SEC will recommend all such Codes and Policies to the Board for its approval.

**2.4.** The committee is responsible for monitoring the impact of the Company's activities on the environment, health and public safety.

**2.5. Preferential procurement**

- a) Review and approve the Company's Preferential Procurement Policy;
- b) Monitor compliance with the above policy; and
- c) Review and monitor the Company's preferential procurement relative to the targets stipulated in the B-BBEE Codes of Good Practice.

**2.6. Employment equity**

- a) Review and approve the Company's Employment Equity Policy;
- b) Monitor compliance with the above policy; and
- c) Review the Company's employment equity targets, achievements, strategies, and processes.

**2.7. Skills development and training**

Monitor the Company's targets and progress in regard to skills development and training.

### 2.8. Promote and monitor ethical behaviour

The committee must promote and monitor ethical behaviour of the Members Council, the Board of Directors, employees, sponsors, broadcasters and commercial partners, in particular, paying attention to the following aspects: Conflicts of interest; Confidential information; Compliance with relevant laws; Workplace conduct; Stakeholder relationships; Public Communication; Employee wellness; Business courtesies and gifts; Non-compliance with prescripts; Internal and external fraud; and collusion.

### 2.9. Sustainability matters

Review and make recommendations to the Board in respect of non-statutory and sustainability aspects for the company which may be reported in the Integrated Report. The Audit & Risk Committee will be responsible for reviewing and recommending the Integrated Report to the Board.

### 2.10. Other monitoring responsibilities

- a) Monitor the Company's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice.
- b) Monitor the Company's activities, having regard to social and economic development, including the Company's standing in terms of the goals and purpose of the following:
  - i. The **OECD** (Organisation for Economic Co-operation and Development) guidelines regarding corporate corruption;
  - ii. The **EE Act** (Employment Equity Act); and
  - iii. The **B-BBEE Act** (Broad-Based Black Economic Empowerment Act).
- c) Monitor the Company's activities, having regard to social and economic development, including the Company's standing in terms of the goals and purpose of the **10 principles** set out in the **United Nations Global Compact Principles** namely:
  - i. **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.
  - ii. **Labour**
    - **Principle 3:** Businesses should uphold the freedom of association and 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.
  - iii. **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.

**iv. Anti-Corruption**

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.
- d) Monitor the Company's good corporate citizenship principles, which include:
- i. promotion of equality, prevention of unfair discrimination, reduction of corruption;
  - ii. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - iii. record of sponsorship, donations and charitable giving.
- e) Monitor the Company's consumer relationships and compliance with consumer protection laws.
- f) Monitor labour and employment practices, including the Company's standing in terms of:
- i. The International Labour Organisation Protocol on decent working conditions; and
  - ii. Its employment relationships and its contribution towards the educational development of its employees.