

SANTOVA LIMITED

REMUNERATION COMMITTEE CHARTER

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1. INTRODUCTION

- 1.1 The Remuneration Committee (the Committee) is a committee of and answerable to the Board of Directors.
- 1.2 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.
- 1.3 The purpose of these terms of reference is to set out the Committee's roles and responsibilities as well as the requirements for its composition and meeting procedures.
- 1.4 The Committee must balance the interests of shareholders against those of the employees.

2. OBJECTIVE

- 2.1 The overall objective of the Committee is to ensure that the Company remunerates directors, executives and senior management fairly and responsibly.
- 2.2 Review and propose the remuneration philosophy and practices for executives and senior management throughout the organisation. This means to:
 - 2.2.1 approve the entire individual remuneration packages for the Chief Executive Officer (CEO) and executives reporting directly to him or her;
 - 2.2.2 encourage enhanced company performance through the remuneration policy;
 - 2.2.3 ensure fair reward for individual contributions and contribution to the achievement of corporate goals;
 - 2.2.4 review conditions of employment and ensure that they support human resource policies;
 - 2.2.5 provide a mechanism for assurance to all stakeholders that all aspects of executive remuneration are reviewed by a committee constituted of non-executive directors with no personal financial interest at stake.
- 2.3 Ensure the disclosure of directors' remuneration is accurate and transparent.

- 2.4 The Committee as an advisory committee shall have an objective independent role, operating as overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remains the responsibility of executive directors and senior management.
- 2.5 The Committee does not relieve the directors of any of their responsibilities, but assists them to fulfil those responsibilities. The full Board is therefore entitled to amend or not adopt any decision taken by the Committee.

3. MEMBERSHIP AND QUORUM

- 3.1 The Committee members and the Chairman shall be appointed by the Board of Directors and shall comprise directors who are non-executive, the majority of whom shall be independent.
- 3.2 The Committee shall comprise a minimum of three members, with sufficient qualifications and experience, good knowledge of the Company and the roles and responsibilities of its executive management; a keen interest in its progress and a full understanding of shareholders' concerns; as well as a good understanding of all aspects of remuneration policies of comparable companies and the business of remuneration committees. The Chairman of the Board shall be a member of this Committee but may not be the Chairman.
- 3.3 The Committee shall also be supported by the CEO who shall be responsible for compiling reliable up-to-date information about executive remuneration and evaluation procedures in other companies. At its discretion the Committee may draw on outside advice with regard to remuneration comparisons and philosophies/trends.
- 3.4 The quorum for the transaction of business shall be a majority of the members of the Committee. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.
- 3.5 Members should preferably serve on the Committee for a period of at least three years subject to normal rotation/periodic re-election of non-executive directors.

4. MEETINGS AND PROCEEDINGS

4.1 Frequency

The Committee should hold sufficient meetings to discharge all its duties as set out in these terms of reference, but subject to a minimum of two meetings per year. Further meetings may be called by the Chairman of

the Committee or any member of it, as well as at the instance or request of the Board, or at the request of the CEO or other members of senior management.

4.2 Annual Work Plan

The Committee must 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 more critical matters will need to be attended each year while other matters may be dealt with on a rotation basis over a 3 year period.

4.3 Matters for Consideration

The Chairman of the Committee, in consultation with the CEO, shall determine what information is required to be made available to the members of the Committee so as to enable them to determine the appropriate remuneration strategies and policies, and to enable them to make necessary decisions in accordance with such strategies and policies. The CEO shall be responsible for the timeous distribution of such information to members of the Committee.

4.4 Agenda

Meeting agendas shall be prepared and distributed in advance, (ideally at least one week before the meeting) together with sufficient background information to enable the Committee members to fully prepare for the meeting to be able to provide appropriate and constructive input on matters for discussion.

4.5 Minutes

Minutes of all Committee meetings shall record the proceedings and decisions taken, the details of which shall remain confidential. The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at the next scheduled meeting.

5. ATTENDANCE AT MEETINGS

5.1 The CEO or other members of senior management as may be required, assurance providers, professional advisers and Board members, may attend meetings as deemed necessary to discuss special recommendations or circumstances, but by invitation only and may not vote.

5.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad-hoc basis for special

matters, unless prior apology, with reasons, has been submitted to the Chairman or secretary of the Committee.

- 5.3 The Chairman of the Committee shall recuse from the meeting or from any item on the agenda, any or all executives, staff members or representatives, who could, in his opinion, have any conflicts of interest.
- 5.4 Unless otherwise determined by the Committee, the Company Secretary shall be the secretary of the Committee, and this person shall attend all Committee meetings, and shall record proceedings and decisions taken.
- 5.5 If the Chairman of the Committee is absent from the meeting, members present must elect one of the members present to act as a Chairman.

6. DUTIES AND RESPONSIBILITIES

The Board of Directors assigns the following duties and responsibilities to the Committee:

- 6.1 Oversee the establishment and implementation of a remuneration philosophy and policies in relation to non-executive directors, executive directors and other executives; and ensure alignment of the remuneration strategy and policy with Santova's culture, shareholders' interests and commercial well-being.
- 6.2 Determine appropriate and equitable remuneration packages needed to attract, retain and motivate high performing directors and executive management.
- 6.3 Ensure that Santova remuneration levels relative to other comparable companies are pitched at the desired level, taking relative performance into account.
- 6.4 Ensure that remuneration and employment conditions in the Company are consistent and fair, and are seen as such (ensure that internal equity exists between remuneration of executive directors and executive management).
- 6.5 Ensure the adequacy of retirement packages for executive directors and executive management.
- 6.6 Communicate remuneration policies, strategic goals and objectives to shareholders at the AGM and throughout the year.
- 6.7 The Committee shall on behalf of the Board of Directors:
 - 6.7.1 review the remuneration strategy and policy for Santova which should include the:

- Outcome of the implementation of the policies for whether these policies promote the achievement of strategic objectives and encourage individual performance;
- Policy regarding executive remuneration;
- Positioning relative to the market regarding total company remuneration levels;
- Balance between guaranteed and performance-based remuneration;
- Nature of performance-based remuneration – how performance measures relate to longer term company objectives; and
- Taxation risk profile.

6.7.2 review remuneration levels of executive directors and, as appropriate, other senior executives;

6.7.3 review performance-based incentive schemes, performance criteria and measurements, including share option allocations;

6.7.4 review new remuneration methodologies for senior management including, but not limited to, incentive schemes and retirement funds.

6.7.5 review individual performance against set management and performance criteria and approve guaranteed and performance-based individual remuneration including share option allocations on set principles;

6.7.6 review fees payable to non-executive directors (as a separate process from executive remuneration reviews) for confirmation by the Board and shareholders and for passing a special resolution in terms of Section 66 (9) of the Companies Act, 2008 at the AGM, at intervals of not more than two years.

6.7.7 review and recommend a policy for the reimbursement of non-executive directors' travelling expenses.

6.8 Make recommendations to the Board for the granting of share options to senior and qualifying executives

6.9 The Committee is to recommend to the Board necessary improvements to the remuneration policies.

6.10 Liaise with the Board on the succession plans of senior management.

6.11 To make publicly available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

6.12 The Committee shall review its terms of reference contained in this Charter annually.

7. AUTHORITY

- 7.1 The Committee acts in terms of the delegated authority of the Board as recorded in this Charter.
- 7.2 The Committee, in the fulfillment of its duties, may call upon the chairmen of the other Board committees, any of the executive directors, officers or Company Secretary to provide it with information, subject to following a Board approved process.
- 7.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 7.4 The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated member of the Committee.
- 7.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the Company's cost, subject to following a Board approved process.
- 7.6 The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

8. REPORTING

- 8.1 The Chairman shall give a general report of the Committee proceedings and submit formal reports on its activities to the Board of Directors at the immediately following Board meeting, with such recommendations as the Committee may deem appropriate.
- 8.2 It shall oversee the preparation of the Remuneration Report, for inclusion in the Annual Integrated Report, that describes the Committee's composition and responsibilities (including its mandate), and how these responsibilities were discharged.
- 8.3 It shall prepare a statement, for inclusion in the integrated annual report, of the Company's remuneration philosophy, the major components of executive remuneration and how they are applied to each individual executive and prescribed officer.
- 8.4 The Committee shall review the remuneration disclosure to shareholders to ensure that it is transparent and provides sufficient information for shareholders to assess the remuneration policy and shall annually submit the remuneration policy to the shareholders at the AGM for a non-binding advisory note.

8.5 The Chairman of the Committee, or in his absence, any member of the Committee, shall be in attendance at annual general meetings of members of the Company and respond to any questions relating to the work of the Committee.

9. FEES

9.1 Committee members shall be remunerated for their services on the Committee.

9.2 The Board of Directors shall decide on the value of fees to be paid which shall be subject to review from time to time. Such fees are subject to shareholder approval at the Annual General Meeting.

10. EVALUATION

The Board must perform an evaluation of the effectiveness of the Committee every year.

11. APPROVAL OF CHARTER

This Charter of the Remuneration Committee as set out above was approved by the Committee on 22 February 2016 and by the Board of Directors on 18 May 2016.