

MAHUBE INFRASTRUCTURE LIMITED

Broad Based Black Economic Empowerment Policy 2020

1. Introduction

The Board of Directors (the “**Board**”) of Mahube Infrastructure Limited (the “**Company**”) has resolved to introduce and implement this Broad-Based Black Economic Empowerment (“**B-BBEE**”) Policy to give effect to the objectives of the B-BBEE Act of 2003 (as amended) and its Regulations.

1.1. Purpose

The purpose of the Company’s B-BBEE policy is to:

- articulate the Company’s commitment as a good corporate citizen towards contributing to social and economic transformation in South Africa;
- provide a roadmap for the Company to improve on its B-BBEE annual compliance report; and
- ensure that the Company attains a compliant B-BBEE rating (i.e. from a non-compliant entity to a at least a Level 6 B-BBEE contributor) by 2022.

1.2. Applicable legislation

This policy is subject to the following pieces of legislation that form part of the Company’s regulatory universe:

- The Companies Act 71 of 2008 and its Regulations;
- The King Code IV on Corporate Governance;
- B-BBEE Act 53 of 2003 as amended and its regulations;
- B-BBEE Codes of Good Practice, 2017;
- Employment Equity Act 55 of 1998;
- Skills Development Act 97 of 1998; and
- any other legislation that may be applicable from time to time.

In addition to legislation, this Policy is subject and must be read together with the Company’s existing policies and documents of incorporation, including but not limited to:

- Memorandum of Incorporation;
- Risk Policy and Risk Register;
- Gender, Diversity and Race Policy;
- Code of Business Conduct and Ethics;
- Remuneration Policy;
- Investment Policy; and

- any other policies that the Board approves from time to time.

1.3. Definitions

In this Policy, the following terms mean:

- 1.3.1. **“Black people”** means Africans, Coloureds and Indians in terms of the Act and read in conjunction with the definition in the Codes of Good Practice which limits the definition to natural persons who are citizens of the Republic of South Africa by birth or descent as well as natural persons who acquired citizenship by naturalisation prior to 27 April 1994, or on or after 27 April 1994 and would have been entitled to acquire citizenship by naturalisation prior to that date.
- 1.3.2. **“Broad based economic empowerment”** means Broad-Based Black Economic Empowerment means the economic empowerment of all Black people including women, workers (persons contributing to the economy), youth, people living with disabilities and people living in rural areas through diverse but integrated socioeconomic strategies that include, but are not limited to:
- increasing the number of black people that manage, own and control enterprises and productive assets;
 - facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
 - human resource and skills development;
 - achieving equitable representation in all occupational categories and levels of the workforce;
 - preferential procurement; and
 - investing in enterprises that are owned or managed by black people.

2. Reporting and responsibilities of the Board

- 2.1. The Board has duly delegated the Company’s Social and Ethics Committee (the **“Committee”**) constituted by the Board in terms of paragraph 5 of the Terms of Reference of the Committee to deal with pieces of legislation articulated in paragraph 1.2 of this Policy.
- 2.2. The Committee’s responsibility is to ensure that the Company is a good and responsible corporate citizen by monitoring the Company’s activities on social and economic standing and activities which fall under the purview of legislation listed in paragraph 1.2 of this Policy.
- 2.3. The Committee will review the Company’s annual B-BBEE compliance report (Form B-BBEE 1) before it is lodged with the B-BBEE Commissioner. The B-BBEE compliance report will report on the Company’s B-BBEE targets.
- 2.4. The Chairperson of the Committee will table a report for noting by the Board.

3. The Company’s B- BBEE Targets

The Board has set the following three-year targets to ensure that the Company improves on its current non-compliant B-BBEE report to full compliance (Level 6 contributor)

Mahube Infrastructure B-BBEE Policy

B-BBEE Element	Weighting 100 points	Current Score	Generic Code Series	Revised FSC [^] QSE	Revised FSC Generic	Target 2020*	Target 2021**	Target 2022**
						Level 7	Level 6	Level 5
Ownership	25	20	100	25	25	20	20	20
Management Control	20	3	200	15	20	14	13	13
Skills development	20	-	300	25	23	25	23	23
Enterprise and supplier development	35	10.9	400	30	43	8	10	15
Socio- economic development	5	-	500	5	8	-	4	4
Total	105	33.9		100	119	67	70	75
Less subminimum level deduction -1						Level 8	Level 7	Level 6

[^] Financial Sector Charter

* Based on FSC-Qualifying small entity scorecard

** Based on FSC-Generic score card

4. Monitoring and Evaluation

The Company Secretary will ensure that the Committee monitors and evaluates the Company's performance against its target set in paragraph 3 of this Policy on an annual basis.

5. Review of targets

The Board will review annual targets based on the recommendations of the Committee that will be tabled at the meeting of the Board for quarter 3.