

CHARTER OF MOTORSPORT SOUTH AFRICA (“MSA”) ETHICS AND GOVERNANCE COMMITTEE

1. Purpose & Commitment

- a. The MSA Board of Directors (“Board”) commits to upholding the highest standards of ethical leadership, transparency, and accountability.
- b. This charter serves as a guiding framework for responsible governance and decision making in the interest of motorsport development in South Africa.

2. Core Ethical Principles

- a. Integrity: Conduct all activities with honesty and transparency.
- b. Accountability: Accept responsibility for decisions and their outcomes.
- c. Fairness: Ensure equitable treatment of all stakeholders.
- d. Respect: Promote a culture of dignity, inclusion, and mutual respect.
- e. Compliance: Adhere to all applicable laws, regulations, and internal policies.

3. Board Conduct & Responsibilities

- a. Avoid conflicts of interest and disclose any potential personal interests.
- b. Maintain confidentiality of Board discussions and sensitive information.
- c. Support collective decisions and act in the best interest of MSA.
- d. Demonstrate professionalism and ethical behavior in all interactions.
- e. Always act as an ambassador of MSA

4. Ethical Decision-Making

- a. Apply a structured approach to evaluate ethical dilemmas.
- b. Consider the impact on stakeholders, legal compliance, and reputational risk
- c. Encourage open dialogue and consultation when facing ethical challenges.

5. Oversight & Culture

- a. Foster an ethical culture throughout MSA and its affiliated bodies.
- b. Ensure regular ethics training and awareness initiatives.

- c. Monitor ethical risks and respond promptly to misconduct.

6. Whistleblower Protection

- a. Support safe and confidential reporting of unethical behavior.
- b. Protect whistleblowers from retaliation and ensure fair investigation processes.

7. Review & Accountability

- a. Review this charter annually to ensure relevance and effectiveness.
- b. Evaluate Board performance against ethical standards and implement improvements.

8. Composition and Appointment

- a. The Board shall appoint members to the Ethics and Governance Committee through a process of nomination and voting.
- b. The Committee shall consist of no fewer than three (3) and no more than five (5) members, selected on the basis of their independence, ethical standing, governance experience, and professional suitability.
- c. Members must demonstrate sound judgment, integrity, and the capacity to fulfil the functions of the Committee in a fair and impartial manner.
- d. The roles and responsibilities of the Committee shall be as set out in this Charter, but may be expanded or refined by resolution of the Board, as circumstances require.

9. Scope Limitation

- a. The Ethics and Governance Committee operates as a focused dispute-resolution and oversight body, with a mandate limited to specific internal governance and ethical matters referred to it by the Board or the CEO of MSA.
- b. It is not responsible for general corporate governance, organisational ethics strategy, executive oversight, or routine compliance functions.

- c. The Committee shall not initiate investigations independently, nor does it possess disciplinary powers; its role is strictly advisory and investigative, with findings and recommendations submitted to the Board or the CEO of MSA for final decision.
- d. This limited scope reflects the current resources and composition of the Committee, and may be reviewed or expanded by the Board in future if required.

10. Confidentiality and Reporting

- a. All proceedings and documents before the Committee shall be treated as confidential and used only for the purpose of fulfilling its mandate.
- b. Committee members shall not disclose any matter under consideration to any third party, except as required to fulfil their duties.
- c. The Committee shall report its findings and recommendations to the Board and/ or the CEO of MSA, unless otherwise directed by resolution of the Board.
- d. All reports, findings document and all other relevant supporting documentation to be handed over to the CEO of MSA or the Chairman of the Board for recording keeping purposes.

11. Administrative Support

- a. The Ethics and Governance Committee shall be supported by MSA Management in an administrative capacity. Management shall, upon request:
 - i. Obtain and collate relevant documents or records for the Committee;
 - ii. Arrange meetings or interviews with affected parties;
 - iii. Provide logistical or communication support as directed by the Committee.
- b. MSA Management shall not alter or interpret material provided unless expressly authorised to do so by the Committee.
- c. The Committee retains full control over the scope, timing, and use of all investigations and engagements.

12. Indemnity and Protection

- a. Members of the Ethics and Governance Committee act in an advisory capacity under delegation from the Board in terms of section 72 of the Companies Act.
- b. MSA shall indemnify committee members against any loss, damage, claim, or legal action arising from the performance of their duties on the Committee, provided such duties were performed:
 - i. In good faith;
 - ii. Without gross negligence or wilful misconduct;
 - iii. Within the scope of the Committee's authorised mandate.
- c. This indemnity includes protection from claims arising out of recommendations made in good faith, even where such recommendations are later disputed or criticised.

13. Resources and Limitations

- a. MSA shall, subject to budgetary approval, bear the reasonable travel and related direct costs incurred by members of the Committee while performing their duties.
- b. If the Committee is denied access to relevant documents, persons, or locations, or if necessary travel or support is withheld, the Committee may reflect such limitations in its report.
- c. In such circumstances, Committee members shall not be held liable for any resulting limitations in their findings, provided they acted in good faith and within the scope of their mandate.

14. Reporting Format

- a. The Committee shall ordinarily provide its findings and recommendations in writing to the Board.

- b. In limited circumstances, where the matter is minor or does not warrant the cost or formality of a full report, the Committee may report verbally to the Board, provided the Board agrees to this approach.
- c. In such cases, a brief written record may be retained by the Committee Chair to ensure continuity and transparency.

15. Applicable Standards

- a. In fulfilling its mandate, the Committee shall apply relevant principles and requirements derived from:
 - i. The Companies Act, 2008;
 - ii. The King IV Report on Corporate Governance for South Africa (2016);
 - iii. MSA's Memorandum of Incorporation, rules, codes, and internal policies;
 - iv. The principles of South African common law and natural justice;
 - v. Any applicable statutory or regulatory frameworks relevant to a particular matter.
- b. The Committee shall strive to act with impartiality, transparency, and due care in all deliberations and findings.

16. Appointment of Chairperson

- a. The Board shall appoint a Chairperson of the Ethics and Governance Committee from among the committee members.
- b. The Chairperson shall lead the Committee's proceedings, coordinate its meetings and reporting, and serve as its primary liaison with the Board.
- c. In the Chairperson's absence, the remaining members may designate an acting Chairperson for a specific meeting or task.
- d. The term of the Chairperson shall be aligned with their committee appointment or as otherwise determined by the Board.

17. Vacancies

- a. If a vacancy arises on the Committee, the Board shall appoint a replacement member as soon as reasonably practicable.
- b. If the Chairperson's position becomes vacant, the Board shall appoint a new Chairperson from among the current members or simultaneously with any new appointment.
- c. The Committee may continue to function and make decisions if at least three members remain in office.
- d. Any temporary or acting appointments may be made by resolution of the remaining members, pending Board confirmation.
- e. The Committee shall retain the authority to continue its functions, including investigations and issuing findings, provided that at least three members remain in office.
- f. If membership falls below this threshold, the Committee shall suspend active investigations and notify the Board to make the necessary appointments.
- g. Any decisions made without the required minimum membership may be deemed procedurally invalid unless subsequently ratified by the Board.

18. Referral of Uncertainties to the Board

- a. Where a matter arises that is not clearly addressed by this Charter, or where the Committee is uncertain about the extent of its authority or process, the Committee shall refer the matter to the Board for direction.
- b. Until such direction is received, the Committee shall refrain from taking further steps on the matter in question, except where necessary to preserve confidentiality, evidence, or procedural fairness.