

# **FERREXPO PLC (“the Company”)**

## **Corporate Social Responsibility Committee Terms of Reference**

**Approved by the Board on 9 November 2007**

### **1. INTRODUCTION**

The board of directors of the Company (the “**Board**”) hereby constitutes and establishes a Corporate Social Responsibility Committee (the “**Committee**”). These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with the UK guidance on corporate governance and to assist the Committee in achieving best practice in corporate governance, internal control and corporate reporting.

### **2. MEMBERSHIP**

- 2.1 The Committee shall be appointed by the Board and shall consist of a minimum of three members.
- 2.2 The Committee shall have at least one member of the Board as a member. The initial members of the Committee will be Mike Oppenheimer (Interim Chairman), Michael Abrahams, Victor Lotous and David Webster. The permanent chairman of the Committee will be an external specialist in corporate social responsibility (“**CSR**”) issues.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other executives (specifically including the Group HR Manager and the Head of Investor Relations) and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.
- 2.5 The Board shall appoint the chairman of the Committee. In the absence of the chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.6 If a regular member is unable to act due to absence, illness or any other cause, the chairman of the Committee may appoint another director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.

### **3. SECRETARY**

The company secretary or his nominee shall act as the secretary of the Committee.

### **4. QUORUM**

The quorum necessary for the transaction of business shall be two members one of whom shall be a Board director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **5. FREQUENCY OF MEETINGS**

The Committee shall meet not less than twice a year and at such other times as the chairman of the Committee shall require.

### **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the chairman of the Committee.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person

required to attend not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the Committee, and to other attendees as appropriate, at the same time.

## **7. MINUTES OF MEETINGS**

- 7.1 The secretary shall prepare minutes of the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

## **8. ANNUAL GENERAL MEETING**

The chairman of the Committee shall attend the annual general meeting of the Company and shall be prepared to respond to any questions from shareholders concerning the Committee's activities.

## **9. DUTIES**

- 9.1 The Committee shall:
- (a) recommend to the Board for approval corporate and social responsibility policies, including:
    - code of ethics and business practices, to include human rights, prevention of bribes and other corrupt practices policies;
    - corporate social responsibility policy;
    - health and safety policy;
    - environmental policy;
    - communities policy;
    - political donations policy; and
    - charitable donations policy.
  - (b) ensure that all serious accidents and fatalities within the Company's operations are fully investigated and reported to the Board with appropriate actions taken in response to ensure that such incidences can be avoided in future;
  - (c) recommend to the Board an action plan to include targets, proposed by executive management, to maintain the above policies annually;
  - (d) promote environmental policies that relate to the activities where the Group has its most significant environmental impacts in respect of energy management and climate change, water quality, resource productivity (including leakage and waste) and biodiversity and land use;
  - (e) develop socially responsible values and policies that relate to the social and economic community in which the company operates, ensuring the group can demonstrate that it adheres to these values and can act responsibly in its engagement with all stakeholders in the relevant communities;
  - (f) identify and review those external developments which are likely to have significant influence upon the Group's reputation and/or its ability to conduct its business appropriately as a good corporate citizen. Such developments will include those in the fields of government relations, best corporate practice, the views and programmes of particular interest groups, academia and other opinion formers and issues of growing importance to the general public;
  - (g) request, as appropriate, engagement with external auditors or other stakeholders perspectives of the Company's corporate and social responsibility programmes, performance and progress;

- (h) regularly publish, internally and externally, corporate social responsibility performance and plans using the Company's website, annual report and other such methods of communication as are considered necessary;
- (i) introduce initiatives to embed the principles and practices of corporate responsibility across the group and implement management processes to ensure that the business understands the importance of corporate responsibility;
- (j) encourage independently the Company's subsidiaries, associates and significant investments to develop policies, guidelines and practices congruent with the Company's safety and sustainable development policies;
- (k) monitor key indicators and learnings on incidents and, where appropriate, ensure that they are communicated to the Company, its subsidiaries, associates and significant investments; and
- (l) review the policies and processes for managing non-financial risks affecting the business, including relationships with stakeholders (principally colleagues/partners, customers, local communities in the vicinity of the group's operations, non-governmental organisations, regulators, shareholders and suppliers), the impact of the group's activities on the environment, and the company's general business reputation.

## **10. REPORTING RESPONSIBILITIES**

- 10.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall make a statement in the annual report about its activities and the process used to make appointments and shall explain if external advice or open advertising has not been used.

## **11. OTHER MATTERS**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12. AUTHORITY**

- 12.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 12.2 In connection with its duties the committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice.