

MAHUBE INFRASTRUCTURE LIMITED: CHARTER OF **BOARD OF DIRECTORS**

Introduction

The board of directors (“the Board”) of Mahube Infrastructure Limited (“Mahube” or “the Company”) acknowledges the need for a board charter as recommended in the code of King IV Report on Corporate Governance for South Africa, 2016 (“King IV”) and is subject to the provisions of the *Companies Act No. 71 of 2008, as amended (“the Companies Act”), the Company’s Memorandum of Incorporation, the Listings Requirements of the JSE* and any other applicable law or regulatory provisions.

Role and Purpose

The purpose of this charter is to set out the Board’s role and responsibilities as well as the requirements for its composition and meeting procedures.

Role of the board

The board should:

1. Lead the entity ethically for sustainability in terms of the economy, environment and society, taking account its impact on internal and external stakeholders.
2. Strategically direct, control, set the values, align management to the latter and promote the stakeholder-inclusive approach of governance.
3. Ensure that each director adheres to the duties of a director.
4. Determine the strategy and strategic objectives of Mahube.
5. Ensure that the Company is and is seen to be a responsible corporate citizen.
6. Providing ethical leadership and direction to Mahube in all matters by ensuring the Company’s ethics are managed effectively through building an ethical culture, setting ethics standards, measuring adherence and incorporating ethics into its risk management, operations, performance management and disclosure.
7. Be the focal point of governance - have a charter, meet at least four times a year, monitor management and stakeholder relations and ensure that the Company survives and thrives.
8. Appreciate that strategy, risk, performance and sustainability are inseparable.
9. Ensure that Mahube has an effective and independent Audit and Risk Committee and Remuneration Committee.
10. Monitor that Mahube complies with all relevant laws, rules, codes and standards of business practice through a Compliance Framework.

11. Govern risks.
12. Be responsible for IT governance.
13. Ensure that the Company complies with laws and considers rules, codes and standards.
14. Ensure integrity of integrated reporting.
15. Report on the effectiveness of internal controls.
16. Monitor that Mahube's communications with all relevant stakeholders are open and prompt.
17. Ensure that shareholders are treated equitably and equally.
18. Act in the best interests of the Company (including managing conflicts and dealing in securities).
19. Consider business rescue proceedings as soon as the Company is distressed.
20. Elect an independent, non-executive director as chairman of the Board. If the chairman is not independent or is executive, then a lead independent non-executive director should be appointed. The Chief Executive Officer should not become chairman in the 3 years following his/her resignation as Chief Executive Officer. The number of chairmanships should be considered and there should be a chairman succession plan.
21. Appoint the Chief Executive Officer, define board's materiality, establish a delegation of authority, evaluate CEO performance and ensure a succession plan for CEO and senior executives.
22. Ensure that laws and regulations are adhered to.
23. Where necessary, seek independent advice at the Company's expense to assist them in discharging their duties.
24. Ensure that disputes are resolved effectively and efficiently.
25. Determine and set the tone of Mahube's values.

Composition of the board

1. The Board of directors to comprise of at least five directors.
2. The majority of the directors shall be non-executive directors, with the majority thereof being independent non-executive directors.
3. The Board will include a chairman and a chief executive officer, these roles will be separate.
4. The Board will appoint a lead independent, non-executive director where the chairperson is not independent to facilitate the resolution of difficulties or conflicts between executive and non-executive directors, as well as assist the chairman in fulfilling the designated tasks where required..
5. The Board will include an appropriate balance of knowledge and skills. Where directors require training, this will be provided by the Company at the Company's cost. No single director will be allowed to dominate the board.
6. The Board membership shall be large enough to ensure an adequate range of skills, knowledge, views, leadership and experience to achieve the balance necessary to meet the Board's strategic

- objectives and the resources required for conducting the business of the Board. The Board shall regularly consider whether its size, diversity and demographics make it effective;
7. In order to qualify as a Board member, proposed candidates should have adequate strategic, analytical, communication and knowledge competencies. In general, he/she should:
 - 7.1 have the ability to make informed decisions;
 - 7.2 be entrepreneurial and have business acumen;
 - 7.3 be able to appreciate the wider business picture and perspective;
 - 7.4 have integrity in personal and business dealings; and
 - 7.5 be objective at all times about what is in the best interest of the Company.
 8. The Board composition should reflect:
 - 8.1 racial and gender diversity; and
 - 8.2 diversity in respect of the relevant business, geographic and academic backgrounds;
 9. The chairman of the audit committee, also serving as an independent non-executive director on the Board, must remain truly independent and should not own shares of the Company
 10. There will be no conflict of interest between Board members or between Board members and the Company;
 11. There must be a sufficient number of directors with the appropriate skills to ensure that the Board is able to carry out its duties;
 12. Board members will be formally appointed for a period of three years and a third will be available for re-election on a rotational basis at the Company's Annual General Meeting ("AGM") in terms of the Memorandum of Incorporation of the Company.
 13. The age limit for non-executive directors is 70 years.
 14. The age limit for executive directors is 60 years, however their conditions of employment can be extended depending on the continued value derived from the executive director.
 15. A minimum of two executive directors should form part of the board, namely the Chief Executive Officer and the Chief Financial Officer, in line with the JSE Listing Requirements.
 16. The Board must annually review the independence of an independent, non-executive director who serves more than 9 years.
 17. The Board's standards for determining the independence of a director will include the requirements of the JSE Listings Requirements and King IV and are set out in this policy.
 18. Directors are required to disclose to the Board all relevant information which may affect their independence. Loss or gain of independence of a director shall be disclosed to the market immediately.
 19. The Board should appoint/remove, empower and be assisted by a competent, qualified and experienced Company Secretary (who is not a director and who is arms-length).

Responsibilities

The role of the Chairman is to:

1. Manage the board effectively and provide effective leadership in formulating strategic direction.
2. Foster and oversee that the Board leads ethically and effectively and that it conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency.
3. Make sure the Board is well informed and effective and that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the board and the Company.
4. Ensure that conflicts of interest, including policy, declarations and recusals are addressed appropriately.
5. Ensure there are processes and procedures in place to evaluate the performance of the Board and its individual members.
6. The chairman should meet with individual directors once a year to discuss their performance.
7. Represent the Company at AGMs and other shareholder meetings and particularly take the lead in discussion with shareholders at such meetings or other interventions.
8. Ensure that a formal programme of continuing professional education is adopted at Board level.
9. Act as a mentor or counsel for the Chief Executive Officer and act as mentor to the other directors to enhance their confidence.
10. Act as the link between the Board and the Chief Executive Officer on a day-to-day basis.
11. In case of a Board conflict, including a conflict amongst some members of the Board, the chairman is empowered to resolve as deemed fit, and if need be, an independent third party is to be consulted to assist in resolving such Board conflict, where necessary.

The role of the CEO is to:

1. Monitor and report performance and conformance with strategic imperatives for the Company to the Board.
2. Organise the structure of the Company to achieve its strategic plans.
3. Set the tone from the top by providing ethical leadership and creating an ethical environment.
4. Ensure that the Company complies with all relevant legislative laws and regulations.

The role of the Company Secretary is to:

1. Be secretary to the Board and sub-committees of the Board.
2. Reporting to the Company's board any failure on the part of the Company or a director to comply with the Memorandum of Incorporation, rules or the Companies Act.
3. Ensuring that minutes of all shareholder meetings, Board meetings and the meetings of any Board sub-committees, or of the Company's audit committee, are properly recorded in accordance with the Companies Act,
4. Certifying in the Company's annual financial statements whether the Company has filed required returns and notices in terms of the Companies Act.

5. Ensuring that a copy of the Company's annual financial statements is sent to every person who is entitled to it.
6. Ensuring that a person is responsible for compliance by the Company with the transparency and accountability provisions set out in s33(3) of the Companies Act relating to annual returns.
7. Ensure that the directors are aware of the requirements of a listed entity and update the directors on any changes in statutory matters.
8. Providing the directors of the Company with guidance as to their duties, responsibilities and powers.
9. Co-ordinate the necessary training for the Board.
10. Maintain the register of interests of the Board.
11. Assist the nomination committee, if applicable.
12. Facilitate training; provide guidance to the board.
13. Keep the Board and Board sub-committee terms of reference current.
14. Prepare and circulate Board papers; assist communication into and around board meetings.
15. Assist evaluations of the Board, Board sub-committees and individual directors.

Powers and Responsibilities

The Board:

1. Is responsible for approving the strategic direction of the Company and the budgets necessary for the implementation thereof.
2. Is the guardian of the values and ethics of the Company.
3. Is responsible for appointing the Chief Executive Officer and the removal thereof in terms of the Memorandum of Incorporation.
4. Shall elect the Chairman and shall be further ratified and confirmed by the shareholders at the AGM.
5. Retains full and effective control of the Company.
6. Monitors the management and the implementation of the corporate vision and always ensures that there is compliance with the letter and the spirit of the law.
7. Communicates with shareholders openly and timeously throughout the year.
8. May delegate responsibility to an executive committee or Board sub-committee/s and ensure clarity of mandate and effectiveness of such committees.
9. Determines the strategy of the Company and compliance thereof.
10. Ensures that internal controls are implemented.

As a rule, the board will not delegate the following:

Financial Responsibilities

1. Adoption of any significant change or departure in the accounting policies and practices of the

Company.

2. Approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
3. Approval of annual financial statements, the approval of interim reports, the declaration of dividends and the forfeiture of unclaimed dividends.
4. Recommendation to shareholders of any increase, reduction or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any share incentive scheme).

Statutory and Administrative

1. Recommending amendments to the Memorandum of Incorporation of the Company.
2. Appointment, removal or replacement of the external auditor of the Company.
3. Frequency of meetings of the Board.
4. Convening of general meetings of shareholders of the Company.
5. Prosecution, defense or settlement of legal or arbitration proceedings where material and except in the ordinary course of business.
6. Approval of the rules and amendments to pension and provident funds having a material effect on the actuarial liabilities of those funds.
7. Appointment and removal of the Company Secretary.
8. Variation of the rights attaching to shares where such powers are vested in the directors.
9. Formulation and amendment of the Company's code of conduct.

Regulatory

1. Approval of terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions.
2. Approval of and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents.
3. Recommending to shareholders that they approve any ordinary or special resolutions in respect of the Company.
4. Recommending that the shareholders take a particular course of action proposed by the Company.
5. Any decision to list the Company's shares on any stock exchange or the termination of any such listing.

Human Resources

1. Appointments to and removals from the Board including the appointment of the chairman, any deputy chairman, chief executive, executive directors and non-executive directors, and the approval of nomination of the alternate directors (if any).

2. Appointment of, terms of reference and changes in the composition of the executive, audit, remuneration/nomination and such other committees as the Board may appoint from time to time.
3. Any increase of directors' fees as recommended by the remuneration committee, for recommendation and submission to shareholders for approval.
4. Approval of any share or other incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the remuneration committee, for submission to shareholders, if applicable.

Independent, Non-Executive Directors

Independent, non-executive directors meet the following criteria for independence –

1. They are not involved in the day-to-day management of the Mahube's business or have been so involved at any time during the previous financial year.
2. They are not a prescribed officer, or full-time executive employee, of the Company or another related or inter-related company or have been such an officer or employee at any time during the previous three financial years.
3. They are not a material supplier or customer of the Company, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality and objectivity of that director is compromised by that relationship.
4. They are not related to any person contemplated above.

The criteria which are likely to affect directorial independence include:

Whether or not a particular director:

1. Is a significant provider of financial capital, or ongoing funding to the organization; or is an officer, employee or a representative of such provider of financial capital or funding;
2. If the organisation is a company, participates in a share-based incentive scheme offered by the company;
3. If the organization is a company, owns securities in the company, the value of which is material to the personal wealth of the director;
4. Has been in the employ of the organisation as an executive manager during the preceding three financial years, or is a related party to such an executive manager;
5. Has been designated external auditor responsible for performing statutory audit for the organisation, or a key member of the audit team of the external audit firm, during the preceding three financial years;
6. Is a significant or ongoing professional advisor to the organisation, other than a member of the governing body;
7. Is a member of the governing body or the executive management of a significant customer of, or supplier to, the organisation;
8. Is a member of the governing body or the executive management or another organisation which is a related party to the organisation; or

9. Is entitled to remuneration contingent on the performance of the organisation.

Delegation

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.

Meeting Procedures

Format

Board meetings may also be conducted by electronic communication, provided all persons participating in the meeting are able to communicate concurrently with each other and to participate effectively in the meeting.

Frequency

The Board will meet at least four times per year. Additional meetings will be held as and when necessary.

Attendance

Board members are expected to attend all scheduled meetings, including meetings called on an *ad-hoc* basis for special matters.

Agenda and Minutes

1. The Board should 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.
2. A detailed agenda, together with supporting documentation, will where appropriate be circulated at least 3 working days prior to the meeting to the members of the Board.
3. The company secretary in conjunction with the Chief Executive Officer and chairman will establish the agenda for each Board meeting. Standing items will include financial reports, disclosure compliance and notification of directors' relevant interests. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting, unless such a director or directors have a conflict of interest pertaining to the matter, as defined in the Companies Act, common law and any other applicable legislation.
4. Comprehensive minutes of the meetings will be kept.
5. The company secretary will assist the directors in ensuring that they comply with the law and good corporate governance at all times.
6. In the case of a tied vote, the chairman may not cast a deciding vote, even if the chairman did not initially have or cast a vote, and the matter being voted on shall fail.
7. A round robin resolution of directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted, provided that each director who is able to receive notice, has received notice of the matter to be decided. Such a resolution shall be

inserted in the minute book and may consist of several documents.

Quorum

A quorum for a directors' meeting is a majority of all directors who hold office, excluding alternate directors. Other members of management, assurance providers and professional advisors may be in attendance at meetings, but by invitation of the chairman of the meeting only and they may not vote on any matter.

Evaluation

1. Evaluation of the Board, its sub-committees and individual directors, including the chairman, must be performed every year to ensure that such evaluations of performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness.
2. Directors standing for re-election on a three-year cycle will have their performance evaluated by their fellow directors in a process co-ordinated by the chairman.
3. Individual feedback will be given to each director as their evaluation is completed.

Duty to avoid a conflict of interest

At the commencement of each meeting, a director should declare any conflict of interests in respect of a matter on the agenda. The company secretary is to maintain a declaration of interests' register, to be completed by each director and updated regularly. Directors with personal financial interests and/or conflicts of interest are not allowed to vote or participate in the consideration of the matter. A director may not place himself in a position where he has a personal interest conflicting or potentially conflicting with his duty to act in the best interests of the Company. Duties that flow from this duty are-

1. Duty to disclose any interest in a contract with the company

Directors have both a common law and statutory duty (section 75 of the Companies Act) to disclose to the Company any interest that they have in a contract with the Company. At common law the rule is that, unless the Memorandum of Incorporation of the Company provides otherwise, a director cannot have an interest in a contract with the Company, whether direct or indirect, unless the Company in a general meeting approves the contract after disclosure to it of his interest and full particulars thereof.

This rule is an addition to the obligations of the director under section 75 of the Companies Act, to disclose interests in contracts.

2. *Duty to be free of conflict of interest*

Gaia Infrastructure Partners Proprietary Limited (“Gaia IP”) is the investment manager of the Company. The investment manager has a duty to source and evaluate suitable investments on behalf of the Company in accordance with the shareholder-approved investment policy and recommend such investments to the Company.

A conflict of interest arises wherein directors of GAIA IP are also directors of the Company as a result of a dual role of the Manager, being GAIA IP, and the client, being the Company. In terms of section 4.9 of the JSE Listings Requirements, the Company must ensure that each of the directors are free of any conflict of interest between the director’s duties to the Company and his/her private interests.

Directors who are also members of the investment committee of Gaia IP are not entitled to vote on any proposed investments made by the investment committee and therefore only members of the Board of Directors who do not serve as members of the investment committee of Gaia IP are eligible to vote on the Company investments.

3. *Duty to account for secret profits*

A director must account to the Company for all profits acquired by him by reason of his office, unless acquired or attained with the full knowledge and consent of the Company. The director’s liability to account for such profit arises from the mere fact that a profit has been made and in no way depends on fraud or the absence of good faith.

4. *Duty not to misappropriate corporate opportunities*

A director is under a duty to acquire economic opportunities for the Company. If, in breach of this duty, he/she acquires such an opportunity for himself/herself, the law will refuse to give effect to his intention and will treat the acquisition as having been made on behalf of the Company and the Company may consequently claim the opportunity from the director. The Company may further claim any profit the director may have made as a result of his breach of duty or damages in respect of any loss caused to the Company.

Whether a particular opportunity is one that the director should have acquired for the Company depends on the circumstances prevailing at the time. Essentially, it will have been such an opportunity where the circumstances show that he/she had a conflict of interest.

5. *Duty not to improperly compete with the company*

Since a director is not an agent of the Company, a director may, unless prohibited by agreement or the Memorandum of Incorporation, become a director, officer or employee of a competing

company, or may carry on business in competition with the Company, provided that he would not thereby place himself in a situation of conflict of interest and duty. This would depend on the circumstances of each case. A director would inevitably be in a conflict situation if he/she purported to be simultaneously managing director of each of two or more companies which are trade competitors.

Failure to comply with one's fiduciary duties constitutes a breach of trust, which gives rise to a particular form of liability not based on contract or delict. If, as a result of a director's breach of his fiduciary duty the Company suffers a loss or the director is benefited thereby, the Company may recover the amount of such loss or benefit and the transaction concerned may be set aside.

Where a director acts in breach of a fiduciary duty he/she may, depending on the circumstances, also be in breach of his/her duty of care, skill and diligence.

Approval of the Charter

The chairman of the Board was authorised to sign the Charter as the approved charter for the Board. The Charter will be due for review annually.

CHAIRMAN OF THE BOARD

Date: