

**Safari Investments RSA Ltd.**

(the "Company")

**Remuneration and Nominations Committee Terms of Reference**

**As approved by the Board on 25 March 2014**

As amended by the Board on \_\_\_\_\_

Definitions:

"the Committee" shall mean the Nominations and Remuneration Committee.

"the Board" shall mean the Board of Directors of the Company.

"the Company or Group" shall mean Safari Investments (RSA) Limited and its subsidiaries.

**1. MEMBERSHIP AND AUTHORITY**

1.1 The members of the Committee shall be appointed by the Board and shall consist of at least three members, all of whom should be non- Executive Directors of the Company with the majority of them being independent. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as chairman, but may not be the chairman of this Committee. Appointments to the Committee shall be for periods of three years, which may be extended for two further three-year periods, provided such Directors remains independent.

1.2 The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any Director, employee or professional adviser (subject to paragraph 1.3 below) of the Company or any subsidiary of the Company (the "Group") (where the term "subsidiary" shall be as defined by the IFRS). It is authorised to call any employee to be questioned at a meeting of the Committee as and when required. All Directors, employees or professional advisers (subject to paragraph 1.3 below) of the Company are directed to co-operate with any such request made by the Committee.

1.3 If the Committee considers it necessary so to examine any activity within its terms of reference, it is authorised to obtain appropriate external professional advice including, without limitation, legal, taxation and accounting advice and the advice of independent remuneration consultants to assist it in the performance of its duties, to secure the services of outsiders with relevant experience and expertise and to invite such persons to attend at meetings of the Committee. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

1.4 Each member of the Committee shall disclose to the Committee:

- (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
- (b) any potential conflict of interest arising from a cross-Directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent himself from all or part of the meeting of the Committee in question.

**2. COMPOSITION AND MEETINGS**

**2.1 Secretary and Quorum**

2.1.1 The secretary of the Committee shall be the Company Secretary or such other person as the Committee may appoint.

2.1.3 A quorum shall consist of two members, both of whom must be independent. 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. Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

2.1.4 The members from time to time may appoint alternates to act in their absence, if and when necessary, provided that the person appointed by an independent Non-Executive Director is also an independent Non-Executive Director of the Company.

2.1.5 Membership of the Committee shall be noted in the annual report of the Company.

**2.2 Attendance at Meetings**

2.2.1 Only members of the Committee have the right to attend Committee meetings. However, the Committee may ask other individuals such as the Finance Director, Chief Executive Officer, the head of human resources, any other member of the Board and/or

external advisers to attend all or part of any meetings either regularly or by invitation, but such persons have no right of attendance.

- 2.2.2 No member of the Board shall participate at a meeting of the Committee (or during the relevant part) at which any part of his / her remuneration (including his options) is being discussed or participate in any recommendation or decision concerning his / her remuneration (including his options).

### 2.3 Frequency of Meetings

The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Any member of the Committee may at any time convene a meeting of the Committee by notice in writing to the secretary of the Committee who will then notify the other members of the Committee in accordance with paragraph 2.5 below.

### 2.4 Voting at Meetings

Subject as provided in paragraphs 1.4 and 2.2.2, each member of the Committee shall have one vote. In the event of an equality of votes, the Chairman of the Committee shall have a second or casting vote (again subject as provided in paragraphs 1.4 and 2.2.2 above). In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their numbers to chair the meeting.

### 2.5 Notice of Meetings

The secretary of the Committee shall circulate a notice of any meeting of the Committee confirming the venue, time and date of the meeting and enclosing the agenda of business to be covered at the meeting not less than five working days before each meeting of the Committee, to all members of the Committee, all other Non-Executive Directors and any other person required to attend. Supporting papers shall be sent to the Committee members and to other attendees as appropriate, at the same time.

### 2.6 Minutes of Meetings

- 2.6.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 2.6.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 2.6.3 The secretary of the Committee shall within 15 working days of the date of the Committee meeting circulate the minutes of Committee meetings to all members of the Committee and the Chairman of the Board and finalised minutes of the meetings of the Committee will be circulated to the members of the Board as part of the Board papers for each full meeting of the Board, unless a conflict of interest exists.

- 2.6.4 Any substantial recommendations of the Committee minutes must be approved by the Board before they can be implemented.

### 2.7 Annual General Meeting

The Chairman of the Committee (or another member of the Committee nominated by the Chairman) shall attend each annual general meeting of the Company and be available to answer shareholders' questions.

## 3. DUTIES

The Committee shall:

- 3.1 determine and agree with the Board the framework or broad Policy for the remuneration of the Company's Executive Directors and, if required by the Board, senior management of the Group. The Committee shall investigate and report to the Board on remuneration of Non-Executive Directors but the formal recommendation to shareholder on the remuneration on Non-Executive Directors shall be a matter for the Board. In order to assure its independence, the Committee will also review and recommend to the Board the remuneration of the Company Secretary. No Director or manager shall be involved in any decisions as to his or her own remuneration;

- 3.2 in determining the framework or broad Policy for the remuneration of Executive Directors, the Company Secretary and (if required) senior managers the Committee should consider:-

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| (a) | Purpose:                | How it supports the Company's short and long term strategic objectives;  |
| (b) | Operation:              | How each element of remuneration operates, including whether claw backs are possible;  |
| (c) | Performance metrics:    | A summary of the performance metrics, relative weighting and time period over which they are measured;   |
| (d) | Max. & Min. thresholds: | Set out, in graphical form, what the Directors will receive for threshold, maximum and below-threshold performance; including bonuses, incentive payments and share options or other share awards; |
| (e) | Other factors:          | How spend on pay relates to other factors, such as the percentage change in profit, dividends and overall expenditure on pay in the reporting year;  |

- (f) Framework of Termination payments including:
    - (i) How each element of pay will be dealt with when calculating the exit payment;
    - (ii) Whether the company will distinguish between different types of leaver;
    - (iii) How performance will be taken into account;
  - (g) Employees: How the remuneration Policy for Directors is different to that of other employees and if so why; and
  - (h) Shareholders: How shareholders' views are taken into account in setting the remuneration Policy.
- 3.3 in determining the framework or broad Policy for the remuneration of Executive Directors, the Company Secretary and (if required) senior managers, take into account such factors which it deems necessary to ensure that members of the Executive management of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- 3.4 develop, recommend, implement and review the on-going appropriateness and relevance of the Remuneration Policy and philosophy. In this regard the Committee should ensure that the remuneration philosophy and strategy reflect the interest of stakeholders, is comparable with the general remuneration environment in the sector, and complies with relevant principles of good corporate governance;
- 3.5 within the terms of the agreed Policy and in consultation with the Chairman of the Board and/or Chief Executive as appropriate, determine the total individual remuneration package of each Director, the Company Secretary and other senior managers including bonuses, incentive payments and share options or other share awards;
- 3.6 in considering and determining the remuneration of Executive Directors, the Company Secretary and (if required) other senior managers, the Committee shall have regard to all elements of remuneration, including without limitation:
- (a) base salary and fees;
  - (b) performance-related payments (including profit-sharing schemes and dividends received in cash over the vesting period of long term incentives and deferred awards);
  - (c) discretionary payments including compensation payments;
  - (d) pensions contributions;
  - (e) benefits in kind;
  - (f) bonus payments; and
  - (g) all forms of long term incentive schemes,
  - (h) any applicable claw back provisions and in making such determination shall give due regard to any relevant legal or regulatory requirements, the provisions and recommendations of the King IV (Code of Corporate Practices in South Africa, representing principles of good corporate governance as laid out in the King Report, as amended from time to time) and the Listing Requirements ("the Code") of the JSE and associated guidance.
- 3.7 consider and determine the other provisions of the service agreements of Executive Directors, the Company Secretary and (if required by the Board) senior managers (in particular, the term of their agreement, the length of any notice period, termination payments and compensation commitments);
- 3.8 approve the design of, determine targets for, and monitor, any performance related pay schemes operated by the Company, approve the total annual payments under such schemes and review and note annually the remuneration trends across the Company or Group and require the Board, when appropriate, to seek shareholder approval for any long-term incentive arrangements;
- 3.9 oversee any major changes in employee benefit structures throughout the Group;
- 3.10 administer all aspects and review the design of any form of share incentive scheme operated by the Company from time to time, including (subject always to the rules of any such scheme and any shareholder applicable legal and regulatory requirements):
- (a) the selection of those eligible Executive Directors and employees of the Group to whom awards should be granted;
  - (b) the timing of any such grant;
  - (c) the numbers of shares over which awards are to be granted;
  - (d) the exercise price at which awards are to be granted;
  - (e) the imposition of any objective condition which must be complied with before any awards may be realised;
  - (f) any changes to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
  - (g) liaising with the trustee of any trust created by the Company for the benefit of employees or Directors; and
  - (h) the adoption of new or replacement schemes and the rules of such schemes;
- 3.11 agree the authorising Policy for the reimbursement of any claims for expenses from the Directors or Company Secretary of the Company;
- 3.12 report to shareholders annually on behalf of the Board on matter involving the Remuneration Policy of the Company;
- 3.13 have regard in the performance of the above duties to any published guidelines or recommendations regarding the remuneration of Directors of companies whose shares are traded on a recognised stock exchange, and also to the comments and recommendations of the Code and associated guidance which the Committee considers relevant or appropriate;

- 3.14 consider and make recommendations to the Board concerning the disclosure of details of remuneration packages, structures, Policy and pensions in addition to those required by law or, where relevant or appropriate, by the Code and ensure that all provisions regarding disclosure of remuneration, including pensions are fulfilled;
- 3.15 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations;
- 3.16 consider and determine the terms of any compensation commitments (including pension contributions and all other elements) or severance arrangements in the event of termination of the contract of any Executive Director, the Company Secretary and senior manager (if required), and that any payments made are fair to the individual and to the Company with a view to avoiding rewarding poor performance and ensuring that the duty to mitigate loss is fully recognised;
- 3.17 make recommendations to the Board of the items that should be published in the Company's Integrated Annual Report relating to the membership of the Committee, number of meetings of the Committee and attendance at those meetings over the course of the year;
- 3.18 determine the Policy for, and scope of, pension arrangements for each Executive Director and, if required by the Board, the Company Secretary and senior management of the Group;
- 3.19 review the structure, size composition (including skill, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regards to any changes or training that may be required;
- 3.20 give full consideration to succession planning for Executive Directors, specifically the Chief Executive Officer and Financial Director in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
- 3.21 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 3.22 before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:-
  - 3.22.1 Use open advertising or the services of external advisers to facilitate the search;
  - 3.22.2 Consider candidates from a wide range of backgrounds; and
  - 3.22.3 Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.
- 3.23 Keep under review the leadership needs of the organisation with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
- 3.24 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 3.25 Review on an annual basis the performance of the Board, individual Directors, the Company Secretary and, if required, members of the senior management team; and
- 3.26 Consider the results of the performance evaluations of individuals and Board sub-committees and make recommendations to the Board to take steps to remove Directors or amendments to sub-committee membership should the Director or sub-committee not make appropriate contributions; and
- 3.27 Monitor the criteria against which the performance of the Executive Directors, Company Secretary and senior management are evaluated in discharging their functions and responsibilities and make formal recommendations to the Board on incentive bonuses;
- 3.28 Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings; and
- 3.29 Monitor the implementation of an induction programme for new Directors;
- 3.30 Monitor the development of inexperienced directors through mentorship programmes; and
- 3.31 The Committee shall also make recommendations to the Board concerning:

- 3.31.1 Formulating plans for succession for Non-Executive Directors and in particular for the role of Chairman;
  - 3.31.2 Suitable candidates for the role of senior independent Director;
  - 3.31.3 Membership of the Audit and Risk Committee in consultation with the Chairman of that Committee;
  - 3.31.4 The re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regards to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 3.31.5 The re-election by shareholders of any Director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; and
- 3.28 The Committee will review, investigate and recommend any other matter as delegated by the Board from time to time.

#### **4. REPORTING RESPONSIBILITIES**

- 4.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 4.3 The Committee shall produce a report by the Committee for the Integrated Annual Report of the Company on matters relating to the functioning and work done by the Committee on remuneration of the Board and senior management and board composition, functionality, assessments and succession and practices which will form part of the Company's Integrated Annual Report and Accounts and ensure that it is put to shareholders for approval at the annual general meeting of the Company, as required.

#### **5. GENERAL**

- 5.1 The Committee shall:
  - 5.1.1 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
  - 5.1.2 the Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval and report on whether the objectives of the Committee and its Policies have been achieved;
  - 5.1.3 the Committee shall make available its terms of reference for inspection on the website and at the registered office of the Company; and
  - 5.1.4 any of the terms set out in this document may be varied by a majority resolution of the Committee.