TERMS OF REFERENCE

SOCIAL AND ETHICS COMMITTEE

Table of contents

Abbreviations 2

1. Introduction 2
2. Purpose of the Terms of Reference 3
3. Purpose of the Committee 3
4. Composition of the Committee 3
5. Independence 3
6. Authority 4
7. Responsibilities 4
   - 7.1 Social responsibilities 4
   - 7.2 Ethics and ethical behaviour responsibilities 5
   - 7.3 Sustainability responsibilities 6
   - 7.4 Transformation responsibilities 7
   - 7.5 General responsibilities 7
8. Reports to be considered by the Committee 7
9. Meetings and Procedures 9
10. Evaluation 10
11. Review of Terms of Reference 11
12. Approval of these Terms of Reference 11

Annexure A 12

Annexure B..... 13

Abbreviations

ATR	Annual Training Report
BBBEE	Broad-Based Black Economic Empowerment
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DMR	Department of Mineral Resources
EE	Employment Equity
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
HR	Human Resources
ILO	International Labour Organisation
JSE	Johannesburg Stock Exchange
King IV™	King Code of Corporate Governance, 4th edition
OECD	Organisation for Economic Cooperation and Development
SLP	Social Labour Plan
UN	United Nations
WSP	Workplace Skills Plan

1. Introduction

1.1 The Social and Ethics Committee (the Committee) is constituted as a committee of the Board of Salungano Group Limited (Salungano) in terms of section 72(4) of the Companies Act 71 of 2008 read with Regulation 43 of the Companies Regulations, 2011.

1.2 The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.

1.3 These Terms of Reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation, King IV™, the JSE Listing Requirements, the Board Charter and any other applicable law or regulatory provision.

2. Purpose of the Terms of Reference

The purpose of these Terms of Reference is to set out the Committee's role and responsibilities as well as the requirements for its composition, meetings and other procedures.

3. Purpose of the Committee

The Committee is established to assist the Board with the oversight of social and ethical matters and in ensuring that the Group 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 on the effectiveness or otherwise of management's efforts in respect of social and ethics, transformation and sustainable development-related matters.

4. Composition of the Committee

4.1 The Committee shall comprise at least three directors or prescribed officers of the Company and will consist of executive and non-executive members.

4.2 The Committee is chaired by an independent non-executive Board member who is not the Chairperson of the Board. The Board elects the Chairperson of the Committee from the appointed members.

4.3 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.

4.4 The Committee members are required to keep their knowledge and skillsets up to date.

4.5 The Board fills vacancies on the Committee as and when required.

5. Independence

5.1 The Committee has an independent role with accountability to the Board.

5.2 The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

6. Authority

6.1 The Committee acts in accordance with its statutory powers and the delegated authority of the Board as recorded in these terms of reference.

6.2 The Committee, in the fulfilment of its duties, may call upon the Chairpersons of the other Board committees, any of the executive directors, company officers or assurance providers to provide it with relevant information subject to a Board-approved process.

6.3 The Committee is entitled to reasonable access to the company's records, facilities and employees as is necessary to discharge its duties and responsibilities.

6.4 The Committee may form, and delegate authority to, subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.

6.5 The Committee has the right to obtain independent external professional advice to assist with the execution of its duties, at the company's cost, subject to a Board-approved process.

6.6 The Committee has the right to be heard at any general shareholders meeting on any part of the business of the meeting that concerns the committee's statutoryresponsibilities.

6.7 The Committee takes cognizance of the fact that its roles and responsibilities may overlap with those of other committees. In instances where the Committee considers it prudent to exercise oversight on matters also dealt with by other Committees, the Committee shall continue to incorporate its inputs or information it considers necessary in its reporting and recommendations to the Board to have its views on these matters considered.

7. Responsibilities

In conjunction with a sustained and dedicated focus on all ESG matters, among others the mitigation of adverse environmental impacts by the business (as a core component of the Company's strategy of diversification), the Committee's responsibilities will comprise the following:

7.1 Social responsibilities

7.1.1 To monitor the Company's standing regarding social and economic development in terms of the goals and purposes of

- The principles set out in the UN Global Compact Principles (**Annexure A**);
- The OECD recommendations regarding corruption (**AnnexureB**);

- The Employment Equity Act;
- The Broad-Based Black Economic Empowerment Act.

7.1.2 Good corporate citizenship, including –

- The promotion of equality, the prevention of unfair discrimination, and reduction (and strive towards elimination) of corruption;
- Contribution to the development of the communities in the mining areas in which the Company's activities are predominantly conducted;
- The recording of sponsorship, donations and charitable giving.

7.1.3 To endorse the Company's Public Affairs and Corporate Social Investment programmes, including sponsorships, donations and charitable giving.

7.1.4 To review annually the Company's Public Affairs and Corporate Social Investment programmes and recommend changes.

7.1.5 Labour and employment, including –

- The employment relationships, and contributions by the Company toward the educational development of its employees; and
- The Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions.

7.2 Ethics and ethical behaviour responsibilities

7.2.1 To endorse the Company's Code of Ethics (including core values) and submits same to the Board of Directors for approval;

7.2.2 To endorse the ethics management training programmes;

7.2.3 To review performance of the ethics management training programme(s) and recommend changes, if any;

7.2.4 To review results of periodic employee attitude surveys and recommend actions to be taken, if necessary;

7.2.5 To identify ethics risks and opportunities.

7.2.6 Oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable

development and stakeholder relationships.

7.2.7 To promote the ethical behaviour of employees, board members, and stakeholders like contractors, paying attention to the following aspects:

- Conflicts of interest
- Confidential information
- Compliance with relevant laws
- Workplace conduct
- Stakeholder relationships
- Public Communication
- Safeguarding of the company's assets
- Employee wellness
- Business courtesy and gifts
- Non-compliance with ethical prescripts
- Internal and external fraud, corruption and collusion

7.3 Sustainability responsibilities

The Committee will be responsible for oversight over matters of the environment, health and public safety, including the impact of the activities of the company and its products, which will include:

7.3.1 Endorsing the Company's sustainability goals and objectives, including, but not limited to, ESG strategy, policies and procedures.

7.3.2 Reviewing ESG reports, including but not limited to sustainability audits (including EIA reports), submissions to the JSE in respect of sustainability and external sustainability reports (including sustainability related reports and information contained in the Company's annual report) and recommending or endorsing action to be taken.

7.3.3 Reviewing health and safety reports at each formal meeting and recommending or endorsing action(s) to be taken.

7.3.4 Be kept informed of, and consider, public policy and ESG reporting developments, study the implications of changes thereto and make recommendations in respect of actions to be taken.

7.3.5 Review stakeholder relationships, including advertising and public relations.

7.3.6 Compliance with applicable legislation.

7.4 Transformation responsibilities

7.4.1 Ensuring that there is full integration and alignment of all transformation processes within the Company and monitoring the Company's standing to social and economic development in terms of goals and purposes, particularly in respect of the:

- Employment Equity Act;
- Broad-Based Black Economic Empowerment Act; and
- Mining Charter requirements.

7.4.2 Review and recommend targets for the Company in respect of the above processes.

7.4.3 Advise the Board on specific strategies for transformation.

7.4.4 Consider and review progress against set goals and targets in relation to all aspects of the Company's transformation strategy.

7.5 General responsibilities

7.5.1 Drawing matters within its mandate to the attention of the Board as the occasion requires.

7.5.2 Liaise with other Committees in respect of related responsibilities.

7.5.3 Review the Terms of Reference annually and propose changes when appropriate.

7.5.4 Reporting to the Board, through one its members, on matters within its mandate.

7.5.5 Reporting, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.

8. Reports to be considered by the Committee

With reference to the Committee's aforesaid responsibilities, the Committee would receive and review quarterly and/or annual reports, in terms of its annual workplan, on the following:

8.1 The Company's compliance with the principles set out in the United Global Compact Principles on the concepts of human rights, labour, environment and anti-corruption;

8.2 The Company's compliance with the Employment Equity Act, BBBEE Act and applicable Sector Codes; as well as HR development and staff turnover, WSP and ATR;

8.3 The Company's compliance with its self-set transformation goals and targets and BBBEE scorecard development and contributor status;

8.4 The Company's compliance with the OECD recommendations regarding corruption;

8.5 Good corporate citizenship actions relating to the promotion of equality, the prevention of unfair discrimination and the reduction (and elimination) of corruption, including Whistleblower statistics;

8.6 Responsible corporate citizenship actions, CSR and social licence to operate in terms of:
- SLPs and mine community development, and
- DMR Mining Charter compliance.

8.7 The Company's CSR strategy, public affairs and CSI programmes, including sponsorships, donations and charitable giving, including an annual review of the strategy and programmes;

8.8 Employee wellness and wellbeing progress, such as employment relationships and contributions towards educational development of employees (ATR and WSP), and the Company's standing in relation to the ILO Protocol on decent work and working conditions;

8.9 Ethical conduct/behaviour in terms of the Company's Code of Ethics and performance of ethics management training programmes;

8.10 Results of periodic employee attitude surveys;

8.11 Ethics risks and opportunities;

8.12 Ethical conduct in relation to conflicts of interest, confidential information, compliance with relevant laws, workplace conduct, stakeholder relationships, public communication, safeguarding of company assets, business courtesy and gifts;

8.13 Non-compliance with ethical prescripts and internal and external fraud, corruption and collusion;

8.14 Sustainability goals and objectives, policies and procedures;

8.15 ESG reporting developments and updates, progress and sustainability audits and environmental management across the Group, with ESG considered a contributor to sustainability;

8.16 Health and safety:

- Health of employees, including occupational health in Group-wide operations with reference to, amongst others, the Occupational Health and Safety Act;

- Safety, as a contributor to sustainability, on an overarching and integrated level across the organisation, including corporate and operational perspectives, procedures and detail from Corporate, Mining and Trading;

8.17 Stakeholder relationships and engagement (internal and external), including advertising and public relations and a social compliance program for suppliers;

8.18 Governance in respect of King IV and JSE compliance, as well as data protection laws and other areas of compliance, such as website protocol;

8.19 Asset protection and security; in conjunction with the Audit, Risk and Compliance Committee;

8.20 Climate change; as a component of the Company's ESG focus;

8.21 Oversight of the Group's Delegation of Authority Framework development and maintenance, in conjunction with the Audit, Risk and Compliance Committee.

9. Meetings and Procedures

9.1 Frequency

The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these Terms of Reference and its annual workplan, but subject to a minimum of two meetings per year.

9.2 Attendance

9.2.1 Executives of the company, other assurance providers, professional advisors, management and Board members may attend Committee meetings, by invitation only, at the discretion of the Chairperson, and they may not vote.

9.2.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad-hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson or Committee Secretary.

9.2.3 If the elected Chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairperson for the duration of that meeting.

9.2.4 Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.

9.2.5 Committee members may attend meetings in person or via electronic means.

9.2.6 At the commencement of each meeting, all members must declare whether any of them has any conflict of interest in respect of a matter on the agenda.

9.3 Agenda and minutes

9.3.1 The Committee must establish an annual workplan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

9.3.2 A detailed agenda, together with supporting documentation, must be circulated, at least five working days prior to each meeting, to the members of the Committee and other invitees.

9.3.3 The minutes must be completed within ten working days after the meeting and circulated to the Committee for review.

9.3.4 The minutes must be formally approved by the Committee at its next scheduled meeting.

9.3.5 Minutes of the meeting signed by the Chairperson are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

9.4 Quorum

9.4.1 The quorum for meetings is a majority of members present.

9.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings and accordingly may not vote on any matter.

10. Evaluation

10.1 The Committee will perform a self-evaluation of its effectiveness every second year and report the results of the self-evaluation to the Board.

10.2 In the years alternate to its self-evaluation years, independent evaluations of the Committee's

performance will be conducted, provided that these independent evaluations are aligned with independent Board evaluation cycles and further provided that the independent evaluations are considered necessary and practicable by the Board.

10.3 The Board may notwithstanding and at its own discretion elect to have an independent evaluation of the Committee's performance conducted at any time when considered appropriate by the Board.

11. Review of Terms of Reference

These terms of reference will be due for review annually.

12. Approval of these Terms of Reference

These Terms of Reference were approved by the Board of Directors on 7 May 2024 and will be due for review in May 2025.

CHAIRPERSON OF THE BOARD Date: 7 May 2024

Annexure A

The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-termsuccess.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Human Rights

Principle 1: Businesses should 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

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should 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

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

Annexure B

ORGANISATION FOR ECONOMICCOOPERATION AND DEVELOPMENT (OECD) RECOMMENDATIONSON COMBATING BRIBERY, BRIBE SOLICITATION AND EXTORTION (2011)

The OECD recommendations in general terms state that companies should not, directly or indirectly offer, promise, give or demand a bribe or other undue advantage to obtain or retain business of any other improper advantage and that they should resist the solicitation of bribes. In particular, they provide that companies should:

1. Not offer, promise or give undue pecuniary or other advantage to public officials or the employees of business partners. Likewise, enterprises should not request, agree to or accept undue pecuniary or other advantage from public officials or the employees of business partners. Enterprises should not use third parties such as agents and other intermediaries, consultants, representatives, distributors, consortia, contractors and suppliers and joint venture partners for channeling undue pecuniary or other advantages to public officials, or to employees of their business partners or to their relatives or business associates.

2. Develop and adopt adequate internal controls, ethics and compliance programmes or measures for preventing and detecting bribery, developed on the basis of a risk assessment addressing the individual circumstances of an enterprise, in particular the bribery risks facing the enterprise (such as its geographical and industrial sector of operation). These internal controls, ethics and compliance programmes or measures should include a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts, to ensure that they cannot be used for the purpose of bribing or hiding bribery. Such individual circumstances and bribery risks should be regularly monitored and re-assessed as necessary to ensure the enterprise's internal controls, ethics and compliance programme or measures are adapted and continue to be effective, and to mitigate the risk of enterprises becoming complicit in bribery, bribe solicitation and extortion.

3. Prohibit or discourage, in internal company controls, ethics and compliance programmes or measures, the use of small facilitation payments, which are generally illegal in the countries where they are made, and, when such payments are made, accurately record these in books and financial records.

4. Ensure, taking into account the particular bribery risks facing the enterprise, properly documented due diligence pertaining to the hiring, as well as the appropriate and regular oversight of agents, and that remuneration of agents is appropriate and for legitimate services only. Where relevant, a list of agents engaged in connection with transactions with public bodies and State-owned enterprises should be kept and made available to competent authorities, in accordance with applicable public disclosure requirements.

5. Enhance the transparency of their activities in the fight against bribery, bribe solicitation and extortion. Measures could include making public commitments against bribery, bribe solicitation and extortion, and disclosing the management systems and the internal controls, ethics and compliance programmes or measures adopted by enterprises in order to honour these commitments. Enterprises should also foster openness and dialogue with the public so as to promote its awareness of and cooperation with the fight

against bribery, bribe solicitation and extortion.

6. Promote employee awareness of and compliance with company policies and internal controls, ethics and compliance programmes or measures against bribery, bribe solicitation and extortion through appropriate dissemination of such policies, programmes or measures and through training programmes and disciplinary procedures.

7. Not make illegal contributions to candidates for public office or to political parties or to other political organizations. Political contributions should fully comply with public disclosure requirements and should be reported to senior management.

[www.oecd.org/corruption]