

LESAKA TECHNOLOGIES, INC.  
GROUP SOCIAL AND ETHICS COMMITTEE CHARTER

*Note:*

*The scope of this policy will include the appointment of the Social and Ethics Committee as required by Section 72 of the Companies Act no 71 of 2008 and regulation 43 to the Act based on South African legal requirements.*

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## 1. INTRODUCTION, PURPOSE AND COMPOSITION

### 1.1. INTRODUCTION

This Social and Ethics Committee Charter (hereinafter referred to as the “Charter”) applies to Lesaka Technologies, Inc. and all its subsidiaries' (hereinafter referred to as the “Company”), employees, agents, and representatives. The Social and Ethics Committee<sup>1</sup> (hereinafter referred to as the “Committee”) of the Company has the responsibilities, authority and duties described in this Charter.

Subsidiaries of the Company organized under the laws of the Republic of South Africa, are subject to Section 72 of the Companies Act no 71 of 2008 (the “Act”) and regulation 43 to the Act. The establishment of the Committee is intended to satisfy such requirements under the Act.

Furthermore, the purpose of this Charter is to set out the composition and functions of the Committee of the Company.

### 1.2. PURPOSE

The Committee is established to assist the Board of Directors of Lesaka Technologies, Inc. (the "Board") with the oversight of environmental, social and ethical matters and in ensuring that the Company is and remains a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the Company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The Committee’s primary role is to supplement, support, advise and provide guidance to the Board on the effectiveness or otherwise of management’s efforts in respect of social and ethics and sustainable development related matters which, *inter alia*, include the following:

- Social and economic development;
- Safety and occupational hygiene;
- Health and wellness, including occupational health;
- Environmental management;
- Climate change;
- Ethics management;
- Responsible corporate citizenship;
- Sustainable development;
- Corporate Social Investment (“CSI”);
- Consumer relationships;
- Stakeholder engagement; and
- All regulatory developments

The Committee shall oversee and monitor the Company’s environmental, social, governance (ESG) and sustainability policies and initiatives, and risks related to the Company’s operations, supply chain, customer engagement and reputational matters. The Committee shall oversee and monitor the Company’s policies and initiatives relating to corporate social responsibility, including human rights and ethical business practices.

<sup>1</sup> This Committee is envisioned as the same committee as required by the Act- Social and Ethics Committee. This Committee performs the function of a statutory committee of Lesaka Technologies South Africa Proprietary Limited in respect of its duties in terms of Section 72 (4) of the Companies Regulations, 2011, of the Act.

## 2. COMPOSITION, APPOINTMENT AND TERMINATION

### 2.1. COMPOSITION

To ensure its independence and objectivity, the Committee must consist of at least three members, who shall be recommended by the Nominating and Corporate Governance Committee and approved by the Board. At least two members must be non-employee directors of the Company, at least one of whom must be an independent non-employee director (who is not involved in the day- to-day management of the Company's business and must not previously have been involved in the Company's business).

The Company's Chief Executive Officer and/or Executive Chairman (if not a member of the Committee) shall have right of attendance at meetings unless otherwise deemed inappropriate by the Committee. Other directors and senior executives may, at the Chairman of the Committee's discretion, be invited to attend meetings of the Committee from time to time.

The Committee shall be chaired by a non-employee director who is not the chairman of the Board (the "Chair"), as may be determined by the Board from time to time. The chairman of the Board may be a member of the Committee, but not its chair. Collectively, the members of the Committee must at any particular time have the necessary qualifications, skills and experience to execute their duties effectively.

### 2.2. APPOINTMENT

The Board shall appoint the members of the Committee and fill any vacancy as and when required. A vacancy which occurs at any time, should be filled by the Board from among the other qualified directors of the Company. The Board shall also have the right to appoint any additional members as deemed necessary.

The Chair of the Committee shall be recommended by the Nominating and Corporate Governance Committee and approved by the Board. The Board shall determine the period for which the Chairman shall hold such office.

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

Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the Directors of the Company.

### 2.3. REMOVAL AND RESIGNATION

The Board shall have the power at any time to remove any member from the Committee who has been appointed by the Board.

The office of a member of the Committee shall be vacated if he or she:

- resigns his or her office by written notice to the Board; or
- ceases for whatsoever reason, to be a director, prescribed officer or employee of the Company; or
- is removed by the Board as a member of the Committee.

### 3. ROLE, RESPONSIBILITIES, FUNCTIONS AND CONDUCT

#### 3.1. ROLE

The Committee has an independent role and is accountable to the Board. The role of the Committee is to assist the Board with environmental, social and ethical, and governance matters affecting and/ or relating to the Company.

#### 3.2. RESPONSIBILITIES AND FUNCTIONS

The Committee must oversee and report on matters relating to the Company's ethics, corporate citizenship, sustainable development, and stakeholder relationships, and, *inter alia*, perform the following functions:

- monitoring 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 social and economic development. This includes the Company's standing in terms of the goals and purposes of the ten (10) principles set out in the United Nations Global Compact Principles and the proper identification and governance of Environmental, Social and Governance ("ESG") metrics and disclosures that are material to the Company and its industry which are essential to managing risk and executing strategy, and lead to long-term increases in shareholder value.

#### United Nations Global Compact Principles

##### Human Rights

Businesses should -

- Principle 1: 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

Businesses should -

- Principle 3: uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: eliminate all forms of forced and compulsory labour;
- Principle 5: effectively abolish child labour; and
- Principle 6: eliminate discrimination in respect of employment and occupation.

##### Environment

Businesses should -

- Principle 7: 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

Businesses should -

- Principle 10: work against corruption in all its forms, including extortion and bribery.

##### ESG Metrics

The metrics are a refined set of indicators used to assess the Company's exposure to a range of ESG risks. These metrics are centred on four pillars indicated below.

- **Principles of Governance:** This reflects a company's purpose, strategy, and accountability and includes criteria that measure risk and ethical behaviour.

- **Planet:** This reflects the Company's dependencies and impacts on the natural environment and includes metrics such as greenhouse gas emissions, land protection, and water use.
- **People:** This represents the Company's equity and its treatment of employees and includes metrics centred around diversity reporting, wage gaps, and health and safety.
- **Prosperity:** This represents how the Company affects the financial wellbeing of the communities it operates in and measures metrics such as employment and wealth generation, taxes paid, and research and development expenses.

The core metrics are a set of 21 critical metrics and disclosures. These are primarily quantitative metrics and include:

#### **Principles of governance**

- Governing purpose;
- Governance body composition;
- Material issues impacting stakeholders;
- Anti-corruption;
- Protected ethics advice and reporting mechanisms;
- Integrating risk and opportunity into business process;

#### **Planet**

- Greenhouse gas ("GHG") emissions;
- Land use and ecological sensitivity;
- Water consumption and withdrawal in water-stressed areas;

#### **People**

- Diversity and inclusion;
- Pay equality;
- Wage level;
- Risk for incidents of child, forced or compulsory labour;
- Health and safety;
- Training provided;

#### **Prosperity**

- Absolute number and rate of employment;
- Economic contribution;
- Financial investment contribution;
- Total research and development expenses;
- Social value generated;
- Vitality index;
- Total tax paid; and
- Total social investment.

There are also 34 expanded metrics and disclosures that tend to be less well-established in existing practice and standards and have a wider value chain scope or convey impact in a more sophisticated or tangible way, such as in monetary terms. These represent a more advanced way of measuring and communicating sustainable value creation.

- Ensuring that the Company, in formulating its policies and procedures, has regard to or is compliant with certain laws and regulations of the jurisdictions in which it operates, including:
  - The Organization of Economic Co-operation and Development (OECD) recommendations regarding corruption;
  - The Prevention and Combating of Corrupt Activities Act, No12 of 2004, (PRECCA) which sets out the regulatory framework to prevent and combat corruption in government and the private sector;

- The Companies Act, No71 of 2008, as amended;
  - Basic Conditions of Employment Act, No 75 of 1997, as amended;
  - Labour Relations Act, No 66 of 1995, as amended;
  - The Employment Equity Act, No55 of 1998 as amended and .
  - Broad-Based Black Economic Empowerment Act, No 53 of 2003, as amended and related Charters and Codes.
- Ensuring that the Company is seen to be a good corporate citizen through its:
    - promotion of equality, prevention of unfair discrimination;
    - commitment to preventing corruption, including but not limited to, by complying with the U.S. Foreign Corrupt Practices Act of 1977 (as amended);
    - contribution to the development of the communities in which its activities are predominantly conducted or within which its products or within which its services are predominantly marketed; and
    - record of sponsorships, donations and charitable donations.
  - Ensuring that the Company complies with relevant legislation, regulations and codes of best practices in respect of:
    - Environment, health, and public safety;
    - Corporate governance and
    - Consumer relationships, including advertising, public relations and compliance with consumer protection laws and/or the Consumer Protection Act, No 66 of 2008 (as amended).
  - Ensuring that the Company's labour and employment policies and practices align with the International Labour Organization Protocol on decent work and working conditions, the applicable South African legislation and that the Company contributes towards the educational development of its employees.
  - Ensuring that the internal culture of the Company aligns with its strategic objectives as determined by the Board from time to time; and that through specifically designed strategies, management of the Company supports the development and enhancement of a fit-for-purpose staff complement.

### 3.3. CONDUCT OF COMMITTEE MEMBERS

Committee members are expected to:

- Act in the best interests of the Company, with good faith and integrity and adhere to all relevant legal standards of conduct;
- Avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflicts or potential conflicts to the Board;
- Disclose to the Board any information they may be aware of that is material to the Company and of which the Committee is not aware, unless such member is bound by ethical or contractual obligations of non-disclosure;
- Keep all information obtained by them, in their capacity as Committee members, strictly confidential; and
- 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.

## 4. AUTHORITY AND POWERS

The Committee has decision-making authority in respect of its statutory duties and is accountable in this respect to the Board and the Company's shareholders.

The Committee is entitled to:

- require from any director or employee of the Company, any information or explanation necessary for the performance of the Committee's functions;
- request from any employee of the Company any information or explanation necessary for the performance of the Committee's functions;
- attend any general shareholders' meeting;
- receive all notices of and other communications relating to any general shareholders' meeting; and
- be heard at any general shareholders' meeting on any part of the business of the meeting that concerns the Committee's functions.

The Committee shall also act in terms of delegated authority in respect of any other duties and responsibilities assigned to it by the Board. To this end, the Committee must make recommendations for approval by the Board and is accountable to the Board.

The Company shall pay all the expenses reasonably incurred by the Committee, including, if the Committee considers it appropriate, the costs or the fees of any external consultant or specialist engaged by the Committee in the performance of its functions. The Committee may form, and delegate authority to sub-committees and may delegate authority to one or more designated members of the Committee.

The Committee is entitled to reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities. The Committee will make recommendations to the Board that it deems appropriate on any area within the ambit of this Charter where action or improvement is required.

## 5. COMMITTEE MEETINGS

### 5.1. FREQUENCY

The Committee shall meet at least twice per financial year, provided that any other member of the Committee, through the Chair of the Committee, may call a meeting at any other time. Non-Committee members may be invited to attend meetings but shall not be entitled to vote at Committee meetings.

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 (5) working days prior to the date of each meeting.

### 5.2. QUORUM AND ATTENDANCE

A quorum for meetings of the Committee shall be a majority of members present in person or via telecommunication facilities. Non-Committee members in attendance at Committee meetings by invitation do not form part of the quorum of Committee meetings.

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. No attendee who is not a member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum of the meeting.



**5.1. MEETINGS**

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.

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

**6. REMUNERATION AND REVIEW OF THIS CHARTER****6.1. REMUNERATION**

Having regard to the functions performed by the members of Committee, in addition to their functions as directors of the Board and in relation to the activities of the Committee, members of the Committee shall be paid such remuneration in respect of their appointment as shall be approved by the Board, on the recommendation of the Remuneration Committee of the Board.

The Company shall pay the professional membership fees of those members registered with a professional institution or body, such as may be relevant to any such member performing his or her functions on the Committee.

**6.2. REVIEW OF THE CHARTER**

This Charter was recommended to the Board by the Chair of the Committee and subsequently approved by the Board and will be due for review annually thereafter.

**BOARD APPROVAL RECEIVED: SEPTEMBER 2024**

Approved by: Lesaka Board	Last revision date: July 2024 Version: 7	Date of next review: July 2025	Page 9 of 10
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