

THE SAMCODES STANDARDS COMMITTEE (SSC)

TERMS OF REFERENCE

1 PURPOSE & AIMS

The purpose of the SAMCODES Standards Committee (SSC) is to develop, maintain, administer, ensure compliance with and promote the South African Mineral Codes, collectively known as the SAMCODES.

The SSC's purpose is to ensure that all reports prepared in accordance with the SAMCODES comply with the requirements of the SAMCODES. The SSC aims to ensure the highest ideals of ethics in the professional fields of practice associated with the purpose of the SAMCODE relied upon by the public to provide expert opinion and service, in the public interest.

2 CODES DEFINITIONS & LISTING

In these Terms of Reference the following terms shall have the meanings assigned thereto below:

- a. **SAMREC:** The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
- b. **SAMVAL:** The South African Code for the Reporting of Mineral Asset Valuation
- c. **SAMOG:** The South African Code for the Reporting of Oil and Gas Resources
- d. Commodity, or subject, specific guidelines:
 - a. *SAMESG Guideline:* The South African Guideline for the Reporting of Environmental, Social and Governance parameters within the mining and oil and gas industries
 - b. *SAMREC Diamond Guidelines:* SAMREC Guideline Document for the Reporting of Diamond Exploration Results, Diamond Resources and Diamond Reserves (and other Gemstones, where Relevant).

SAMCODES: All or any of the codes and guidelines listed above, as the context may require. It is noted that both Codes and Guidelines may be added, as required.

3 PATRONS

The SSC operates under the joint auspices of the Southern Africa Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA).

4 MEMBERS

4.1 The SSC is a committee composed of the following members (each a "Member")

4.1.1 Representatives of the professional associations and related organisations with a common interest to achieve the Purpose and Aims of the SSC; and listed in paragraph 4.2;

4.1.2 The Chairpersons of the Committees established in terms of paragraph 6.

4.2 Member organisations are each entitled to appoint, from time to time, one representative (and one alternative) as a Member of the SSC. **As at November, 2015** the member organisations are:

4.2.1 Law Society of South Africa

4.2.2 Chamber of Mines of South Africa (COM)

4.2.3 Council for Geoscience (CGS)

4.2.4 South African Geomatics Council (SAGC)

4.2.5 Institute of Mine Surveyors of Southern Africa (IMSSA)

4.2.6 Department of Mineral Resources (including the Minerals Bureau) (DMR)

4.2.7 Engineering Council of South Africa (ECSA)

4.2.8 Geological Society of South Africa (GSSA)

4.2.9 Geostatistical Association of South Africa (GASA)

4.2.10 General Council of the Bar of South Africa

4.2.11 Investment Analysts Society (IASSA)

4.2.12 JSE Limited (including the Chairs of the relevant Readers Panels)

4.2.13 South African Council for Natural Scientific Professions (SACNASP)

4.2.14 Southern African Institute of Mining and Metallurgy (SAIMM)

4.2.15 SA Institute of Chartered Accountants (SAICA)

4.2.16 Chairs of each of the Committees.

4.3 The SCC may invite other organisations to appoint a representative to the SSC if they find common cause to achieve the Purpose and Aims of the SSC.

4.4 An organisation may choose no longer to appoint a representative to the SSC if and when it so decides but should provide written notice for doing so.

4.5 The SSC members are expected to establish, if necessary, and maintain liaison with the respective organisations and other bodies which appointed them to the SSC.

5 REPRESENTATIVES

5.1 The SSC will request organisations and bodies who are entitled to appoint Representatives (and alternatives) to do so each year during July or as and when needed.

- 5.2 The SSC shall have the right to request organisations and bodies which appointed representatives to resign or appoint an alternate representative if they demonstrably do not conduct themselves in a manner consistent with the Constitution or if they cannot ensure their regular availability to participate in meetings.
- 5.3 The minimum term of appointment of a representative recommended by the committee is three years to ensure continuity and the maximum is to be determined by the organisation or body.

6 COMMITTEES

The SSC may delegate its activities/work to Committees.

6.1 Formation

- 6.1.1 A Committee shall be formed & mandated by the SSC. The SSC will appoint the Chairperson. The Chairperson, as part of his/her mandate will appoint members of the Committee with appropriate knowledge and expertise.
- 6.1.2 The role and function of the Committee include fulfilling their mandate scoped by the SSC and give practical form to such decisions as may be made at the SSC.
- 6.1.3 A Committee may be consolidated with another Committee or disband or be disbanded at the discretion of the SSC.

6.2 Committee Chairpersons

- 6.2.1 The Chairperson of a Committee shall be responsible for the effective and correct operation of the Committee along the strategic direction provided by the SSC.
- 6.2.2 They may in turn delegate work as they see fit so as to ensure the effective achievement of the Committee objectives.

7 SSC CHAIRPERSON AND DEPUTY CHAIRPERSON

The chairperson and deputy chairperson of the SSC will be nominated alternatively by the SAIMM and the GSSA and will be reviewed bi-annually before July each year.

8 QUORUM

A quorum will consist of five representatives of whom at least one shall be the Chairperson or Deputy Chairperson.

9 DECISION MAKING

Decisions by the SCC will be by majority consensus of members present at the meeting.

10 MEETINGS

- 10.1 There should be four meetings of the SSC per annum and the Committees should meet at least twice a year.
- 10.2 It is expected that representatives of member organisations (or their alternates) attend a minimum of two SSC meetings per annum.
- 10.3 Due to the significance of the Committees, the presence of the Chair of each Committee, an alternative representative or a written report is required at each of the SSC meetings. Should this not happen, the Committee report back and discussion will be removed from the agenda.
- 10.4 All SSC and Committee meeting shall be minuted and these minutes shall comprise the definitive record of the Committee.
- 10.5 At any time, the SSC (through the Chair) may call extraordinary meetings to deal with specific issues.

11 REPORTING

The SSC Chairperson shall prepare an annual written report which shall be made available to the Members.

12 JSE READERS PANEL

- 12.1 The SSC shall fulfil its obligations with regards to the relevant Reader's Panel mandate(s) which will be maintained by the JSE.
- 12.2 Readers will be remunerated by JSE Limited.
- 12.3 Members of the Reader's Panel will be recognized experts in the commodity, activity and mineralisation style under consideration. The definition of "recognised experts" shall be by means of the Peer Review mechanism.
- 12.4 A reader's guide shall be maintained by the SSC.

13 COMPLAINTS PROCEDURE

- 13.1 The SSC shall maintain a complaints procedure (See Appendix 2) for complaints received regarding Competent Persons, Competent Valuers and Qualified Reserve Evaluators as defined in the various Codes. This procedure will at all times be subject to confidentiality norms within the frame of the law.
- 13.2 This procedure shall be reviewed from time to time as determined by the SSC.
- 13.3 The purpose of the complaints procedure is to conduct an initial investigation into a complaint and thence to correctly direct the complaint to the appropriate professional body for further deliberation and consideration in terms of that body's Code of Ethics.
- 13.4 All Competent Persons, Competent Valuers and Qualified Reserves Evaluators shall be a member of a Professional Body that has a Code of Ethics and/or a Disciplinary procedure recognized by the SSC.

14 INTERNATIONAL RECOGNITION, ALIGNMENT AND RECIPROCITY

- 14.1 The SSC shall nominate and be represented on the **Committee Mineral Reserves International Reporting Standards (CRIRSCO)** by two members of the SSC. Nominations will be confirmed by the SSC on a bi-annual basis.
- 14.2 The SSC will advise the JSE whether to grant reciprocity, after consultation with the SSC to Professional Bodies in order that their members may submit reports to the JSE in compliance with the JSE listing requirements. The professional bodies so recognised will be termed Recognised Professional Organisations (RPOs).
- 14.3 Reciprocity will be considered on application by the Professional Body which shall have an enforceable code of ethics and a disciplinary procedure. (In the case of oil and gas (SAMOG)) only an enforceable Code of Ethics is required.)

15 COMMUNICATION AND PROMOTION OF THE USE OF THE SAMCODE(S)

15.1 Communication

- 15.1.1 The principal conduit for all official and public communication from the SSC will be through the Chairperson. The Chairperson, with the agreement of the SSC, may delegate that responsibility from time to time as circumstances require to the Chairperson/s of the respective Committees or to alternative representatives. Communication by the Patron Organisations about the business of the SSC should always follow consultation with the Chairperson of the SSC.
- 15.1.2 The Chairperson shall ensure that all material released to the public complies with the SSC Terms of Reference and the Purpose and Aims of the SAMCODES.

15.2 Confidentiality

- 15.2.1 Until decided otherwise, a matter should be treated as confidential.
- 15.2.2 The rules and requirements of the JSE and the provisions of the Financial Markets Act insofar as they relate to Insider Trading shall at all times be taken into account.

15.3 Promotion and Code Awareness

- 15.3.1 The SSC shall be responsible for promoting the awareness of SAMCODES so as to encourage the use of the SAMCODES.
- 15.3.2 A website shall be maintained so as to provide a ready and accessible source of key documents and definitive information. All current and correct documents including up-to-date SAMCODES and Guidance documents shall be available on the website.

15.4 Training

- 15.4.1 Responsibility for training courses may be delegated to either a Member Representative on the SSC or the Chairperson of the relevant Committee, who may in turn delegate that responsibility to another person(s). That responsible person/s shall report to the SSC as necessary.

15.4.2 The SSC shall, through its patrons, promote and encourage Continuous Professional Development (CPD) in the use of the SAMCODES. A member of the SSC will be assigned the responsibility of monitoring the CPD and shall report annually to the SSC on the subject.

15.5 Annual Awards

15.5.1 The SSC shall, where appropriate, support and assist with awards which are made to promote best practice in reporting Exploration Results, Mineral Resources and Mineral Reserves.

16 THE ONGOING MAINTENANCE OF STANDARDS

The SSC, through the on-going work of the relevant Committees, shall monitor the effectiveness and relevance of the SAMCODES on an on-going basis and shall undertake such periodic reviews of the SAMCODES as may be necessary. The relevant Committees may also issue guidance notes (guidelines) as and when necessary.

17 SOURCE AND APPLICATION OF FUNDS

17.1 The day to day activities of the SSC shall be funded by the Patrons in equal proportions. However, the SSC shall be free to seek special purpose funding through other means as activities and circumstances demand. These funds shall, at all times, be applied to support the purpose and aims of the SSC. Special purpose funds may be ring-fenced to a specific purpose or be made available for more general application if the SSC and/or the provider of the funds so determine.

17.2 An annual budget shall be compiled by the SSC Chairperson and presented at the joint GSSA/SAIMM meeting – the Patrons have agreed to meet at least once a year to discuss the annual budget and administrative arrangements of the SSC (the budget would need to be approved by the relevant MANCO). The minutes of this meeting shall be tabled at the next SSC meeting.

17.3 Members of the SSC will not be remunerated by the SSC for attending meeting or undertaking SSC activities or business.

18 ADMINISTRATION

The day to day management and administration of the SSC and its activities will be defined as per a mutually acceptable arrangement between the Patrons. This arrangement shall include the appointment of a part time Committee Administrator.

19 APPENDIX – SUPPORTING DOCUMENTATION

1. JSE Readers Panel
 - a. Readers Panel Mandate
 - b. O&G Readers Panel Mandate
2. SSC Complaints Procedure