



Metair Group Evidencing Policy

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Document Review and Approval

Revision history

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1. Introduction

This policy defines the division of responsibilities within Metair Investments Limited (“Metair”, the “company” or the “Group”)’s board of directors (the “board”). This policy aims to ensure a balance of power and authority, so that no director on the board of the company has unfettered powers in decision-making.

2. Purpose

This policy aims to ensure that the board’s arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

3. Scope

The policy applies to the Chief Executive Officer (the “CEO”), the Chair, all board directors, and board members. The policy is in accordance with the recommendations of the South African Companies Act, No. 71 of 2008 (the “Act”), King IV™ Report on Corporate Governance for South Africa, 2016 (“King IV™”) and the JSE Limited Listings Requirements (“JSE Listings Requirements”) and any other applicable law, best practice, or regulatory provision, as deemed appropriate.

4. Glossary/Definitions

4.1. Reference Documents:

- the JSE Listings Requirements;
- the Companies Act No. 71 of 2008;
- the King IV™ Report on Governance, 2016.

5. The Office of the Chair and CEO

To establish a clear and unambiguous division of responsibility at the helm of the company, the office of Chair and CEO is split. Section 3.84 of the JSE Listings Requirements provides that Metair should appoint a CEO and a Chairman (“Chair”), and these positions must not be held by the same person. The chair must be an independent non-executive member. Additionally, the company is required to appoint an independent non-executive member to be a lead independent director (“LID”). The LID will assist the chair to discharge their governance roles and responsibilities and to provide independent oversight in accordance with King IV™.

The Chair is primarily responsible for the working of the board. The CEO’s task is to run the business and to implement the policies and strategies adopted by the board.

Role of the Chair	The primary responsibility of the Chair is to preside over meetings of directors and to ensure the smooth functioning of the board in the interest of good governance. The Chair will usually also preside over the company’s shareholder meetings.
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Role of the CEO	The primary responsibility of the CEO is to direct and promote the profitable operation and development of the company.
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The roles of the Chair and CEO are detailed below.

5.2 Role and Function of the Chair

(As adopted from King IV™)

- All boards should be subject to the firm and objective leadership of a Chair who brings out the best in each director.
- The Chair's primary function is to preside over meetings of directors and to ensure the smooth functioning of the board in the interests of good governance. The Chair will usually also preside over the company's shareholder meetings.
- The role and function of the Chair will be influenced by such matters as the size or particular circumstances of the company, the complexity of its operations, the qualities of the CEO - to the extent that the positions are separated - the management team, and the skills and experience of each board member. There are a number of common, core functions performed by the Chair, which usually include:
 - providing overall leadership to the board without limiting the principle of collective responsibility for board decisions;
 - actively participating in the selection of board members, as well as overseeing a formal succession plan for the board, CEO, and senior management;
 - arranging for new directors appointed to the board to be properly inducted and oriented, and monitoring and evaluating board and director appraisals;
 - determining, normally in conjunction with the CEO and the Company Secretary, the formulation of an annual work plan for the board against agreed objectives and goals, as well as playing an active part in setting the agenda for board meetings;
 - acting as the main informal link between the board and management, and particularly between the board and the CEO;
 - maintaining relations with the company's shareholders and perhaps, some of its important stakeholders, although the latter may be more in the nature of an operational issue to be conducted by the CEO and the senior management team;
- ensuring that all directors play a full and constructive role in the affairs of the company and taking a lead role in removing non-performing or unsuitable directors from the board; and
- ensuring that all the relevant information and facts, objectively speaking, are placed before the board to enable the directors to reach an informed decision.

5.3 Role and Function of the CEO

(As adopted from King IV™)

- The CEO has a critical and strategic role to play in the operational success of a company's business. For this reason, it is recognised that the role of the CEO should be separate from that of the Chair.

- Some of the important functions that a CEO fulfils are usually to:
 - develop and recommend to the board a long-term strategy and vision for the company that will generate satisfactory levels of shareholder value and positive, reciprocal relations with relevant stakeholders;
 - develop and recommend to the board annual business plans and budgets that support the company's long-term strategy;
 - strive consistently to achieve the company's financial and operating goals and objectives, and ensure that the day-to-day business affairs of the company are appropriately monitored and managed;
 - ensure continuous improvement in the quality and value of the products and services provided by the company, and that the company achieves and maintains a satisfactory competitive position within its industry;
 - ensure that the company has an effective management team and to actively participate in the development of management and succession planning (including the CEO's own position);
 - formulate and oversee the implementation of major corporate policies; and
 - The CEO should also maintain a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels of the company. In addition, the CEO is expected to foster a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility objectives and imperatives.

6. Governance

The board of directors has the overall responsibility for ensuring that this policy complies with legal and ethical obligations, and that it is enforced by all directors.

The policy will be reviewed as and when required.