

MAHUBE INFRASTRUCTURE LIMITED

**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

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1. Introduction and Purpose

- 1.1 The Board of Directors (hereinafter referred to as the “Board”) of Mahube Infrastructure Limited (hereinafter referred to as “Mahube” or as “the Company”) has resolved to establish a Committee of the Board to be known as the "Remuneration Committee" (hereinafter referred to as “the Committee”) to act in the capacity of a Remuneration Committee for Mahube and all of its subsidiaries.
- 1.2 The Committee is a committee of the Board, established to independently review and monitor the integrity of the Company's remuneration policies and implementation thereof, ensuring that the Company remunerates fairly, responsibly and transparently, as well as ensuring compliance with the statutory duties of the Committee as contained in relevant legislation.
- 1.3 The duties and responsibilities of the members of the Committee are in addition to those as members of the Board.
- 1.4 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.
- 1.5 This Terms of Reference are subject to the provisions of:
 - 1.5.1 The Companies Act and Regulations 71 of 2008 (“the Companies Act”), as amended from time to time;
 - 1.5.2 Any requirements of any other regulatory/supervisory authority (i.e. JSE Listings Requirements);
 - 1.5.3 King Report on Corporate Governance for South Africa, as amended from time to time (“King Report”); and
 - 1.5.4 Any other applicable legislation.

2. Purpose of the Terms of Reference

- 2.1 The purpose of these Terms of Reference is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.
- 2.2 Consistent with the functions set out in these Terms of Reference, the Committee should encourage continuous improvement as well as compliance with the Company's policies, procedures, and practices at all relevant levels.
- 2.3 The Committee should encourage open communication among the senior management and the Board.

3. Constitution and Tenure of Committee

- 3.1 The Committee and its Chairperson ("Committee Chairperson"), shall under the guidance of the Chairperson of the Board, and on the recommendation of the Nomination Committee, be elected and appointed by the Board.
- 3.2 The Board will determine the size of the Committee and:
 - 3.2.1 The Committee will comprise of at least 3 (three) non-executive directors of the Company, with the majority being independent non-executive directors;
 - 3.2.2 The Committee should be chaired by an independent non-executive member who is not the chair of the Board;
 - 3.2.3 The chair of the Board may be a member of the Committee; and
 - 3.2.4 The members of the Committee as a whole must have sufficient qualifications and experience to fulfill their duties.
- 3.3 The Board shall determine the period for which the Chairperson and Committee members shall hold office;
- 3.4 A Committee member, who holds office as a director of the Board, will automatically cease to be a member of the Committee upon resignation from the Board;
- 3.5 A member may resign at any time by giving due notice to the Company Secretary and the Chairperson of the Board.

4. Role

- 4.1 The Committee has an independent role, operating as an 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 remain the responsibility of the executive directors, officers and other members of the Senior Management.
- 4.2 The role of the Committee is to assist the Board to ensure that:
 - 4.2.1 the Company remunerates directors and executives fairly and responsibly;
 - 4.2.2 the disclosure of the fees of the directors' remuneration is accurate, complete and transparent; and
 - 4.2.3 an effective remuneration policy is in place, aligned with the company's strategy, King Report requirements and is applied consistently throughout the organisation at all employee levels.

5. Responsibilities

- 5.1 The Committee must perform all the functions necessary to fulfill its role as stated above and including the following:
 - 5.1.1 Oversee the setting of remuneration quanta and terms and conditions for fixed and variable pay at all levels in the Company, but especially at senior executive, prescribed officer and Board level;
 - 5.1.2 Ensuring that the Group's directors and senior managers are fairly and responsibly rewarded for their individual contributions to the Company's overall performance.
 - 5.1.3 Oversee the establishment of a remuneration framework and policy that will promote the achievement of strategic objectives and encourage individual performance in line with Board objectives;
 - 5.1.4 Ensure that the remuneration policy is put to a non-binding advisory vote at the general meeting of shareholders once every year;
 - 5.1.5 Formulate and recommend to the Board the remuneration of non-executive directors, for final approval by shareholders;

- 5.1.6 Manage stakeholder relations with investors and other stakeholders deemed appropriate on remuneration matters before and at the annual general meeting and throughout the year;
- 5.1.7 Review the outcomes of the implementation of the remuneration policy as to whether the Board's set objectives are being achieved;
- 5.1.8 Ensure that the structure and mix of fixed and variable pay, in cash, shares and other elements, meets the Company's needs and the Board's strategic objectives;
- 5.1.9 Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- 5.1.10 Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- 5.1.11 Consider the results of the evaluation of the performance of the Chief Executive Officer ("the CEO") and other executive directors, both as directors and as executives, in determining remuneration;
- 5.1.12 Select an appropriate comparator group when comparing remuneration levels and ensure that fixed and variable pay are compared favorably against relevant market comparators on a regular basis to establish compliance with the remuneration policy and strategy;
- 5.1.13 Regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- 5.1.14 Consider the appropriateness of early vesting of share-based schemes at the end of employment;
- 5.1.15 Liaise with other relevant in the broader context of risk, disclosure and social responsibility matters;
- 5.1.16 Liaise with the Nominations Committee and the Board on succession plans for Senior Management;

6. Reporting

- 6.1 The Committee Chairperson shall report to the Board at the first Board meeting following the last Committee meeting on the activities of the Committee.
- 6.2 The Committee shall report on an annual basis to the shareholders through the Integrated Annual Report on the following items:
 - 6.2.1 The Committee's overall role and associated responsibilities and function.
 - 6.2.2 Its composition, including each member's qualifications and experience.
 - 6.2.3 Any external advisers or invitees who regularly attend Committee meetings.
 - 6.2.4 Key areas of focus during the reporting period.
 - 6.2.5 The number of meetings held during the reporting period and attendance at those meetings.
 - 6.2.6 Whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.
 - 6.2.7 a clear explanation of how the remuneration policy has been implemented for the reporting period.
- 6.3 The Committee Chairperson shall attend the Company's annual general meeting to answer relevant questions posed by shareholders

7. Authority

- 7.1 The Committee's authority is derived from the delegated authority from the Board as contemplated in these Terms of Reference and in accordance with section 72(1)(b) of the Companies Act.
- 7.2 The Committee is authorised by the Board to investigate any activities within the scope of these Terms of Reference and to seek any information it requires from any employee, the Chairperson of any Board or statutory committees of the Company, any of the Company's executive directors, Company officers, the Company Secretary or assurance providers, and all these parties are required to co-operate with any requests made by the Committee, to provide it with information or explanations necessary for the performance of its functions.

- 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 other subcommittees and may delegate authority to one or more designated members of the Committee.
- 7.5 The Committee has the right to obtain independent professional advice to assist with the execution of its duties, at the Company's cost, subject to following a Board approved process.
- 7.6 Aside from as set out herein, the Committee has no ultimate decision-making authority, it provides oversight and makes recommendations to the Board in respect of the matters within the scope of the Committee's functions as set out in these Terms of Reference for the Board's consideration and, if the Board considers it appropriate, ultimate approval.

8. Procedures of the Remuneration Committee

8.1 Frequency

The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these Terms of Reference but subject to a minimum of two meetings per year.

Meetings in addition to those scheduled may be held at the request of the CEO or other members of Senior Management or at the instance of the Board or a member of the Committee.

The Chairperson of the Committee will also usually meet separately with the CEO or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

8.2 Attendance

8.2.1 Other members of Senior Management as may be required, assurance providers, professional advisors and Board members may be in attendance at Committee meetings, but by invitation only and they may not vote. These executives are required to leave the meeting when their remuneration is discussed.

- 8.2.2 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 Chairperson or Company Secretary.
- 8.2.3 The Company Secretary is the secretary of this Committee.
- 8.2.4 If the nominated Chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairperson.
- 8.2.5 Meetings may be held in person, by telephone, videoconference or other form of electronic means that would prove efficient, provided that the required quorum is met. All persons shall be deemed to be present at the meeting.

8.3 Agenda and Minutes

- 8.3.1 The procedure to be followed for the convening of meetings, notice of meetings, and preparing agendas and minutes of meetings (to the extent not regulated in these Terms of Reference) will be determined from time to time and managed by the Company Secretary, in consultation with the Committee Chairperson and the Board.
- 8.3.2 The Committee must establish an annual work plan for each year to ensure that all relevant matters are considered at the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in this Terms of Reference. Important matters will be considered by the Committee annually while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 8.3.3 To the extent reasonably practicable, Committee papers will be circulated to all Committee members and invitees at least one week before the meeting and full and appropriate information will be supplied to Committee members by way of succinct position papers or reports with the Committee pack to enable Committee members to form an opinion on the issues on the agenda prior to the meeting and, if necessary, to request additional information before the meeting. Additional documentation may be circulated to Committee members prior to the

Committee meeting and will, to the extent applicable and appropriate, be clearly labelled to indicate that such documentation constitutes additional but non-essential reading.

Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

8.3.4 The Company Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.

8.3.5 The Company Secretary shall circulate the minutes of the meetings as soon as possible after the meeting to the Chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

8.3.6 Minutes of the Committee meetings, signed by the Chairperson, shall be sufficient evidence that the matters referred to therein have been fully considered and discussed by the Committee, whether by way of a formal meeting or otherwise.

8.4 **Quorum**

8.4.1 A quorum for meetings is a majority of members of the Committee present in person or *via* telecom facilities.

8.4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

8.4.3 A decision shall be considered passed if the majority of Committee members present (in person or by telecom facilities) vote in favour of a resolution.

8.4.4 A majority of the votes cast on a Committee resolution is sufficient to approve that resolution and, in the case of a tied vote, the Committee Chairperson shall not have a casting vote and the matter being voted on fails.

8.4.5 A Committee resolution in writing (round robin resolution) signed by the majority of the Committee members shall be as valid and effectual as if it had been passed at a Committee meeting.

8.4.6 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

9. Evaluation

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

10. General

10.1 The Committee members are obliged to disclose to the Committee in writing any personal financial interest (as contemplated in section 75 read with section 1 of the Companies Act) and any other interests they have within or outside the Company and the Group that may be of interest to the Company or that may interfere or conflict with the performance of their duties as members of the Committee; provided that this is not applicable to any Committee members to the extent that they are directors of the Company and have disclosed such interests in accordance with paragraph 11 of the Board Charter and section 75 of the Companies Act.

11. Approval of these Terms of Reference

11.1 The Committee shall review its Terms of Reference annually and amend them as appropriate, subject to approval from the Board.

11.2 These Terms of Reference was recommended by the Committee and approved by the Chairperson of the Board and the Chairperson of the Committee on _____ and will be due for review in 2021.

Signed by the Chairperson of the Board on _____ 2020 at _____.

Chairperson of the Board

Signed by the Chairperson of the Committee on _____ 2020
at_____.

Chairperson of the Committee