



Social and Ethics committee

TERMS OF REFERENCE

ZAMBEZI PLATINUM (RF) LIMITED

("Zambezi" or "the company")

Social and Ethics committee

("the committee")

TERMS OF REFERENCE

1. AUTHORITY AND FORMATION

1.1 The committee is constituted as a statutory committee in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act 71 of 2008, as amended (read in conjunction with Regulation 43 of the Companies Regulations, 2011) ("the Companies Act").

1.2 Zambezi is a public listed company on the JSE Limited Debt Exchange and is required to establish a Social and Ethics committee in terms of the Companies Act. However, it is noted that not all the duties of a Social and Ethics committee are applicable to the company, as the following apply to Zambezi:

- restricted trading activities;
- ring-fenced in terms of the Companies Act;
- is a special purposes vehicle for the Northam Platinum Limited ("Northam") broad-based black economic empowerment ("BBBEE") transaction;
- the day-to-day management and business affairs of the company are managed and administered by Northam, and
- has no employees, subsidiary companies or operational mines.

2. COMPOSITION OF COMMITTEE, CHAIRPERSON AND QUORUM

The committee shall comprise not less than 3 (three) directors or prescribed officers, with a least 1 (one) director not involved in the day-to-day management of the company's business, and must not have been so involved within the previous 3 (three) financial years. The board shall appoint the members, 1 (one) of whom shall be appointed as Chairperson. The committee may invite Zambezi board members to attend its meetings or Northam management representatives, should it so require. These parties have no voting power.

A simple majority of members is a quorum.

3. MEETINGS

3.1 The committee shall meet as and when required by the Chairperson and shall report to the board of Zambezi on the committee's activities at the board meeting following each committee meeting.

- 3.2 The 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 two working days prior to the date of each meeting.
- 3.3 The Chairperson of the committee may consult members of the committee at any time and members may conclude any matter requiring the approval of the committee by means of a round robin resolution to be approved by the full committee.
- 3.4 The company secretary of Northam shall act as secretary to the committee, and shall be responsible for keeping minutes of all meetings. Minutes of all the meetings should be circulated in good time for members to review and must be formally approved at each following meeting. Once approved, these minutes should be distributed to the Zambezi board members for information purposes.
- 3.5 The Chairperson of the committee or his/her nominee shall be present at the company's annual general meetings to answer any questions concerning matters governed by the committee.

4. FUNCTIONS AND DUTIES

The committee shall monitor the company's activities for matters relating to:

- 4.1 Social and economic development, including Zambezi's standing in terms of the goals and purposes of the following 10 principles set out in the United Global Compact Principles, where applicable:

Human rights

- Support and respect the protection of internationally proclaimed human rights.
- Make sure that Zambezi is not complicit in human rights abuses.

Labour standards

- Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- The elimination of all forms of forced and compulsory labour.
- The effective abolition of child labour.
- The elimination of discrimination in respect of employment and occupation.

Environment

- Support a precautionary approach to environmental challenges.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Working against corruption in all its forms, including extortion and bribery.

The Organisation of Economic Co-operation and Development (“OECD”) recommendations regarding corruption

The Employment Equity Act

Northam’s BBBEE transaction

4.2 **Good corporate citizenship, including Zambezi’s:**

- Promotion of equality, prevention of unfair discrimination, and reduction of corruption.
- Contribution to development of the communities in which its activities are predominantly conducted.
- Record of sponsorship, donations and charitable giving.

4.3 **The environment, health and public safety, including the impact of Zambezi’s activities and of its products or services, if any.**

4.4 **Consumer relationships, including Zambezi’s advertising, public relations and compliance with consumer protection laws.**

4.5 **Labour and employment, including:**

- Zambezi’s standing in terms of the International Labour Organisation Protocol on decent work and working conditions.
- Zambezi’s employment relationships and its contribution towards the educational development of its employees.

5. APPROVAL OF THESE TERMS OF REFERENCE

The terms of reference are to be approved by the board and should be reviewed at least once every three years to ensure compliance with best practice.

Signed and dated on June 2016:

Chairman of the Board
Zambezi Platinum (RF) Limited

Chairman of the Social and Ethics committee
Zambezi Platinum (RF) Limited