



**GOLD FIELDS**

**SOCIAL, ETHICS AND TRANSFORMATION**

**COMMITTEE TERMS OF REFERENCE**

Approved by the Board of Directors on 27 November 2018

## **1. AUTHORITY AND PURPOSE**

- 1.1. The Social, Ethics & Transformation Committee (“the Committee”) is constituted as a statutory committee of the Company in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act of 2008, as amended (“the Act”) (read in conjunction with Regulation 43 of the Companies Regulations, 2011), and as a committee of the board of Gold Fields Limited (“GFI”) (“the Board”) acting in terms of delegated authority in respect of all other duties assigned to it by the Board.
- 1.2. The Committee has decision-making authority in respect of its statutory duties, and the Committee is accountable in this respect to the Board and GFI’s shareholders.
- 1.3. The duties and responsibilities of the members of the Committee are in addition to the duties and responsibilities that they have as members of the Board. The Committee has an independent role with ultimate accountability to the Board. To this end the Committee must make recommendations for approval by the Board.
- 1.4. The Committee does not assume the functions of the management, which remains the responsibility of the executive directors, officers and other members of senior management in the execution of their duties.
- 1.5. The purpose of the Committee is to assist the Board in ensuring that the Board discharges its oversight responsibilities with regard to safety, security, health, environmental, social, ethics, human rights and sustainable development matters and stakeholder relationships, to ensure the Company upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner.
- 1.6. These terms of reference are subject to the provisions of the Act, the Memorandum of Incorporation of GFI, as well as any other applicable law or regulatory provision.

## **2. SEGREGATION OF DUTIES (SET and SH&SD)**

- 2.1. The Gold Fields Safety, Occupational Health and Sustainable Development Committee shall have oversight over safety, health, environmental and sustainable development matters.
- 2.2. The Gold Fields Social, Ethics and Transformation Committee shall have oversight over social, ethics, security, labour, transformation, community, corruption, land (social context), human rights and stakeholder relationships matters.

## **3. MEMBERSHIP**

- 3.1. The Committee shall comprise Non-Executive and Executive members with a majority being Non-Executive members;

- 3.2. The Chair of the Committee shall be an independent non-executive director and shall be appointed in addition to the members set out in 3.1 above.
- 3.3. Members of the Committee, including the Chair, shall be appointed for such period of time as the Board requires, and may be removed by the Board, on the recommendation of the Nominating and Governance Committee.
- 3.4. The quorum at any meeting shall be three members of the Committee present in person or via telecommunication facilities.
- 3.5. The Company Secretary shall act as Secretary to the Committee. 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.
- 3.6. Suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter. Such persons do not form part of the quorum for Committee meetings and shall not be entitled to vote at Committee meetings.
- 3.7. The Chair of the Committee (or in his or her absence, an alternative member of the Committee) shall be present at GFI's annual general meeting to report to Shareholders in accordance with the provisions of Regulation 43(5)(b) of the Companies Act and furthermore to assist the Chair of the Board of GFI in answering questions concerning the matters governed by the Social, Ethics and Transformation Committee.

#### **4. SUSTAINABLE DEVELOPMENT PRINCIPLES**

- 4.1. GFI is committed to, amongst others, the 10 principles of the International Council on Mining and Metals and the United Nations Global Compact regarding sustainable development, respectively.
- 4.2. The 10 principles of the International Council on Mining and Metals are:
  - 4.2.1. Implement and maintain ethical business practices and sound systems of corporate governance;
  - 4.2.2. Integrate sustainable development considerations within the corporate decision-making process;
  - 4.2.3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by GFI's activities;
  - 4.2.4. Implement risk management strategies based on valid data and sound science;

- 4.2.5. Seek continual improvement of GFI's health and safety performance;
  - 4.2.6. Seek continual improvement of GFI's environmental performance;
  - 4.2.7. Contribute to conservation of biodiversity and integrated approaches to land use planning;
  - 4.2.8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of GFI's products (materials stewardship and supply chain aspects);
  - 4.2.9. Contribute to the social, economic and institutional development of the communities in which GFI operates;
  - 4.2.10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with GFI's stakeholders.
- 4.3. The Safety, Occupational Health and Sustainable Development Committee shall have oversight over Safety, Health, Environmental and Sustainable Development matters.
  - 4.4. The Gold Fields Social, Ethics and Transformation Committee shall have oversight over matters listed in paragraphs 4.2.1, 4.2.3, 4.2.9 and 4.2.10 (Social, Ethics, Security, Labour, Transformation, Community, Corruption, Land (social context) Human Rights and Stakeholder Relationships matters);
  - 4.5. The Gold Fields Safety, Occupational Health and Sustainable Development Committee shall have oversight over matters listed in paragraphs 4.2.2, 4.2.5 through to 4.2.8 (Safety, Health, Environmental and Sustainable Development matters); and
  - 4.6. The Gold Fields Risk Committee shall have oversight over matters detailed in paragraph 4.2.4 (Risk matters).

## **5. UNITED NATIONS GLOBAL COMPACT**

- 5.1. Gold Fields is committed to the following United Nations Global Compact principles.

### **Human Rights**

- (1) support and respect the protection of internationally proclaimed human rights; and
- (2) make sure that GFI is not complicit in human rights abuses;

### **Labour Rights**

- (3) uphold the freedom of association and the effective recognition of the right to
- (4) collective bargaining;

- (5) the elimination of all forms of forced and compulsory labour;
- (6) the effective abolition of child labour; and
- (7) the elimination of discrimination in respect of employment and occupation;

### **Environment**

- (8) support a precautionary approach to environmental challenges;
- (9) undertake initiatives to promote greater environmental responsibility; and
- (10) Encourage the development and diffusion of environmentally friendly technologies.

The Safety, Occupational Health and Sustainability Committee shall have oversight over Environmental matters.

### **Anti-Corruption**

- (11) working against corruption in all its forms, including extortion and bribery.

The Committee shall be responsible for ensuring that the principles listed in relation to anti- corruption above are adequately reflected and addressed by GFI through its various management processes, including policies, procedures and practices.

## **6. FUNCTIONS AND DUTIES OF THE COMMITTEE**

### **The duties of the Committee are to:**

- 6.1. Steer and Set Strategic Direction:
  - 6.1.1. review the Group's social, ethics and transformation strategic plan on an annual basis.
- 6.2. Approve Policy and Planning
  - 6.2.1. review with management, GFI's implementation of the policies with respect to risk assessment and risk management as they relate to social, ethics and transformation matters applicable to this Committee;
  - 6.2.2. review and approve the GFI Group development policy and associated regional policies that are developed and subsequently applied at the respective GFI's operations;
  - 6.2.3. review with Management, GFI's implementation of the policies with respect to risk assessment and risk management as they relate to social, ethics and transformation matters applicable to this Committee.

- 6.3. Ensure Accountability
- 6.3.1. ensure accountability for organisational performance in matters relating to social, ethics and transformation through, among others, reporting and disclosure.
- 6.4. Oversee and Monitor
- 6.4.1. evaluate GFI's conformance with its commitments to the above principles as well as compliance with relevant laws, regulations and external standards, and report any conclusions and/or proposed responses with respect to that performance to the Board;
- 6.4.2. evaluate the adequacy and timelines of investigations into any incidents with regard to the above principles;
- 6.4.3. review performance reports relating to GFI policies and guidelines, prepared by its regions/operations or departments which are part of the GFI Group and the progressive implementation of its social, ethics and transformation policies;
- 6.4.4. monitor compliance by GFI's regions/operations with recommendations made by the Committee and management pursuant to any investigation of incidents;
- 6.4.5. monitor critical controls as they relate to material unwanted events relating to social, ethics and transformation matters applicable to this Committee;
- 6.4.6. consider national and international regulatory and technical developments with regard to social, ethics and transformation;
- 6.4.7. recommend annually to the GFI Audit Committee, the proposed disclosure for social, ethics and transformation matters to be included in the GFI Integrated Annual Report for their approval.
- 6.5. Evaluate the performance of the Committee in line with the evaluation process recommended by the Board and report its findings and recommendations to the Board for consideration and review by the Board meeting

The Committee shall be responsible for the oversight of ethics by monitoring the following activities of GFI and its subsidiaries, having regard to any relevant legislation, regulations, codes or standards of best practice:

- 6.6. **Social and economic development**, including the GFI's standing in terms of the goals and purposes of:
- 6.6.1. the Organisation of Economic Co-operation and Development (OECD) recommendations regarding corruption;

- 6.6.2. the Employment Equity Act, as amended; and
- 6.6.3. the Broad-Based Black Economic Empowerment Act, as amended.

6.7. GFI is, and is seen to be, a **good corporate citizen**, by:

- 6.7.1. its promotion of equality, prevention of unfair discrimination, and reduction of corruption;
- 6.7.2. its contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
- 6.7.3. its record of sponsorship, donations and charitable giving.

6.8. The **environment, health and public safety**, including the impact of GFI's activities and of its products or services.

6.9. **Consumer relationships**, including GFI's advertising, public relations and compliance with consumer protection laws and the World Gold Council conflict-free gold standard.

6.10. **Labour and employment policies and practices**

Labour and employment policies and practices of GFI, including:

- 6.10.1. its standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
- 6.10.2. employment relationships, and its contribution toward the educational development of its employees.
- 6.10.3. monitoring that ethical standards are applied fairly to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers.

6.11. **Ethics**

Ensuring that the GFI's ethics is governed and managed effectively (as recommended in principle 2 King IV *Report on Corporate Governance for South Africa 2016, and as amended from time to time*), including leadership demonstrating support for ethics throughout GFI:

1. a strategy for managing ethics that is informed by the negative and positive risks of GFI;
2. ethical behaviour and standards are articulated in a code of ethics and supporting ethics policies;
3. structures, systems and processes are in place to ensure that the various boards, employee and supply chains are familiar with and adhere to GFI's ethical behaviour and standards;
4. monitor and ensure the ethical performance of GFI and the controls in place to measure this is included in the scope of the internal audit on an annual basis and is reported on in GFI's annual report;
5. ethics is imbedded in the corporate culture of GFI;
6. the Committee will be responsible for the Company's corporate citizenship, monitoring and

reporting in respect of the ethical conduct of the Company, the board of directors, executives, senior officers in terms of the Gold Fields Code of Ethics and related policies, including but not limited to, matters relating to conflict of interest, insider trading and gifts policies;

7. the Chair of the Committee and the Chair of the Audit Committee shall where necessary and at their own discretion, consult each other in relation to any matter that may raise a concern relating to ethical conduct matter reported to the Committee;
8. reviewing any statements on any ethical conduct or requirements; and
9. consider and make recommendations on any existing or potential conflicts of interest or questionable matter that has arisen.

6.12. ***Transformation and localization***

- 6.12.1. Ensure that policies aimed at achieving the Company's global transformation vision, values and objectives are developed and implemented; and
- 6.12.2. To promote an organizational culture which affords all employees the development opportunities which will enable them to achieve their optimal levels of career development in the course of employment with the Company, recognizing the diversity of the society within which the Company conducts its business.

6.13. ***Compliance with Laws and Regulations***

The committee should ensure that plans and strategies aimed at compliance with legislation that impact on the subject matter of the Committee's responsibilities and duties or have a potential to impact on the company's rights and/or license and/or permit to mine and/or operate are in place and are implemented.

6.14. ***Stakeholder Engagement***

The Committee should review and monitor the Company's stakeholder engagement strategies, plans and performance and provide strategic guidance thereof.

- 6.15. The Committee shall ensure that such policies and procedures required in order for all regions and operations of GFI to perform its responsibilities in respect of social, ethics, and transformation matters are implemented and reviewed on an annual basis, or as required.

- 6.16. The Committee shall have the authority to investigate, review and resolve any matters arising from the ambit of the Gold Fields Limited Code of Ethics, which are reported to the Committee or which it otherwise is or becomes aware of. The Committee shall report to the Board any potential or actual violations of the Gold Fields Limited Code of Ethics, conflict of interest or questionable situation of a material nature that the Committee is or becomes aware of and any waivers of the application of the principles set forth in the Gold Fields Limited Code of Ethics it grants. The Committee shall procure that any such waiver shall also be publicly disclosed in the GFI annual report.

- 6.17. The Committee shall report to the shareholders at the GFI annual general meeting on any part of the business of the meeting that concerns the Committee's functions.
- 6.18. The Chair of the Committee shall provide a report to the Board on the activities of the Committee on a quarterly basis.
- 6.19. The Committee shall also draw to the attention to the Board matters within its mandate and terms of reference as occasion requires.

## 7. GOVERNANCE AND OUTCOMES

In the execution of its governance role and responsibilities, the Social, Ethics and Transformation Committee adopts a stake-holder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of GFI over time.

- 7.1. Ethical Culture
  - 7.1.1. to exercise regular and proper oversight on matters of social, ethics and transformation through the Committees' strategy, policies and standards.
- 7.2. Good Performance
  - 7.2.1. monitor and ensure the ethical performance of GFI in matters of social, ethics and transformation and the controls in place to measure this is included in the scope of the internal audit on an annual basis and is reported on in GFI's annual report.
- 7.3. Effective Control
  - 7.3.1. The Committee shall have regular and proper oversight of ethics performance (training, communication, performance management and channels to report misconduct).
- 7.4. Legitimacy
  - 7.4.1. The Committee shall have the authority to investigate, review and resolve any matters arising from the ambit of the Gold Fields Limited Code of Ethics, which are reported to the Committee or which it otherwise is or becomes aware of. The Committee shall report to the Board any potential or actual violations of the Gold Fields Limited Code of Ethics, conflict of interest or questionable situation of a material nature that the Committee is or becomes aware of and any waivers of the application of the principles set forth in the Gold Fields Limited Code of Ethics it grants. The Committee shall procure that any such waiver shall also be publicly disclosed in the GFI annual report.
- 7.5. The Committee shall assume responsibility for the governance of ethics by setting the direction on how matters of social, ethics and transformation are approached and addressed by GFI. The Board mandates the Committee to delegate to Management the responsibility to implement and execute the Codes of Conduct and ethics policies.

## **8. MEETINGS**

- 8.1. The Committee shall meet at least once a quarter, provided that the Chair or nay other member of the Committee may call a meeting at any other time.
- 8.2. Where the Chair of the Committee is not present within 15 minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to chair that meeting
- 8.3. A meeting of the Committee may be conducted by electronic communication and/or one or more members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 8.4. Each member of the Committee has 1 vote on a matter before the Committee and a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 8.5. In the case of a tied vote the Chair of the Committee may not cast a deciding vote even if the Chair did not initially have or cast a vote and the matter being voted on fails.
- 8.6. The Chair of the Committee may invite management representatives from all GFI operations to attend Committee meetings. It is expected that such invitees would, ordinarily, include executive members of the GFI Executive Committee and other senior GFI staff that contribute to the realisation of the GFI social and ethical development objectives.
- 8.7. The Chair of the Committee may consult members of the Committee at any time and may conclude any matter requiring the approval of the Committee by means of a round robin resolution to be approved by the full Committee. A round robin resolution of members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each member has received notice of the matter to be decided upon and that the majority of the members have voted in favour of the matter. A round robin resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the round robin resolution.
- 8.8. The Committee may specifically delegate to any one or more of its members authority to conclude any matter requiring the authority of the Committee. The outcome of any such delegation shall be reported to the Committee at its next meeting.

## **9. NOTICE AND PROCEEDINGS OF MEETINGS**

- 9.1. The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Committee at least five working days prior to the date of each meeting.
- 9.2. Minutes of meetings shall be taken by the Committee Secretary. Minutes of all meetings

shall be circulated to all the members of the Committee within one month after the date of each meeting, and may also, if the Chair so determines, be circulated to other members of the Board. Minutes must be formally approved by the Committee at its next meeting.

- 9.3. Minutes of all meetings of the Committee will be submitted to the Board at its next succeeding meeting.

## **10. CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

- 10.1. act in the company's best interest, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- 10.2. avoid conflicts of interest between their personal affairs and those of the company or, where unavoidable, disclose any such conflict or potential conflict;
- 10.3. disclose any information they may be aware of that is material to the company and of which the Board is not aware, unless such director is bound by ethical or contractual obligations of non-disclosure;
- 10.4. keep all information learned by them, in their capacity as a Committee member, strictly confidential; and
- 10.5. exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the company as those carried out by that person, and having the general knowledge, skill and experience of that person.

## **11. COMMITTEE EXPENSES**

GFI will pay all expenses reasonably incurred by the Committee in executing its duties, including, if the Committee considers it appropriate, the costs or the fees of any consultant or specialist engaged by the Committee in the performance of its functions. The Committee must be provided with adequate resources in order to properly discharge its duties.

## **12. REMUNERATION**

- 12.1. Having regard to the functions performed by the members of the Committee, in addition to their functions as directors on the Board, members of the Committee may be paid such remuneration as shall be recommended by the Remuneration Committee and, to the extent required by the Act, approved by the shareholders of GFI in general meeting.
- 12.2. Such remuneration shall be in addition to the remuneration such directors receive for service on the Board and on committees.

### 13. GENERAL

- 13.1. The Committee in carrying out its tasks under these terms of reference may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 13.2. The activities of the Committee shall in no way impinge upon any delegations of authority or responsibility made by GFI and other individual companies or entities owned or controlled by GFI pursuant to relevant legislation, which may be in force at the time.
- 13.3. The performance of this Committee shall be evaluated by its members on an annual basis and results shall be presented to the Nominating and Governance Committee.
- 13.4. The Committee's Chair shall evaluate the performance of individual Committee members, and the Board shall evaluate the performance of the Committee's Chair.
- 13.5. The terms of reference shall be reviewed annually by the Committee and any amendments shall be approved by the Board.
- 13.6. The Committee has reasonable access to the information, including records, of GFI, and to the company's property, employees, facilities and other resources, as well as to that or those, as the case may be, of the other entities within the group of entities of which GFI forms part, as may be necessary to discharge its duties and responsibilities.
- 13.7. The Committee shall be entitled to
- 13.7.1. require from any director or prescribed officer of GFI any information or explanation necessary for the performance of the Committee's functions;
  - 13.7.2. request from any employee of GFI any information or explanation necessary for the performance of the Committee's functions;
  - 13.7.3. attend any general shareholders meeting;
  - 13.7.4. receive all notices of and other communications relating to any general shareholders meeting; and
  - 13.7.5. be heard at any general shareholders meeting on any part of the business of the meeting that concerns the Committee's functions.
- 13.8. Subject to the above provisions and any relevant legislation, the members of the Committee shall not attract any personal liability arising from their appointment, and GFI shall indemnify members of the Committee against all and any claims howsoever arising.

#### Chair of the Committee

Date