

**SABVEST CAPITAL LIMITED**  
**REMUNERATION COMMITTEE CHARTER**

**1. INTRODUCTION**

- 1.1 The purpose of the Remuneration Committee (“the Committee”) and the Remuneration Charter (“the Charter”) is to oversee a formal and transparent procedure for developing and implementing a fair and responsible policy on remuneration that enables Sabvest Capital Limited (“the Company”) to create value over the short, medium and long term.
- 1.2 The remuneration policy should be designed to achieve the following objectives:
  - 1.2.1 To attract, motivate, reward and retain human capital;
  - 1.2.2 To promote the achievement of strategic objectives within the Company’s risk appetite;
  - 1.2.3 To promote positive outcomes; and
  - 1.2.4 To promote an ethical culture and responsible corporate citizenship.
- 1.3 The Committee shall assist the Board to fulfill its responsibility to all Stakeholders by making recommendations on the remuneration of the Company’s employees, as well as the fees of non-executive members of the Board, in support of the Company’s strategic objectives.
- 1.4 This Charter aims to ensure that the Committee is compliant with the Companies Act, the recommendations of the King IV Report and the Johannesburg Stock Exchange (“the JSE”) requirements.
- 1.5 The Committee shall act in accordance with its statutory duties and the delegated authority of the Board.

**2. COMPOSITION**

- 2.1 The Committee shall be appointed by the Board and shall consist of a minimum of three non-executive directors of the Company, of whom the majority shall be independent.
- 2.2 The Chairman shall be appointed by the Board and will be an independent non-executive Director.
- 2.3 The term of office of the Committee shall be one year, and the Board will review its composition and chairmanship annually.
- 2.4 The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice, as it considers necessary to carry out its duties.

### 3. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The delegation of authority to the Committee is documented in the Board Charter and the relevant resolution authorising same.

#### 3.1 COMMITTEE RESPONSIBILITIES

With a view to making remuneration recommendations for approval by the Board, the Committee shall assist the Board with the:

3.1.1 Development and maintenance of a remuneration policy which, *inter alia*, sets out:

3.1.1.1 Arrangements for ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the Company;

3.1.1.2 The use of performance measures that support positive outcomes across the economic, social and environmental context in which the Company operates;

3.1.1.3 The voting by shareholders on the remuneration policy and implementation report, and the implementation of related measures to address various outcomes of such votes,

Which policy shall be put to the shareholders of the Company at the Company's annual general meeting for endorsement by way of a non-binding advisory vote;

3.1.2 Review, guide drafting of and approve the form for submission to the Board of a remuneration report to be included in the annual report in accordance with the requirements of the King IV Report, as set out in clause 4 below;

3.1.3. Ensuring that the implementation and execution of the Company's remuneration policy achieves the policy's objectives;

3.1.4 Review all the benefits, remuneration, incentive and share scheme policies for all employees and non-executive directors in the Company,

3.1.5 Evaluation of senior executives' salary packages against:

3.1.5.1 Remuneration paid to executives of other companies of a similar size at least every three years;

3.1.5.2 The extent to which executives have met their performance targets, goals and objectives; and

3.1.5.3 Inflation measured by CPI.

- 3.1.6 Recommendation for approval by the Board of performance incentives that are consistent with the Company's overall objectives and compensation policy and reflective of market trends;
- 3.1.7 Review of the Company's retirement plans and medical schemes;
- 3.1.8 Recommendation of non-executive Directors' and Board committee members' fees;
- 3.1.9 Determination of the Company's policies regarding the various components and mix of compensation, incentivisation and wealth creation; and
- 3.1.10 Determination of the cost of executive compensation to the Company relative to short, medium- and long-term performance.

## **3.2 DISCLOSURES**

- 3.2.1 The Committee shall ensure that it discloses the following in the annual report:
  - 3.2.1.1 Its overall role and associated responsibilities and functions;
  - 3.2.1.2 Its composition, including each member's qualifications and experience;
  - 3.2.1.3 Any external advisors or invitees who regularly attend Committee meetings;
  - 3.2.1.4 Key areas of focus during the reporting period;
  - 3.2.1.5 The number of meetings held during the reporting periods and attendance at those meetings;
  - 3.2.1.6 Whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## **4. REMUNERATION REPORT**

- 4.1 The Committee shall ensure that the remuneration report prepared for the Board's consideration and inclusion in the annual report discloses, in three parts:
  - 4.1.1 A background statement;
  - 4.1.2 An overview of the main provisions of the remuneration policy; and
  - 4.1.3 An implementation report which contains details of all remuneration awarded to individual members of the Board and executive management during the reporting period.

## **5. MEETING PROCEDURES**

The meetings and proceedings of the Committee shall be governed *mutatis mutandis*, by the provisions of the Memorandum of Incorporation regulating meetings of Directors.

## **5.1 FREQUENCY**

- 5.1.1 The Committee shall meet at least once per year or more frequently as the Committee or circumstances may dictate.
- 5.1.2 Meetings in addition to those scheduled may be held at the request of the chairman of the Company, the CEO, the CFO or any Director.

## **5.2 ATTENDANCE**

- 5.2.1 The quorum for decisions of the Committee will be any two members present throughout the meeting of the Committee.
- 5.2.2 The Chairman, in his/her discretion, should invite such executives, employees of the Company and/or third parties to attend meetings of the Committee.
- 5.2.3 Every member of the Board is entitled to attend the meetings of the Committee as an observer.

## **5.3 AGENDA AND MINUTES**

- 5.3.1 The Company Secretary shall be the secretary of the Committee.
- 5.3.2 The Company Secretary shall prepare and circulate the minutes of the meetings of the Committee to all members of the Committee, and the Board
- 5.3.3 Meeting agendas, which will incorporate the minutes of the previous meeting held, shall be prepared and distributed by the Company Secretary in advance, together with sufficient background information to enable to the Committee members to appropriately prepare for the meetings.

## **5.4 REPORTING**

- 5.4.1 The Chairman shall account to the Board for its activities and make recommendations to the Board concerning any matters arising from the Committee's responsibilities.
- 5.4.2 The Chairman shall attend the annual general meeting of the Company to answer questions concerning matters within the ambit of the Committee.

## **6. REMUNERATION**

- 6.1 Members of the Committee shall be paid such additional special remuneration in respect of their appointment as shall be fixed by the Board and as approved by shareholders.
- 6.2 The Chairman shall receive a further fee, determined by the Board, in addition to his remuneration as a member.
- 6.3 Remuneration in terms of this clause 6 shall be in addition to the fees payable to Directors for their service on the Board.
- 6.4 The Company shall meet all expenses reasonably incurred by the Committee including the fees of any consultant or specialist engaged by the Committee to assist in the performance of its duties.

## **7. EVALUATION**

- 7.1 This Charter will be reviewed annually by the Committee and the Board.
- 7.2 The Committee shall undertake annual self-assessments, which shall include assessments of the Chairman by the rest of the Committee. The Chairman shall report back to the Board in respect of such assessments.