



# REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

TERMS OF REFERENCE

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The Remuneration and Nominations Committee (the Committee) has been established as a Board committee in accordance with Article 27 of the Company's Memorandum of Incorporation. This charter is subject to the provisions of the Companies Act No.71 of 2008, the MOI, the JSE Limited Listings Requirements and any other applicable law or regulatory provision.

## 1. INTRODUCTION

The main role of the Committee is to assist and advise the Metair Board on matters relating to the remuneration of the Board and senior management, in order to reward, motivate and retain executives and ensure that the Company is able to attract the best talents in the market in order to maximise shareholder value. In addition it will make recommendations to the Metair Board on the appointment of executive and non-executive directors to the Board, ensure succession planning at Board level, review the structure, size and composition of the Board as well as its committees and evaluate the performance of the Board, its committees, its Chair and its individual members. 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.

## 2. PURPOSE OF THE TERMS OF REFERENCE

The purpose of the Committee terms of reference is to set out the following:

- Composition
- Delegated authority
- Role and responsibilities
- Tenure of the committee
- Reporting requirements
- Access to information
- Meeting procedures, and
- Arrangements for evaluating the performance of the Committee

## 3. AUTHORITY

The Board has delegated its remuneration and nominations responsibilities to the Committee. The Committee is established to assist the Board in fulfilling its oversight responsibilities. The Committee does not have independent decision-making powers. In undertaking its duties, the Committee should have due regard to its role as an advisory body to the Board. Delegated authority from the Board to the Committee does not discharge the Board from being accountable. The Board should apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee.

The Committee is authorised by the board:

- To act as sub-committee for the board in terms of reviewing and recommending board and subsidiary director appointments.
- To investigate any activity within its terms of reference;
- To obtain outside legal or other independent professional advice as it deems necessary to fulfil its responsibilities, at the Company's expense, subject to following a Board approval process; and
- To delegate its authority and duties to sub-committees or individual members of the Committee, as it deems

appropriate.

#### **4. MEMBERSHIP AND QUORUM**

- The members of the Committee shall be appointed by the Metair Board from amongst the non-executive directors with the majority being independent.
- The Committee shall have at least three members.
- Members to be knowledgeable, skilled, experienced, diverse and independent enough to discharge their role, responsibilities and duties fully.
- The Committee's chairman shall be appointed by the Board from the independent non-executive directors.
- The chairman of the Board may be a member of the Committee but should not be the chair of the Committee.
- If a member is unable to act for any reason, the chairman of the Committee may co-opt another non-executive independent director as an additional member (subject to 2.2 above).
- The quorum for the transaction of business shall be two members of the Committee.

#### **5. SECRETARY**

The Secretary of the Committee shall be the Company Secretary, or such other person as the Committee may appoint. The Company Secretary shall be responsible for implementing the decisions of the Committee as directed.

#### **6. ATTENDANCE AT MEETINGS**

- The Committee may invite any person it deems appropriate to attend its meetings.
- The Group Chief Executive Officer and the Group Chief Financial Officer will normally be invited to attend meetings as a resource to the Committee. However, no executive director shall be involved in any decision or be present at any discussions as to his or her own remuneration.
- The Chairman of the Committee shall have the right to exclude any executive from the meeting, on any item on the agenda, should, in his/her opinion, a conflict of interest become evident.

#### **7. MEETINGS AND PROCEEDINGS**

- In terms of Article 27 of the Memorandum of Incorporation, the meetings and proceedings of the Committee shall be governed, mutatis mutandis, by the provisions of the articles 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 this charter.
- The Committee shall meet at least once annually in order to review salary levels of Executive Directors and review Board composition. These meetings shall be convened by the Secretary of the Committee at the request of its Chairman.
- At the discretion of the Committee, or as required by the Board of Directors, additional meetings of the Committee may be convened.
- The Secretary of the Committee shall prepare an agenda for all meetings, to be agreed by the Chairman.
- The Secretary of the Committee shall include the minutes of each meeting in the board pack of the next committee meeting and the Chairman of the Committee shall report, at Metair Board meetings, on any matters of importance.
- The Committee to confirm that it is satisfied that it has fulfilled its responsibilities in accordance with its terms

of reference for the reporting period.

## 8. ROLE AND RESPONSIBILITIES

### *Remuneration policy*

- To discharge the responsibilities of the Metair Board relating to all compensation, including share-based compensation of the Metair Group Executives. The definition of Metair Group Executives being directors of Metair Investments Limited and Metair Management Services (Pty) Limited and the directors and senior executives of all Metair Subsidiaries.
- The Committee establishes and oversees the establishment and administration of the Metair Group Executive remuneration policy to ensure that it meets the following objectives:
  - executive remuneration is aligned with the company strategy, company performance and shareholder interests;
  - align the remuneration policy to promote the achievement of strategic objectives within the company's risk appetite;
  - remuneration standards are set which attract, retain, reward and motivate a competent executive team;
  - compensation of executives including approval of salary, share based and incentive-based awards is evaluated;
  - executive remuneration is fair and responsible in the context of overall employee remuneration. To promote positive outcomes, an ethical culture and responsible corporate citizenship.
- To ensure that the remuneration policy describes all elements of remuneration that are offered in the company and that this includes description of the following:
  - guaranteed pay, including financial and non-financial benefits;
  - variable remuneration, including short and long-term incentives and deferrals;
  - payment on termination of employment or office;
  - sign-on, retention and restraint payments;
  - the provision, if any, for pre-vesting forfeiture and post-vesting forfeiture (claw-back) remuneration;
  - any commission and allowances; and
  - the fees of non-executive members of the Board.
- To consider remuneration policy and to set strategic objectives for remuneration management within the Company's operations. The Committee should ensure that it gives effect in its direction on fair, responsible and transparent remuneration.
- To support the Board to oversee that the implementation and execution of the remuneration policy achieves the objectives of the remuneration policy.
- To submit the remuneration policy to the Board for approval. The remuneration policy and the implementation report should be tabled every year for separate non-binding advisory vote by shareholders at the AGM.
- To ensure that the remuneration policy records the measures that the Board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised. In addition, the remuneration policy should at a minimum include the steps and provide for an engagement process with dissenting shareholders to ascertain the reasons for their dissenting votes.
- To engage with shareholders on addressing objections and concerns relating to the remuneration policy as and when required.

## ***Other roles and responsibilities***

- To review the trends, both industry specific and more broadly, and appropriateness of remuneration of directors of subsidiary companies.
- To assess the remuneration paid by other listed companies of a similar size in a comparable industry sector and geography; and assess whether changes to the Executive Directors' remuneration are appropriate for the purpose of making their remuneration competitive or otherwise comparable with remuneration paid by such companies;
- To make all determinations and take any action that is reasonably appropriate or necessary in the course of establishing the compensation of the Metair Group Executives. Remuneration of executive management should be fair and responsible in the context of overall employee remuneration.
- To review and approve corporate goals and objectives relevant to the compensation of the Group Chief Executive Officer and the Group Chief Financial Officer, evaluate the performance of the Group Chief Executive Officer and the Group Chief Financial Officer in light of these goals and objectives, and set the compensation level of the Group Chief Executive Officer and the Group Chief Financial Officer based on this evaluation.
- To review, and make recommendations to the Board where necessary, on all new employment, consulting, retirement and severance agreements and arrangements proposed for the Metair Group Executives. The Committee shall periodically evaluate existing agreements with the Metair Group Executives for continuing appropriateness.
- To determine specific remuneration packages for each Executive Director of the Company, including fringe benefits, and to review these annually.
- To consider the payment of performance linked non-pensionable bonuses to Executive Directors of the Company, and to set the criteria for, and relative value of such payments.
- To oversee and review all aspects of any share purchase and/or option scheme operated by or to be established by the Company, including but not limited to:
  - the selection of eligible Metair Group Executive Directors and other employees to whom participation should be granted;
  - the timing of any grant;
  - the number of shares and/or options to be granted; and
  - the exercise price at which shares and/or options are to be granted.
- To be ultimately responsible for the administration of the Company's existing Share Purchase Scheme or any option scheme to be established, however, the Board remains accountable.
- To consider other matters relating to the remuneration of or terms of employment applicable to the Executive Directors that may be referred to the Committee by the Board.
- To review the benefit structure of the group at least annually in terms of benefits like pension fund and medical aid for employees.
- To evaluate the effectiveness of the Group Chief Executive Officer and the Group Chief Financial Officer at least annually and to note the executive committee members effectiveness which is reported on by the Group Chief Executive Officer.
- To review and recommend appropriate candidates for appointment as subsidiary directors.
- To monitor the following labour and employment issues:
  - Employment equity, and other legal/compliance related people requirements/risks
  - Employee relations
  - Educational development
  - Skilling of employees
  - Succession planning for the top two layers within the Group

- The above issues will be noted by the Social and Ethics Committee.
- To disclose progress against targets for race, gender and diversity in the membership of the Committee and in the group executive management and report it to the Metair Board.
- The remuneration payable to the chairman and members of the Committee shall be determined by the Company's Board of Directors from time to time, and for which an annual benchmark should be conducted.

### ***Nominations Committee roles and responsibilities***

- The Committee shall make recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board and its committees generally and the balance between executive and non-executive directors appointed to the Board.
- The Committee shall make recommendations to the Board regarding the policy on race and gender diversity, and report on the progress in respect thereof on agreed voluntary targets.
- Develop a pool of potential directorial candidates for consideration in the event of a vacancy on the Board, including nominees recommended by shareholders.
- Ensure the establishment of a formal process for the appointment of directors, including:
  - identification of suitable members of the Board;
  - verification of qualifications and performance of reference and background checks of candidates prior to nomination; and
  - formalising the appointment of directors through an agreement between the company and the director.
- The Committee shall regularly review the Board and its committee structures, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.
- The Committee shall ensure that formal succession plans, in emergency situations and succession over the longer term, for the Board, Chief Executive Officer and senior management appointments are developed and implemented and be responsible for identifying and nominating candidates for the approval of the Board to fill vacancies as and when they arise.
- The Committee shall oversee the development of a formal induction programme for new directors and ensure that inexperienced directors are developed through a mentorship programme as well as overseeing the development and implementation of continuing professional development programmes for directors.
- The Committee shall assist the Board in evaluating the performance of the Board, its committees, its Chair and its individual members. The Committee shall recommend to the Board the appointment of a non-executive director to lead the evaluation of the Chair of the Board's performance in the absence of a lead independent director.
- The Committee shall make recommendations to the Board for the continuation (or not) in services of any executive director that has reached the age of 65, and any non-executive director that has reached the age of 75.
- The Committee shall recommend directors that are retiring by rotation, for re-election.

## **9. To consider any other matters that may be referred to the Committee by the Board.**

### **DISCLOSURE TO SHAREHOLDERS**

The Committee shall report to shareholders on behalf of the Metair Board as per the requirements of jurisdictions under which the Company may be listed and conducts its operations. Furthermore, the Chairman or other member of the Committee will be required to attend the Annual General Meeting of the Company in order to address shareholder questions on issues of executive remuneration and Metair Board composition.

#### ***Remuneration report***

The Committee is responsible to develop a remuneration report for the Board. The remuneration report must be divided into 3 parts consisting of the following:

- A background statement;
- An overview of the main provisions of the remuneration policy;
- An implementation report which contains details of all remuneration awarded to individual members of the Board and executive management during the reporting period.

## **10. EVALUATION AND PROFESSIONAL DEVELOPMENT**

- The Committee will conduct an annual performance self-evaluation and shall report the results to the Board,
- The Committee will assess the adequacy of its terms of reference annually and recommend changes to the Board and where applicable update.

## **11. REMUNERATION**

- Having regard to the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the MOI, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- Such special remuneration shall be in addition to the annual fees payable to directors.

## **12. APPROVAL**

These terms of reference were approved by the Chairman of the Board and Chairperson of the Committee as follows:

Amended and approved 26 September 2018

Amended and approved 21 November 2019

Approved by the board 9 December 2019

Approved by the board on 29 September 2020

Approved by the board on 29 September 2021

Reviewed and approved by the Board on 9 November 2022

Reviewed and approved by the Board on 5 October 2023