

SOCIAL AND ETHICS COMMITTEE REPORT

Members: Ntombi Langa-Royds (Chairperson),
Neo Dongwana and Andrew Thompson

The Social and Ethics Committee was constituted by the Board on 6 May 2011.

The Social and Ethics Committee regularly reviews and updates the terms of reference, where necessary. The terms of reference are set out in the committee charter and ensure that the committee performs its duties in terms of the Companies Act and King III. The Social and Ethics Committee commenced executing its duties during the past financial year in accordance with these terms of reference. The committee gave a report update on its mandate and duties to the shareholders at the company's First Annual General Meeting held on 5 June 2012.

COMPOSITION

The Social and Ethics Committee comprises three independent non-executive directors. The executive directors and managers of the Group attend by invitation. The Company Secretary acts as the committee secretary.

MEETINGS

The Social and Ethics Committee held four meetings during the year. Members attended all meetings of the committee during the year.

POLICY REVIEW

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance. These policies are recommended to the Board for approval. For the year under review, the Board approved the Group's Code of Business Conduct and Ethics, Group Stakeholder and Communication Policy and the Group's Social Investment Policy upon recommendation of the committee.

MATERIAL SUSTAINABILITY ISSUES

The committee is responsible for annually revising or determining, in conjunction with senior management, the Group's material sustainability issues. The material issues have been reported on and are set out in the Sustainability Review. These material issues were reported to the Audit and Risk Committee for independent assurance approvals. Both committees have agreed on a phased process to continue to improve independent assurance on material sustainability issues in 2013.

STATUTORY DUTIES

This committee has a broad mandate in terms of the Companies Act and King III. It is tasked with monitoring the Group's activities in respect of sustainability issues. It considers relevant legislation and best practices in terms of social and economic development (including B-BBEE), good corporate citizenship, the environment, safety and health, labour and employment.

In execution of its statutory duties, the Social and Ethics Committee endeavours to:

- ▼ execute its statutory duties in terms of the requirements of the Companies Act and King III;
- ▼ consult advisors and attend presentations on the various aspects of the duties and responsibilities relating to social and ethics issues;
- ▼ create a reporting structure for the Group's businesses in respect of the committee's requirements;
- ▼ monitor the Group's compliance with the International Labour Organisation's definition of "Decent Work";
- ▼ monitor the Group's CSI; and
- ▼ monitor the Group's achievements against its Employment Equity plan.

The committee is satisfied with the Group's progress in the different areas and with the social and ethics plans for the 2013 financial year. The committee is aware its function will continue to evolve as it addresses all the responsibilities within its mandate.

Economic and social sustainability of Mpact is important to the Group and a detailed Sustainability Review has been created, which reports in more detail on its staff, environmental and CSI. These issues are of significant importance to the Group in terms of its obligations to all its stakeholders. The Sustainability Review can be found on the Group's website: www.mpact.co.za

On behalf of the Social and Ethics Committee:



Ntombi Langa-Royds

Social and Ethics Committee Chairperson

5 March 2013