



SANTOVA LIMITED

REMUNERATION COMMITTEE CHARTER

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1. INTRODUCTION

- 1.1 The Remuneration Committee is constituted as a committee of, and reports to the Board of Directors of Santova Limited.
- 1.2 Those duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board.
- 1.3 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.
- 1.4 This charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation, the JSE Listings Requirements and the recommendations of the King IV Report on Corporate Governance for South Africa 2016.

2. PURPOSE OF THE CHARTER

The purpose of the terms of reference contained in this charter is to set out the Committee's roles and responsibilities as well as the requirements for its composition and meeting procedures.

3. ROLE

- 3.1. The Committee has an independent role with accountability to the Board.
- 3.2. 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.
- 3.3. The role of the committee is to assist the Board with the governance of remuneration matters relating to the Group, as described in the Committee's responsibilities and duties set out below and in so doing, must balance the interests of shareholders against those of the employees and other stakeholders.

4. MEMBERSHIP AND QUORUM

- 4.1. 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.

- 4.2. 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.
- 4.3. 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.
- 4.4. 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.
- 4.5. 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.

5. DUTIES AND RESPONSIBILITIES

The Board of Directors has assigned the following duties and responsibilities to the Committee, to:

- 5.1. Oversee the establishment and implementation of a remuneration philosophy and policies in relation to all employees of the Santova Group to ensure alignment of the remuneration strategy and policy with Santova's culture, shareholders' interests and commercial well-being.
- 5.2. Ensure that the organisation remunerates fairly, responsibly and transparently, so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
- 5.3. Ensure that regardless of race or gender, individuals performing the same or similar work at the same or similar level of performance in the Group receive the same or similar levels of remuneration as determined in the Remuneration Policy.
- 5.4. Determine appropriate and equitable remuneration packages for non-executive directors, executive directors and senior executives of the Group needed to attract, retain and motivate high performing directors and executive management, ensuring that there is a balance between guaranteed and performance-based remuneration.

- 5.5. Ensure that the remuneration policy of the Group specifically addresses arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation.
- 5.6. Ensure that Santova remuneration levels relative to other comparable companies are pitched at the desired level, taking relative performance into account.
- 5.7. Ensure the adequacy of retirement packages for executive directors and executive management.
- 5.8. Ensure that the Group's various pension and provident funds are being well managed on behalf of employees and that the performance of the funds is satisfactory;
- 5.9. Review remuneration levels of executive directors and, as appropriate, other senior executives;
- 5.10. Review performance-based incentive schemes, performance criteria and measurements, including share option allocations and approve the award of share options and other incentive awards ;
- 5.11. Review new remuneration methodologies for senior management including, but not limited to, incentive schemes and retirement funds.
- 5.12. Review individual performance against set management and performance criteria and approve guaranteed and performance-based individual remuneration including share option allocations on set principles;
- 5.13. 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.
- 5.14. Review and recommend a policy for the reimbursement of non- executive directors' travelling expenses.
- 5.15. Communicate remuneration policies, strategic goals and objectives to shareholders in the Annual Integrated Report and Annual Financial Statements and throughout the year.
- 5.16. Recommend to the Board necessary improvements to the remuneration policies.
- 5.17. Liaise with the Board on the succession plans of senior management.

5.18. Make publicly available the Committee's terms of reference explaining clearly its role and the authority delegated to it by the Board.

5.19. Review the terms of reference contained in this Charter annually.

6. AUTHORITY

6.1. The Committee acts in terms of the delegated authority of the Board as recorded in this Charter.

6.2. 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.

6.3. The Committee, in the fulfilment 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.

6.4. The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

6.5. The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated member of the Committee.

6.6. 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. MEETINGS AND PROCEDURES

7.1. 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.

7.2. 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.

7.3. 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.

7.4. 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.

7.5. 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.

8. ATTENDANCE AT MEETINGS

8.1. All 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.

8.2. The CEO shall be a permanent invitee to all Committee meetings. Other members of senior management, assurance providers and professional advisers may be required to attend Committee meetings from time to time but by invitation only and may not vote.

8.3. Board members may attend meetings as deemed necessary to discuss special recommendations or circumstances, but by invitation only and may not vote.

- 8.4. 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.
- 8.5. 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.
- 8.6. 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.

9. REPORTING

- 9.1. 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.
- 9.2. 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.
- 9.3. 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.
- 9.4. 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.
- 9.5. 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.

10. FEES

- 10.1. Committee members shall be remunerated for their services on the Committee.
- 10.2. 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.

12. APPROVAL OF CHARTER

This Charter of the Remuneration Committee as set out above was approved by the Committee on 11 May 2018 and by the Board of Directors on 16 May 2018.