

## EMPLOYMENT EQUITY POLICY

### 1. BACKGROUND

AfroCentric Health Limited (“AfroCentric Health”) acknowledges that transformation is a critical requirement for business success and is committed to creating an environment that values all forms of diversity, thus contributing to a prosperous future for all its employees, customers and shareholders.

For AfroCentric Health, Employment Equity (EE) is a critical component of the broader Transformation Strategy that will enable us to unleash the potential of all our employees, thus enhancing our competitive edge. We shall strive to leverage diversity by creating the best possible skills mix in our workforce and develop an inclusive organisational culture where diverse employees can fully contribute to business success.

### 2. POLICY STATEMENT

AfroCentric Health is committed to achieve EE by:

- Transforming the demographic profile of the workforce through the attraction, selection, development and retention of diverse talented employees
- Identifying and eliminating employment barriers, including unfair discriminatory policies, procedures and practices
- Develop an organisational structure that reflects the economically active population of South Africa
- Making reasonable accommodation for people from designated groups to ensure equal opportunities
- Implementing affirmative action measures aimed at ensuring that suitably qualified individuals from designated groups are equitably represented in all occupational categories and levels across AfroCentric Health.

### 3. POLICY OBJECTIVES

The purpose of this policy is to provide a framework for the effective implementation of Employment Equity within AfroCentric Health.

### 4. SCOPE OF APPLICATION

The provisions of this policy shall apply throughout AfroCentric Health and its subsidiaries based in the Republic of South Africa.

### 5. RELEVANT LEGISLATION

The authorisation in this policy is issued in accordance with:

- Constitution of the Republic of South Africa
- Employment Equity Act, No 55 of 1998
- Skills Development Act, No. 97 of 1998
- Labour Relations Act, No 66 of 1995

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|----------------------|---|--------------|
| Policy:              | Employment Equity Policy                      |              |
| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 1      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

- Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000
- Broad-Based Black Economic Empowerment Act, No 53 of 2003
- Codes of Good Practice on Employment Equity
- Code of good practice on the integration of Employment Equity into Human Resources Policies and Practices
- Codes of good practice on Broad-based Black Economic Empowerment
- Relevant King III principles relating to Employment Equity
- Any other relevant legal provisions

### 6. RELATED POLICIES

- Recruitment, Selection and Placement
- Performance Management
- Learning and Development
- Succession Management
- Employee Relations
- Payroll and Benefit Management
- Code of Conduct - Human Capital Management

### 7. DEFINITION OF TERMS

| TERM  | DESCRIPTION  |
|---|--|
| <b>Organisation</b>                         | AfroCentric Health Limited and all its subsidiaries based in the Republic of South Africa. .   |
| <b>Employee</b>                             | Any person, excluding an independent contractor or a person employed by a Temporary Employment Agency or Labour Broker, who works for AfroCentric Health Limited or any of its divisions or subsidiaries on a permanent basis or on a fixed term contract of employment and who receives, or is entitled to receive, any remuneration. |
| <b>Designated Groups</b>                    | Black (African, Coloured and Indian) people, women and people with disabilities.   |
| <b>People with Disabilities</b>             | People who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in employment.   |
| <b>Suitably Qualified</b>                   | A person who may qualify for a job as a result of any one of, or any combination of the person's: <ul style="list-style-type: none"> <li>- Formal qualifications</li> <li>- Prior learning</li> <li>- Relevant experience, or</li> <li>- Capacity to acquire, within a reasonable time, the ability to do the job.</li> </ul>          |
| <b>Economically Active Population (EAP)</b> | The EAP includes people from 15 to 64 years of age who are either employed or unemployed and who are seeking employment in South Africa.   |

|                      |   |              |
|----------------------|---|--------------|
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| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 2      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

|  |   |
|--|---|
|  | The EAP is meant to provide guidance to employers in order to assist them in determining the resource allocation and subsequent interventions that are needed to achieve an equitable and representative workforce. |
| <b>Affirmative Action (AA) Measures</b>        | Measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workplace.     |
| <b>Reasonable Accommodation</b>                | Any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment.                                  |
| <b>National Employment Equity Forum (NEEF)</b> | A nationally established structure for purposes of consultation, monitoring and evaluation of the implementation of the EE Plan and Policy.   |
| <b>Divisional Employment Equity Committee</b>  | A divisionally established consultation structure with similar responsibilities as the national structure, but at a divisional level.   |
| <b>Trade Union Representative</b>              | A member of a registered trade union who is elected to represent employees in a workplace.  |

### **8. POLICY PROVISIONS**

Realisation of EE shall be based on the codes of good practice and shall be based on the following processes:

- Enablers
- Planning
- Implementation
- Monitoring and Evaluation
- Reporting

#### **EE Enablers**

A number of critical components are required to enable effective implementation of EE:

- Leadership commitment
- Empowering EE policy
- AfroCentric culture and values
- Resources (budget, time, systems, processes)
- Effective and efficient EE Forums
- Other company policies

#### **Planning**

#### **Analysis**

An analysis of employment policies, practices, procedures and the working environment shall be conducted to identify any employment barriers which adversely affect people from designated groups. The analysis shall include a profile of AfroCentric Health's workforce

|                      |   |              |
|----------------------|---|--------------|
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| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 3      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

against the Economically Active Population (EAP) to establish the degree of underrepresentation of people from designated groups per occupational category and level.

### EE Plan

The AfroCentric Health Employment Equity Plan shall be the central pillar and business plan that guides the implementation of EE across the business. In consultation with all stakeholders, an EE plan shall be developed and include the following:

- Objectives for each year of the plan
- AA measures to be implemented
- Numerical goals to achieve equitable representation
- Monitoring and evaluation mechanisms
- Dispute resolution mechanisms
- People responsible for implementing and monitoring the plan.

The EE Plan shall not be shorter than a year and shall not exceed a 5 year period.

### AA Measures

AfroCentric Health shall utilise several strategies and interventions to ensure successful implementation of EE. These include, but are not limited, to the following:

- **Recruitment, Selection and Placement**

Line managers shall be held accountable for transforming their business unit profiles. Where members of designated groups are under-represented, the recruiting manager shall give preference to suitably qualified candidates from designated groups. AfroCentric Health shall not tolerate token appointments; where bona fide efforts have been made to find a suitably qualified candidate from a designated group, where there is under-representation, a qualifying candidate from a non-designated group may only be appointed with the necessary sign-off by the Divisional EE Committee chairperson. Refer to the Recruitment, Selection and Placement Policy.

Appointments are a critical AA mechanism to achieve EE in the workplace. In the event where candidates are equal in their competencies or only marginally different in terms of the primary job requirements and one is a member of a designated group, he/she shall be the preferred candidate for appointment.

- **Learning and Development**

The Human Capital division shall identify and implement appropriate learning and development initiatives for designated groups; and these may include accelerated development and mentorship programmes. Members from designated groups may also form part of succession pools in order to target development for advancement into vacancies when these become available.

|                      |   |              |
|----------------------|---|--------------|
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| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 4      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

- **Retention**

As part of the risk management process, AfroCentric Health shall actively guard against the revolving door syndrome of talent from designated groups by incorporating EE in the talent retention strategy. Special attention shall be paid to the retention of critical and scarce skills from designated groups, in line with the organisational talent management strategy.

Analysis must be conducted to determine turnover benchmarks and analysis of turnover rates against the benchmark must be done periodically. Special focus must be given to the turnover rates of designated groups.

- **Exit Interviews**

Exit Interviews provide a valuable source of information in identifying barriers of employment. The information provided by employees on their Exit Interview will be treated with the highest confidentiality and will only be used to identify overall trends.

Exit interview reports will be compiled on a quarterly basis and distributed to relevant parties. Reports will incorporate the trends in barriers identified, in particular from employees in designated groups. Where practical and feasible, General Managers must address the barriers that have been identified in their areas of responsibility.

### Implementation

#### **HR Policies and Practices**

HR policies and practices will be continuously reviewed to ensure alignment with transformation imperatives.

#### **Change Management**

The EE Plan involves all stakeholders in the organisation, not just employees from designated groups. In order to effectively realise our transformation objectives, it is imperative that we focus on the change management aspects of the transformation journey. Below are the 3 perspectives that are critical:

- **People**

Focus will be placed on employee beliefs, assumptions, biases and behaviours.

- **Leadership**

Focus will be on consciously and systematically influencing the ability and willingness of employees to embrace transformation. In addition, creating an enabling environment where EE is part of business objectives and line managers take accountability for implementing EE.

|                      |   |              |
|----------------------|---|--------------|
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| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 5      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

- **Process**

There shall be concerted effort to sustain EE interventions through dedicating time and an appropriate budget.

- **Communication**

Effective communication is critical for the successful implementation of the Employment Equity policy and plan. A comprehensive AfroCentric Health EE Communication Strategy shall be formulated and implemented. The EE Committees shall regularly consult with and provide feedback to all stakeholders to ensure that they participate in crafting, implementing and evaluating EE efforts.

- **Diversity Management**

To ensure that all employees understand the benefits of a diverse workforce, diversity management training will be conducted across the business periodically.

To promote transparency in the implementation of EE, the following stakeholders shall be involved in monitoring progress against set objectives:

- Management (NEEF representatives)
- Staff (Divisional EE Committees)
- Trade Union (Trade Union Representatives)

### Monitoring & Evaluation

Mechanisms to monitor and evaluate the implementation of the plan shall be agreed upon from time to time and may include benchmarking with competitors.

The employment equity plan shall be evaluated at an overall Business level in conjunction with business plan reviews, to ensure that reasonable progress is made. The results of these reviews shall be reported to the NEEF for consideration and reporting to Exco. Proper records shall be kept to effectively monitor and evaluate implementation of the plan.

Both the NEEF and divisional committees shall meet on a regular basis, and discussions at these meetings shall be minuted for record keeping purposes and communicated to employees from time to time. Such meetings shall take place at reasonable intervals, as stipulated in the respective constitutions.

The AfroCentric Health EE plan shall be reviewed and revised yearly, when indicated, through consultation but as dictated by the business strategy and other business drivers.

- **Reporting**

In consultation with all stakeholders, an annual EE report (EEA2 and EEA4) detailing progress made in implementing the EE plan shall be submitted to the Department of Labour.

Quarterly reports will be provided to NEEF to view the progress being made by the Business in the achievement of both numerical and non-numerical targets and goals.

|                      |   |              |
|----------------------|---|--------------|
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| Custodian:           | Executive Director : Human Capital Management |              |
| Approval Date:       | 26 May 2017                                   | Version No.3 |
| Implementation Date: | 01 August 2012                                | Page: 6      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

Where Business is not making adequate progress, remedial actions must be put in place.

- **Dispute Resolution**

Should there be a dispute about the interpretation or implementation of the Employment Equity Plan, the following procedure will be followed:

### **Divisional Employment Equity Forum Dispute Resolution Process**

Should a dispute be logged at the Divisional Forum level, the matter will be discussed at the Forum to determine whether it is a complaint related to the EE Plan or not. Should the matter not be related to the EE Plan, the Divisional Forum will refer the complaint to the Human Capital Division to be dealt with further. Should it be determined that the complaint is related to the EE Plan, the matter will be channelled to the Forum Chairperson who will discuss the complaint.

Feedback must be provided to the complainant within 7 working days of the complaint being referred to the Forum. The complainant then has 7 working days in which to indicate whether they are satisfied with the feedback.

If the complainant is not satisfied with the feedback provided by the Forum, the complaint will be referred to the Divisional Head, who will have 7 working days to provide feedback to the complainant. The complainant then has 7 working days in which to indicate whether they are satisfied with the feedback.

Should the complainant still not be satisfied with the feedback provided, the Divisional Head will refer the matter to the National Employment Equity Forum. Feedback is to be provided by NEEF within 21 working days of the matter being referred.

### **National Employment Equity Forum Dispute Resolution Process**

A complaint must be lodged in writing with the National Employment Equity Forum (NEEF), who will discuss the matter to determine whether NEEF will refer the complaint to the Human Capital Division to be dealt with further. Should it be determined that the complaint is related to the EE Plan, the matter will be channelled to the NEEF Chairperson who is to provide feedback to the complainant within 7 working days of receiving the complaint. The complainant then has 7 working days in which to indicate whether they are satisfied with the feedback.

If the complainant is not satisfied with the feedback provided by the Forum, the NEEF Chairperson will refer the matter to Senior Manager for EE, who will have 7 working days from receiving the complaint to provide feedback. The complainant then has 7 working days in which to indicate whether they are satisfied with the feedback.

Should the complainant still not be satisfied with the feedback provided, the EE Senior Manager will refer the matter to the Company CEO. Feedback is to be provided by the CEO within 21 working days of the matter being referred to the CEO. The complainant then has 7 working days in which to indicate whether they are satisfied with the feedback. Should the complainant still not be satisfied with the feedback, the matter may be referred to the Department of Labour.

|                      |   |              |
|----------------------|---|--------------|
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| Implementation Date: | 01 August 2012                                | Page: 7      |
| Review Date:         | 31 March 2019                                 |              |

## EMPLOYMENT EQUITY POLICY

### EE Forum Members

EE Forum members need to take their roles seriously and serve as ambassadors to the company. The actions and behaviours of EE Forum members are to be guided by the Forum Constitutions.

Forum members are to ensure attendance at all Forum meetings. Should there be an exception to the rule; the Forum member must have a valid stand in. Forum members are to advise managers upfront of meeting schedules as well other commitments for EE. Managers are to provide sufficient time to Forum members to fulfil their roles effectively.

### 9. ROLES & RESPONSIBILITIES

| ROLE                                  | DESCRIPTION  |
|---------------------------------------|--|
| <b>Chief Executive Officer</b>        | <p>The CEO is ultimately accountable for the implementation of Employment Equity and integration into the broader business strategy:</p> <ul style="list-style-type: none"> <li>• Assign 1 or more senior managers to take responsibility for monitoring and implementing the EE plan</li> <li>• Provide the manager/s with authority and means to perform their functions</li> <li>• Take reasonable steps to ensure that the manager/s perform their functions.</li> </ul> |
| <b>Executive Directors</b>            | <ul style="list-style-type: none"> <li>• Provide leadership and overall oversight</li> <li>• Ensure the implementation of divisional employment equity plans</li> <li>• Ensure the allocation of adequate resources for interventions to facilitate achievement of agreed objectives</li> <li>• Remove obstacles that impede the realisation of transformation imperatives.</li> </ul>   |
| <b>Assigned EE Senior Manager</b>     | <ul style="list-style-type: none"> <li>• Facilitate implementation of EE</li> <li>• Consult all relevant stakeholders</li> <li>• Conduct analysis</li> <li>• Develop EE plan</li> <li>• Compile annual EE reports</li> <li>• Support all stakeholders</li> </ul>   |
| <b>NEEF and Divisional Committees</b> | <ul style="list-style-type: none"> <li>• Consult with constituencies</li> <li>• Monitor implementation of EE plan</li> <li>• Advise Exco on all EE related matters</li> <li>• Provide regular feedback to constituencies</li> </ul>  |
| <b>Human Capital Division</b>         | <ul style="list-style-type: none"> <li>• Facilitate, advise and support</li> <li>• Ensure HR policies enable effective EE implementation</li> <li>• Ensure that line managers have adequate tools to implement EE plans</li> <li>• Continuously interact with all stakeholders</li> </ul>  |

|                      |   |              |
|----------------------|---|--------------|
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| Implementation Date: | 01 August 2012                                | Page: 8      |
| Review Date:         | 31 March 2019                                 |              |



## EMPLOYMENT EQUITY POLICY

|   |   |
|---|---|
| <b>Union Representative</b>   | <ul style="list-style-type: none"> <li>• Provide continuous feedback to and from management and employees</li> <li>• Participate in transformation issues and facilitate buy-in</li> </ul>  |
| <b>Line Managers</b>  | <ul style="list-style-type: none"> <li>• Create a conducive work environment for implementation of EE</li> <li>• Ensure adherence to EE policy and plan</li> <li>• Continuously communicate the benefits of a transformed organisation</li> <li>• Continuously engage employees about the work environment and collectively seek ways to improve</li> <li>• Provide feedback on the effectiveness of EE initiatives.</li> </ul> |
| <b>Employees</b>  | <ul style="list-style-type: none"> <li>• Actively participate in the organisational transformation process</li> <li>• Familiarise self with the EE policy and related processes</li> <li>• Ensure that workplace challenges are raised with line manager or EE representative</li> <li>• Provide feedback on the effectiveness of EE initiatives.</li> </ul>  |
| <b>10. POLICY REVIEW</b>  |   |
| The Human Capital Division shall monitor and review the employment equity policy against internal and external trends and recommend amendments / modifications where necessary. The CEO shall approve all amendments after consultation with all relevant stakeholders. |   |
| <b>11. GRIEVANCE PROCEDURE</b>  |   |
| Employees not satisfied with the implementation of EE across the business shall follow the Employment Equity dispute resolution process.  |   |

|                      |   |              |
|----------------------|---|--------------|
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| Implementation Date: | 01 August 2012                                | Page: 9      |
| Review Date:         | 31 March 2019                                 |              |

**EMPLOYMENT EQUITY POLICY**

**12. POLICY APPROVAL**

  
 \_\_\_\_\_  
**MODJADJI TATI**  
**EXECUTIVE DIRECTOR**

15/07/2017  
 DATE

  
 \_\_\_\_\_  
**ANTOINE VAN BUUREN**  
**CHIEF EXECUTIVE OFFICER**

25/7/17  
 DATE

  
 \_\_\_\_\_  
**BILLY MOKALE**  
**CHAIRPERSON:EXECUTIVE ERCO**

13 July 2017  
 DATE

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|----------------------|---|--------------|
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| Implementation Date: | 01 August 2012                                | Page: 10     |
| Review Date:         | 31 March 2019                                 |              |