

**REGULATIONS IN TERMS OF THE COMPANIES ACT NO. 71 (2008) (AS AMENDED)**

- 43. Social and Ethics Committee.**-See [s. 72 \(4\)](#) to [\(10\)](#)-(1) This regulation applies to-
- (a) every state owned company;
  - (b) every listed public company; and
  - (c) any other company that has in any two of the previous five years, scored above 500 points in terms of [regulation 26 \(2\)](#).
- (2) A company to which this regulation applies must appoint a social and ethics committee unless-
- (a) it is a subsidiary of another company that has a social and ethics committee, and the social and ethics committee of that other company will perform the functions required by this regulation on behalf of that subsidiary company; or
  - (b) it has been exempted by the Tribunal in accordance with section 72 (5) and (6).
- (3) A board of a company that is required to have a social and ethics committee, and that-
- (a) exists on the effective date, must appoint the first members of the committee within 12 months after-
    - (i) the effective date; or
    - (ii) the determination by the Tribunal of the company's application, if any, if the Tribunal has not granted the company an exemption;
  - (b) is incorporated on or after the effective date, must constitute a social and ethics committee and appoint its first members within one year after-
    - (i) its date of incorporation, in the case of a state owned company;
    - (ii) the date it first became a listed public company, in such a case; or
    - (iii) the date it first met the criteria set out in [sub-regulation \(1\) \(c\)](#), in any other case.
- (4) A company's social and ethics committee must comprise not less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years.
- (5) A social and ethics committee has the following functions-
- (a) 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 purposes of-
      - (aa) the 10 principles set out in the United Nations Global Compact Principles; and
      - (bb) the OECD recommendations regarding corruption;
      - (cc) the Employment Equity Act; and
      - (dd) the Broad-Based Black Economic Empowerment Act;
    - (ii) good corporate citizenship, including the company's-

