

ESORFRANKI LIMITED
(Registration number 1994/000732/06)
("the Company")

TERMS OF REFERENCE OF SOCIAL & ETHICS COMMITTEE

1. Constitution

- 1.1 In line with the requirements of section 72(4) of the Companies Act of 2008 ("the Act") the board of directors of the Company ("the board") resolved to establish a statutory committee of the board to be known as the Social & Ethics committee ("the committee") which shall fulfil the duties as listed below in respect of the Company.
- 1.2 Neither the appointment nor the duties of the committee reduce the functions and duties of the board or the directors of the Company.

2. Membership

- 2.1 The committee shall 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.
- 2.2 The members of the committee shall be appointed by the board who shall also fill any vacancy on the committee as and when required.
- 2.3 A quorum shall be a majority of members present in person or via telecommunication facilities.
- 2.4 The chairman of the committee shall be appointed by the board and shall be one of the members of the committee.
- 2.5 The chairman of the committee shall be required to attend the company's annual general meeting to answer relevant questions posed by shareholders.
- 2.6 All committee members will be required to keep up to date with developments affecting the areas of responsibility of the committee.

3. Attendance at meetings

- 3.1 The committee will identify those members of management that will have a standing invitation to attend the meetings of the committee as and when deemed necessary.
- 3.2 Other board members shall have the right of attendance with the prior consent of the chairman of the committee.
- 3.3 The chairman of the committee may invite such other members of management or the board to attend meetings of the committee from time to time as and when deemed necessary.
- 3.4 The company secretary shall be the secretary of the committee and will be responsible for the preparation of the meeting agenda in consultation with the chairman of the committee and the chief executive officer.

4. Frequency of meetings

- 4.1 Meetings shall be held not less than twice a year. .
- 4.2 Any member of the committee or the chief executive officer, if not a member of the committee, may request a meeting if deemed necessary and a meeting will then be arranged in consultation with the chairman of the committee.

5. Authority

- 5.1 In respect of the statutory duties of the committee as set out below, the committee will be accountable to shareholders and report to shareholders as provided for in the Act. In respect of all other duties as contained in these terms of reference, the committee will be accountable and report to the board.
- 5.2 The committee is authorised by the board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any director and/or employee and all directors and employees are directed to co-operate with any request made by the committee.
- 5.3 The committee is authorised by the board, subject to the approved process, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if deemed necessary.
- 5.4 The committee may establish and delegate authority to any member or sub-committee to assist it in carrying out certain of its functions.
- 5.5 The Company shall meet all expenses reasonably incurred by the committee in the fulfilling of its duties including, if the social and ethics committee

considers it appropriate, the costs or the fees of any consultant or specialist engaged by the committee in the performance of its functions.

6. Duties

The duties of the committee shall be to:

6.1 Statutory duties (Regulation 43 to the Act)

- (i) 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 -
 - (a) 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;
 - (b) good corporate citizenship, including the company's—
 - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - (cc) record of sponsorship, donations and charitable giving;
 - (c) the environment, health and public safety, including the impact of the company's activities and of its products or services;
 - (d) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
 - (e) labour and employment, including—
 - (aa) the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - (bb) the company's employment relationships, and its contribution toward the educational development of its employees;
- (ii) to draw matters within its mandate to the attention of the board as occasion requires; and
- (iii) to report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

6.2 Other duties

- (i) review any statements on ethical standards or requirements for the company and the procedures or review system implemented to promote and enforce compliance;
- (ii) review and recommend the company's code of ethics to the board for approval;
- (iii) review and recommend any corporate citizenship policies to the board for approval;
- (iv) review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the company;
- (v) where requested, make recommendations on any material potential conflict of interest or questionable situations; and
- (vi) ensure that the company's ethics performance is assessed, monitored, reported and disclosed.

6.3 General

The committee shall at all times:

- (i) give due consideration to the relevant provisions of the Act, the JSE Listings Requirements and the Code of Governance Principles as contained in the King Report, 2009;
- (ii) retain a copy of the current terms of reference of the committee at the registered office of the company and provide shareholders with a copy of same if requested; and
- (iii) consider such other topics and fulfil such other duties as defined by the board.

7. Reporting Procedure

- 7.1 The secretary shall incorporate the approved minutes of meetings of the committee in the meeting files prepared for meetings of the board for noting purposes.
- 7.2 In addition to the above, the chairman of the committee will provide verbal feedback at the meetings of the board of directors on the committee's recent activities.
- 7.3 The chairman of the committee may attend any general shareholders meeting.

- 7.4 The committee shall receive all notices of and other communications relating to any general shareholders' meeting.
- 7.5 The committee may be heard at any general shareholders' meeting on any part of the business of the meeting that concerns the committee's functions.

8. **Review and Assessment**

The committee's activities and effectiveness shall be assessed annually and reviewed with the board.

9. **Written Resolutions**

A resolution in writing signed by a majority of the members of the committee who are present in South Africa at the time when such resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meeting of the committee, provided that each member of the committee shall have been afforded a reasonable opportunity to express and opinion on the matter to which such resolution relates.

CHAIRMAN OF THE BOARD

DATE