

# **METAIR INVESTMENTS LIMITED**

**Registration No. 1948/031013/06**

**(“Metair or the Company”)**

## **INVESTMENT COMMITTEE**

### **TERMS OF REFERENCE**

#### **1.0 INTRODUCTION AND PURPOSE OF THE TERMS OF REFERENCE**

The Investment Committee (“the Committee”) has been established as a Board committee in accordance with Article 27 of the Company's Memorandum of Incorporation and section 72 of the Companies Act No 71 of 2008.

#### **2.0 PURPOSE AND MANDATE OF THE COMMITTEE**

The objective of the Committee is to assess individual capital projects and investment and divestment opportunities to ensure that investments, divestments and financing proposals are in accordance with Metair’s primary objective to serve the company and of creating shareholder value on a sustainable basis.

The Committee has an independent role, operating as an overseer with accountability to the Board. It shall make recommendations to the Board for consideration and approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management. In the execution of their duties, Committee members must apply the “Standards of conduct of directors” as set out in section 76 of the Companies Act, 2008 (“the Act”) and “Director’s personal financial interests” as set out in section 75 of the Act.

The 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. 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 legal obligations.

### **3.0 COMPOSITION**

#### **3.1 Membership and Quorum**

- 3.1.1 The Committee shall consist of at least four members provided that there shall always be a majority of non-executive directors. The Metair Financial Director shall be a member of the Committee.
- 3.1.2 The Committee's Chairperson shall be appointed by the Board and shall be a non-executive director.
- 3.1.3 The Board must fill vacancies on the Committee within 40 (forty) days after the vacancy arises.
- 3.1.4 If a member is unable to act for any reason, the Chairperson of the Committee may co-opt another non-executive director as an additional member.
- 3.1.5 The quorum for the transaction of business shall be the majority of members present at each meeting. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.
- 3.1.6 The Committee must collectively have sufficient qualifications and experience to fulfil its duties.
- 3.1.7 The Committee members must keep up-to-date with key developments affecting their required skill set and their duties as members of the Committee.

#### **3.2 Secretary**

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

In the event that the Secretary is absent from any meeting, the Committee shall designate any member of the Secretarial department or any officer or employee of the Company to act as Secretary

### **4.0 MEETING PROCEDURES**

#### **4.1 General**

The meetings and proceedings of the Committee shall be governed, *mutatis mutandis*, by the provisions of Article 18 of the Memorandum of Incorporation regulating the meetings and proceedings of the directors, so far as they are applicable and are not superseded by any of the conditions laid down in these

terms of reference. Notice of the time and place of every meeting shall be given in writing or verbally and delivered personally or given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.

## **4.2 Frequency of Meetings**

- 4.2.1 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. These meetings shall be convened by the Secretary of the Committee at the request of its Chairperson.
- 4.2.2 Additionally, with the approval of the Chairperson, meetings in addition to those scheduled may be held at the request of the Chief Executive Officer or Executive Director – Chief Financial Officer or the Executive Sponsor of the Committee.

## **4.3 Agenda and Minutes**

- 4.3.1 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 annual work plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be attended to each year 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 work plan.
- 4.3.2 With the approval of the Chairperson, meetings in addition to those scheduled may be held at the request of the Metair Chief Executive Officer or at the instance of the Board.
- 4.3.3 The Secretary of the Committee shall prepare an agenda for all meetings, to be agreed by the Chairperson. The agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.
- 4.3.4 The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and to the members of the Committee (at the request of the Chairperson) for review before the next scheduled meeting.
- 4.3.5 The minutes must be formally approved by the Committee at its next

scheduled meeting.

#### 4.4 **Attendance and Participation at Meetings**

- 4.4.1 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.
- 4.4.2 The Secretary shall determine, at the beginning of each meeting, the existence of any conflicts of interest and minute these accordingly.
- 4.4.3 The Committee may invite any person it deems appropriate to attend any of its meetings.
- 4.4.4 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.
- 4.4.5 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 the chairperson.
- 4.4.6 Any director (whether or not a member of the Committee) shall be entitled to attend the meetings of the Committee.
- 4.4.7 The Metair Chief Executive Officer, Metair Financial Director (if they are not members of the Committee) and other senior management as may be required and professional advisors may be in attendance at the Committee's meetings by invitation and they may not vote.
- 4.4.8 The Chairperson of the Committee shall have the right to exclude from the meeting, or from any item on the agenda, any executive should in his opinion, a conflict of interest become evident.

#### **5.0 AUTHORITY OF THE COMMITTEE**

The Committee is authorised by the Board:

- 5.1 To investigate any activity within its Terms of Reference.
- 5.2 To seek any information it requires from any employee.
- 5.3 To access the company's records, facilities and any other resources necessary to discharge its duties and responsibilities subject to following Board approved process.
- 5.4 To obtain external legal or other independent professional advice, including external financial and/or legal advisers that it determines necessary to permit it to carry out its duties at the Company's expense, subject to the Board approved

process being followed. To instruct external professional advisers to attend any meeting if it considers this necessary or appropriate.

## **6.0 ROLES AND RESPONSIBILITIES OF THE COMMITTEE**

Without limiting the generality of the overall mandate (as set forth above under “Purpose and Mandate of the Committee”), the Committee’s roles and responsibilities include the following, and shall include such other roles and responsibilities as may be necessary to permit it to fulfil its overall mandate.

- 6.1 It shall be the responsibility of the Committee to satisfy itself that Metair’s project and investment evaluation guidelines, which must include appropriate strategic, operational, financial and sustainability guidelines, and other procedures for the allocation of capital are consistently and properly applied.
- 6.2 The Committee’s duties are to:
  - 6.2.1 review and evaluate all investment (and related financing), divestment, corporate restructuring and financing proposals which exceed the delegated authority levels of the Executive Committee and which require prior approval of the Board;
  - 6.2.2 carry out post-completion reviews of the projects referred to in 6.2.1 and any other projects the Committee deems necessary;
  - 6.2.3 review and, if necessary, evaluate all capital investment and disposal requests submitted by management in order to satisfy itself that such requests meet with Metair’s investment guidelines;
  - 6.2.4 report to the Board on the matters set out in 6.2.1, 6.2.2 and 6.2.3 as and when required and at least bi-annually; and
- 6.3 On bi-annual basis the Committee shall review capital expenditure.
- 6.4 Review on a bi-annual basis, or at intervals that the Committee may deem appropriate, activities of the Group’s corporate finance function to enable it to assess investment, divestment and, where applicable, corporate and financial restructuring opportunities and processes related thereto and make appropriate recommendations to the Board for consideration.
- 6.5 Review, on an annual basis, the Group’s project evaluation guidelines to ensure they remain appropriate.
- 6.6 The Committee is empowered to monitor investment and disposal decisions by the Executive Committee.
- 6.7 Perform such other duties as may be assigned by the Board from time to time.

Refer to the attached capital allocation authority levels.

## **7.0 DELEGATION OF DUTIES AND RESPONSIBILITIES**

The Committee may delegate any of its duties or responsibilities, as it deems appropriate, to any of its members or sub-committee of its members, to such other persons, subject to the Committee's direction and supervision, and with the express condition that the Committee retains full and exclusive authority over and responsibility for any activities of such other person or persons. Nothing contained in this paragraph shall be construed to confer upon any such person any discretion, authority or control respecting any matter, unless expressly authorised in writing.

## **8.0 REMUNERATION OF COMMITTEE MEMBERS**

- 8.1 Having regard to the functions performed by the members of the Committee in addition to their function as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Memorandum of Incorporation of the Company, members of the Committee shall be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- 8.2 The Chairperson of the Committee shall, in addition to his/her remuneration as member, receive a further sum as determined by the Board.
- 8.3 Such special remuneration in terms hereof shall be in addition to the annual fees payable to directors.

## **9.0 REPORTING BY THE COMMITTEE**

The Chairperson of the Committee shall report, at the first regularly scheduled Board meeting following the Committee meetings, on any material matters emanating from the proceedings of the Committee, and shall include any decisions taken on behalf of the Board.

## **10.0 EXPENSES OF THE COMMITTEE**

The Company shall pay all the expenses reasonably incurred by the Committee.

## **11.0 EVALUATION OF THE COMMITTEE**

- 11.1 The Committee must perform a review and evaluation, at least annually, of the performance of the Committee and its members, including an evaluation of the

compliance of the Committee with these terms of reference.

- 11.2 In addition, the Committee shall review and reassess, at least annually, the adequacy of these terms of reference and recommend any improvements that the Committee considers necessary to the Board, following recommendations to be made by the secretary of the Committee.
- 11.3 The Committee may conduct such evaluations and reviews in such manner as it deems appropriate.
- 11.4 The Board must annually perform an evaluation of the Committee's performance in terms of its composition, mandate and effectiveness.

*Date of Approval by the Metair Board – 30 November 2016*

*Amended by the Investment Committee – 14 June 2017*

*Approved by the Metair Board - 3 October 2017*

*Amended by the Investment Committee – 10 October 2018*

*Re-approved by the Metair board – 9 December 2019*