

PREAMBLE

The Educational Sub-committee (“the Sub-committee”) of Letšeng Diamonds (Pty) Limited (“the company”) has been established as a Board Sub-committee in accordance with Article 87 of the company’s Articles of Association and in accordance with section 9i of the Mining Agreement between the Company and the Government of Lesotho.

Section 9 (i) of the Mining Agreement

The Mining Company shall establish an educational trust to be administered by the Board of Directors of the Mining Company or any subcommittee appointed by such Directors. The Mining Company shall contribute to the trust such amounts from the profits of the company from time to time as its Board of Directors in their discretion may determine. The educational trust shall provide for the payment of scholarships and fellowships to Lesotho nationals selected by the Mining Company with the concurrence of the Government to carry on studies at the National University of Lesotho and at university level abroad in subjects relevant to the development of natural resources of Lesotho such as geology, engineering, law, accounting, business administration and economics. The Mining Company shall give preferential employment to Lesotho nationals who have successfully completed their training provided by means of such scholarships and fellowships.

1. Objectives.

- a. To establish an educational fund to be administered by the Sub-committee as delegated by the Board of Directors.
- b. To identify suitable Lesotho nationals for whom payment of scholarships shall be provided for in the areas relevant to the development of Natural Resources.
- c. To determine the scholastic areas in which scholarships are to be awarded.
- d. To make available information pertaining to the scholarships as part of an awareness programme.

2. Authority

- a. The Board authorises the Sub-committee:
 - i. To promote public awareness of the Letšeng Scholarship;
 - ii. To determine selection criteria for the selection of suitable candidates;
 - iii. To identify the areas of study relevant for the development of Natural Resources of Lesotho;
 - iv. To review and analyse applications and to interview shortlisted applicants for recommendation to the Board;
 - v. To ensure payment is made for and on behalf of the successful candidates, thus effecting the scholarships.
 - vi. To ensure the candidates comply with the bursary agreement.

3. Membership

- a. The Board of Directors shall appoint the members of the Sub-committee.
- b. The Sub-committee shall consist of not more than 8 (eight) members.
- c. The majority of Sub-committee members shall be non-executive.

- d. The Sub-committee shall appoint the Chairperson thereof from amongst its members annually.
 - e. The Company Secretary shall perform the secretarial duties for the Sub-committee.
4. Remuneration of fees and expenses
- a. Members of the Sub-committee shall be paid such remuneration as determined by the Board of Directors
5. Meetings and procedures
- a. The provisions of the Articles of Association and the Mining Agreement regulating the meetings and proceedings of the Directors shall govern the meetings and proceedings of the Sub-committee, mutatis mutandis, so far as they are applicable and are not superseded by any of the conditions laid down in these terms of reference.
 - b. The Sub-committee shall meet at least every quarter and the Secretary, shall convene such meetings, as determined by the Chairperson.
 - c. The quorum shall be four members of the Sub-committee with the proviso that at least one should be a Government appointed director.
 - d. All decisions of the Sub-committee shall be by majority vote and the Chairman shall have a second or casting vote in case of an equality of votes.
 - e. Additionally, any member of the Board or Sub-committee at any time may ask the Secretary to convene a special meeting if they consider that such a meeting is necessary and appropriate.
 - f. The Secretary of the Sub-committee shall prepare an agenda for all meetings, to be agreed by the Chairperson.
 - g. The Sub-committee may invite any person to attend its meetings if it deems the attendance of such person necessary.
 - h. Those persons who attend meetings by invitation shall have no vote.
 - i. Members of the Educational Sub-committee shall declare any personal interests and the Sub-committee shall have the right to exclude said member from the meeting or deliberation of any item of the agenda pertaining to the personal interest.
6. Duties of the Sub-committee
- a. It shall be the responsibility of the Sub-committee to satisfy itself that the company's evaluation guideline and other procedures for the allocation of funds are consistently and properly applied.
 - b. The Sub-committee's other duties are to:
 - i. establish, review and evaluate the code of ethics as signed by the successful candidates;
 - ii. review and evaluate the candidates performance each semester;

- iii. perform such other duties as may be assigned by the Board from time to time; and
- iv. To ensure the amounts contributed, annually, out of the profits of the Company are correctly distributed.

7. **Reporting**

- a. The Secretary of the Sub-committee shall circulate the minutes of each meeting to members of the Sub-committee, the Board and as directed by the Board.
- b. The Chairperson of the Sub-committee shall report, in writing, to the Board at the Board meetings.
- c. The following reports shall be submitted:
 - i. Quarterly report on review and progress of students;
 - ii. Annual written report detailing financial and academic results;
 - iii. Annual budget proposal;
 - iv. Any items requiring Board approval, as and when required.

8. **REVIEW**

The Educational Terms of Reference shall be reviewed every 2 (years) unless an earlier need arises.