

SANTOVA LIMITED

CHARTER OF THE BOARD OF DIRECTORS

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1. PURPOSE OF THE CHARTER

The purpose of this Charter is to set out the objectives, duties and responsibilities of the Board of Directors of the Company as well as the requirements for its composition and meeting procedures.

This Board Charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation (Mol), and any other applicable law or regulatory provision.

2. THE OBJECTIVES OF THE BOARD OF DIRECTORS

The objective of the Board is to ensure responsible business leadership in a manner which balances the interests of shareholders with the needs of all stakeholders.

The Board is ultimately accountable and responsible to its shareholders for the performance and affairs of the Company. The Board aims to therefore retain full and effective control over the Company and to give strategic direction to the management of the Company. The Board also recognises its responsibility for ensuring that the Company complies with all relevant laws, regulations and codes of business practice.

3. ROLE AND RESPONSIBILITIES

3.1. To act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.

3.2. To appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:

3.2.1. contributing to and approving the strategy.

3.2.2. satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.

3.2.3. identifying key performance and risk areas.

3.2.4. ensuring that the strategy will result in sustainable outcomes.

3.2.5. considering sustainability as a business opportunity that guides strategy formulation.

3.3. To provide effective leadership on an ethical foundation.

- 3.4. To ensure that the Company is and is seen to be a responsible corporate citizen by having regard not only to the financial aspects of the business of the Company, but also the impact that business operations have on the environment and the societies within which it operates.
- 3.5. To ensure that the Company's ethics are managed effectively.
- 3.6. To ensure that the Company has an effective and independent audit committee.
- 3.7. To be responsible for the governance of risk.
- 3.8. To be responsible for information technology (IT) governance.
- 3.9. To ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards.
- 3.10. To ensure that there is an effective risk-based internal audit.
- 3.11. To appreciate that stakeholder's perceptions affect the Company's reputation.
- 3.12. To ensure the integrity of the Company's Annual Integrated Report.
- 3.13. To act in the best interests of the Company by ensuring that individual directors:
 - 3.13.1. adhere to legal standards of conduct;
 - 3.13.2. are permitted to take independent advice in connection with their duties following an agreed procedure;
 - 3.13.3. disclose real or perceived conflicts to the Board and deal with them accordingly;
 - 3.13.4. deal in securities only in accordance with the policy adopted by the Board.
- 13.14. To commence business rescue proceedings as soon as the Company is financially distressed.
- 13.15. To elect a chairman of the Board who is an independent non-executive director.
- 13.16. To appoint and evaluate the performance of the Chief Executive Officer (CEO).

4. SELECTION AND COMPOSITION OF THE BOARD

- 4.1. The Board comprises a balance of executive and non-executive directors, with a majority of non-executive directors. A majority of the non-executive directors are independent.
- 4.2. Directors are appointed through a formal process with the Nominations Committee assisting with the process of identifying suitable candidates
- 4.3. Directors are selected, appointed and removed by the Board, subject to ratification by shareholders at the next annual general meeting.
- 4.4. The maximum age of directors is seventy-five (75) and directors are required to retire at the Board meeting following attaining that age. However, the Board has discretion to retain a director after the age of 75 if, after evaluation, the director is found to still add value to the Board. Any director remaining on the Board after the age of 75 shall be subject to annual rotation at the Annual General Meeting.
- 4.5. Directors have a responsibility to acquaint themselves with their fiduciary duties and responsibilities, as well as with the issues pertaining to the operations and business environment of the Company so that they are able to fulfil their duties. To assist them, the Board will establish a formal orientation programme for new directors which include background material, meetings with senior management and visits to the various Company locations and projects.
- 4.6. Directors are regularly briefed on changes in risks, laws and the business environment.

5. BOARD LEADERSHIP

The Chairman of the Board shall be a non-executive director. In the absence of the Chairman at a specific meeting of the Board, the directors present at that meeting will appoint an acting chairman for the duration of that meeting. The acting chairman must be a non-executive director.

The Chairman shall be subject to annual assessment and, if eligible, re-appointment.

6. CONFLICTS OF INTEREST

- 6.1. A director is not disqualified by virtue of his office from contracting with the Company.
- 6.2. Full disclosure is required of the nature of a director's interest on any matter before the Board.

- 6.3. Directors may not vote on any matter in which they have a personal interest. Additionally, they shall recuse themselves from any meeting while such matters are discussed.
- 6.4. A register of declarations of interest should be kept.
- 6.5. Executive directors shall distinguish between their role as director and that of manager. Should they be unable to reconcile the two roles they shall withdraw from the discussion and voting on a specific matter.
- 6.6. The Chairman may, for good reason, request executive directors to leave the boardroom for any part of the Board meeting.
- 6.7. Directors shall subscribe to the Company's Culture, Philosophy and Values.

7. COMMITTEES

7.1. General

The Board delegates certain functions to committees without abdicating its own responsibilities. Delegation is formal and involves the following:

- 7.1.1. Charters are established and approved for each committee of the Board.
- 7.1.2. The committees' charters are reviewed once a year.
- 7.1.3. The committees are appropriately constituted with due regard to the skills required by each committee.
- 7.1.4. The establishment of a framework for the delegation of authority to management.

7.2. Board committees

The following committees are formally established and each committee has its own charter:

- Audit and Risk Committee
- Remuneration Committee
- Nominations Committee
- Social and Ethics Committee

A report on each committee is included in the Annual Integrated Report.

8. EVALUATION OF THE BOARD

8.1. General

An evaluation of the Board is performed on a regular basis. The collective assessment of the Board shall be of the Board's contribution as a whole and will specifically review areas in which the Board or its functioning could be improved.

8.2. Formal evaluation of the CEO

The Remuneration Committee, sitting without executive directors, shall formally evaluate the performance of the CEO annually.

The evaluation will be used by the Remuneration Committee in the course of its deliberations when considering the compensation of the CEO.

8.3. Formal evaluation of Board committees

The Board reviews the evaluations of the performance and effectiveness of the Board committees on an annual basis, to determine areas in which the functioning of the committees needs to be improved.

9. BOARD RELATIONSHIP TO STAFF AND EXTERNAL ADVISERS

9.1. Attendance of non-directors at Board meetings

The Chairman may permit members of the Company's staff and outside parties to attend all or part of Board meetings at specific or regular times. The purpose for such attendance is to provide the Board with expert insights to their deliberations or as capacity building for potential directors.

9.2. Board access to senior staff and records

Board members have complete access to consult the Company's senior staff regarding information about the operations of the Company, records, documents and property, which they may require to make competent decisions.

9.3. Board access to external experts

Board members may collectively or individually consult external professional advisors on any matter of concern to the Company after having consulted the CEO and Chairman as appropriate. The Company shall be obliged to bear the costs of these consultation services.

10. SUCCESSION PLANNING

The Remuneration and Nominations Committees consider director and senior management succession planning and make appropriate recommendations to the Board. This encompasses an evaluation of the skills, knowledge and experience required to implement the Group's business plans and strategy and address any gaps in this regard.

11. BOARD MEETINGS

The provisions of the Companies Act and the MoI govern meetings and proceedings of the Board in so far as they are applicable and are not superseded by the specific conditions elaborated in this document.

- 11.1. The frequency of Board meetings shall be determined by the Board and there should be at least four (4) meetings per year.
- 11.2. The Board shall make decisions by a majority of votes.
- 11.3. A record is kept of the attendance of directors at Board meetings.
- 11.4. The Chairman, with the assistance of the CEO and Company Secretary, establishes the agenda for each Board meeting and in doing so may consult with other directors. The agenda for each meeting shall provide the opportunity for the chairmen of Board sub-committees to report orally on any matters of importance. The Chairman should also place on the agenda any item that is proposed in writing by a director.
- 11.5. The CEO shall, with the assistance of the Company secretary, cause information and data that is important to the Board's understanding of the business to be distributed in writing before the Board meets.
- 11.6. Presentations should wherever possible be sent to the Board members in advance so that the Board's meeting time can be conserved, and the discussion time focused on questions that the Board has about the material distributed.
- 11.7. Minutes of all Board meetings shall record the proceedings and decisions taken, the details of which shall remain confidential.

12. COMPANY SECRETARY

The Board is responsible for the selection and appointment of the Company Secretary. In addition, the Board recognises the pivotal role to be played by the Company Secretary in the achievement of good corporate governance and empowers this individual accordingly. The Company Secretary shall provide the Board as a whole, and individual directors, with detailed guidance regarding their responsibilities.

The Company Secretary shall attend all Board and Board Committee meetings.

13. AGENDA AND MINUTES

The Board shall establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan will ensure proper coverage of the matters laid out in this Charter.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Board and other invitees.

The minutes shall be completed as soon as possible after the meeting and circulated to the Chairman and members of the Board for review thereof. The minutes are formally approved by the Board at its next scheduled meeting.

14. RESERVATION OF POWERS

Except as reserved for the shareholders in terms of the Companies' Act or the Mol, the Board has unfettered powers to govern the Company. The Board shall adopt a strategic plan for the business. In addition, all material matters reserved for decision by the Board in terms of its Delegation of Authorities Framework, may not be delegated to management.

15. RISK MANAGEMENT AND CONTROL

The Board is responsible for setting appropriate policies and confirming that necessary processes are implemented to ensure the integrity of the internal controls and risk management of the Company. Specifically, the Board ensures that a formal risk assessment is undertaken annually to identify and evaluate key risk areas. The Board must also ensure that it continually reviews and forms its own opinion on the effectiveness of the risk management process.

16. MONITORING OF OPERATIONAL PERFORMANCE

The Board shall ensure that procedures are in place for monitoring and evaluating the implementation of its strategies, policies and business plans, as a measure of operational performance and the Company's management.

17. PUBLIC COMMUNICATIONS

Public communications on the affairs of the Company are normally dealt with by the CEO. The Board may by exception decide to communicate directly, in which case only the Chairman shall make such communication.

An individual director, however, has fiduciary responsibility to a wide range of stakeholders. Where such director is compromised by a serious matter of conscience and feels compelled to make a public communication, he or she should first discuss the matter with the Chairman and on the Chairman's advice, with the stakeholder.

18. INTEGRATED SUSTAINABILITY REPORTING

The Board shall identify, monitor and report at least annually, on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies and practices.

19. CULTURE, PHILOSOPHY AND VALUES

The Board shall establish the values of the Company in support of its objectives and establish principles and standards of ethical business practice in support of such values. These principles and standards should be communicated to affected stakeholders in codified form, and the Board should assume responsibility and accountability to stakeholders for compliance with these.

20. APPROVAL OF CHARTER

This Board Charter is reviewed annually and amended as appropriate.

This Charter of the Board of Directors as set out above was approved by the Board of Directors on 18 May 2016.