

EXXARO RESOURCES LIMITED
(Registration number: 2000/011076/06)
(Exxaro or the Company)

REMUNERATION AND NOMINATION COMMITTEE
(the Committee)

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 The Committee is constituted as a Committee of the Board of directors of the Company (the Board) in terms the Companies Act No. 71 of 2008, as amended (the Act), the Company's Memorandum of Incorporation (Mol) , the King IV Report on Corporate Governance™ for South Africa 2016 (King IV) and as a requirement of a listed company on the Johannesburg Stock Exchange.
- 1.2 The duties and responsibilities of members of the Committee as set out in this document are in addition to those assigned to them as members of the Board.
- 1.3 The Committee shall discharge the abovementioned responsibilities with respect to all companies within the Exxaro Group that are required to have a Remuneration and Nominations committee. In this Terms of Reference, "Group" shall refer to the Company and its subsidiaries.
- 1.4 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members to the fiduciary duties and responsibilities in terms of which Board members must continue to exercise due care and diligence in accordance with their legal obligations.
- 1.5 These Terms of Reference are subject to the provisions of the Act and the (Mol)and any other applicable law or regulatory provision. Guidance is also taken from the principles and relevant recommendations of King IV.
- 1.6 Unless otherwise indicated, the meaning ascribed in King IV to relevant words and phrases shall equally apply in the Terms of Reference.
- 1.7 In this Terms of Reference, words importing any one gender include the other two genders; the singular include the plural and vice versa; and natural persons include created entities (corporate or non-incorporate) and vice versa.

2. PURPOSE

The purpose of this Terms of Reference is to set out the Committee's role, duties and responsibilities as well as the requirements for its composition, its meeting procedures and functioning in general.

3. ROLE

- 3.1 The role of the Committee is to provide an independent and objective body that will:
- Assist the Board in ensuring that the Group:
 - Remuneration which includes all relevant elements of reward such as base pay, benefits and incentives is delivered fairly and responsibly
 - Remuneration is delivered in a transparent manner and linked to performance so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term;
 - Has a relevant performance management system that engenders the right outcomes for the group and
 - Remuneration and performance adheres to all governance requirements.
 - Make recommendations to the Board to ensure that:
 - The Board and its respective committees have the appropriate composition for it to execute its duties effectively;
 - Directors are appointed through a formal process;
 - Induction and ongoing training and development of directors take place;
 - Formal succession plans for the Board, including executive directors, are in place; and
 - The performance of the Board, its committees and individual members is regularly evaluated.
- 3.2 The Committee shall exercise independent judgement and discretion when authorising remuneration outcomes, taking into account company and individual performance, and wider circumstances.
- 3.3 The Committee does not assume the functions of management, which remain the responsibility of executive directors, prescribed officers and other members of senior management, nor does it assume accountability of the functions performed by other committees of the Board.
- 3.4 The Committee, in carrying out its duties, will have due regard to the principles and recommended practices of King IV.

4. AUTHORITY OF THE COMMITTEE

- 4.1 The Committee acts in accordance with the delegated authority of the Board as recorded in these Terms of Reference and the statutory requirements as stipulated in the Act and captured in the Responsibility Matrix marked **Annexure A**.
- 4.2 In respect of the duties as contained in these Terms of Reference, the Committee shall be accountable and report to the Board.
- 4.3 The Committee shall have access to the records, facilities and employees necessary to discharge its duties and responsibilities.
- 4.4 The Committee is authorised by the Board, subject to the approved process or policy, to obtain outside legal or other independent professional advice and to secure the

attendance at meetings of the Committee of outsiders with relevant experience and expertise if deemed necessary.

- 4.5 The Committee is authorised by the Board to investigate any activity within its mandate. It is authorised, in consultation with the Chief Executive Officer, to seek any information it requires from any employee in the Group and all such employees are directed to co-operate with any request made by the Committee.
- 4.6 The Committee may form and delegate authority to such subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.
- 4.7 The Committee shall make recommendations to the Board for approval, on any or all matters that fall within its scope and function as may be required.
- 4.8 The Committee has the right to be heard at any general or annual shareholders meeting on any part of the business that concerns the Committee's functions.
- 4.9 The Company shall meet all expenses reasonably incurred by the Committee in the fulfilling of its duties.

5. MEMBERSHIP

- 5.1 Members of the Committee will be appointed by the Board, on recommendation of the Committee and/or the Committee Chairperson, where appropriate.
- 5.2 The Committee will comprise at least 3 (three) non-executive directors, the majority of whom will be independent non-executive directors and the Chairperson of the Board will be an *ex officio* member.
- 5.3 The Board shall appoint the Committee Chairperson, who shall be an independent non-executive director.
- 5.4 The Committee Chairperson and the Board will ensure there is a suitably balanced blend of skills and experience to enable the Committee to discharge its functions, and the Committee will furthermore consider the need for ad hoc invitees with the necessary technical experience to assist the Committee members in their technical deliberations.
- 5.5 The Chairperson of the Board will not be eligible for appointment as Chairperson of the Remuneration Committee, but will be an *ex officio* member of the Committee but can preside as Chairperson when the Committee fulfils its responsibilities on nomination matters (for which a separate agenda will be set).
- 5.6 The Chief Executive Officer of the Company, Finance Director, Executive Head: Human Resources and senior executives of subsidiary companies may not be members of this Committee but should attend meetings by invitation for a part thereof, if needed to contribute pertinent information and insights but may not vote. None of them may be present when their remuneration is discussed.
- 5.7 Each member of the Committee will have relevant experience to fulfil their duties and are required to keep up to date with changes impacting their skill set requirements to fulfil the duties of the committee. Members will have one or more of the following competencies:

- Good understanding of all aspects of remuneration, performance management, procedures and policies of comparable companies and the responsibilities of remuneration committees;
 - Good understanding of human resources management and remuneration design;
 - Good knowledge of the Company, its business strategy its executive management and key operational requirements;
 - The Company's remuneration strategy and remuneration philosophy;
- Good understanding of stakeholders' legitimate interests and concerns;
 - Good understanding of transformation processes and broad-based black economic empowerment (BBBEE) relevant to the Company;
 - The culture of the group and
 - An understanding of the attributes of a high-performing board.
- 5.8 Membership of the Committee shall automatically terminate in the event that a member ceases for whatever reason to be a director of the Company. Notwithstanding the above, the Board will have the power to, at any time, remove any members of the Committee and to fill any vacancy created by such removal.
- 5.9 The conduct and deliberations of the Committee shall be subject to the Board Etiquette and Rules of Conduct as contained in the Board Charter.
- 5.10 The Chairperson of the Social, Ethics and Responsibility Committee shall regularly consult and collaborate with the Committee Chairperson on areas of shared responsibility with the Committee. If the Chairperson of the Social, Ethics and Responsibility Committee is not a member of the Committee, she/he shall be a standing invitee. A special inter-committee arranged between the respective Chairpersons may be convened as the need arises.
- 5.11 New members shall receive a complete orientation and induction that allows them to function effectively as members of the Committee from appointment date.
- 5.12 Members will be required to keep up to date with developments affecting the areas of responsibilities of the Committee.
- 5.13 Opportunities for continuous education and training on technical issues should be actively pursued by each member.

6. MEETINGS

6.1 Quorum and notice

- 6.1.1 The quorum necessary to transact business will be a majority of members present in person, or linked by telephone or video conference facilities. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.1.2 In the absence of a quorum and subject to the discretion of the Committee Chairperson, the meeting may either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.

- 6.1.3 No resolutions tabled for approval by the Committee at a meeting which is not quorate shall be implemented or given effect to until formally approved at the postponed meeting or via written resolution as contemplated in clause 6.7.1.
- 6.1.4 Persons who are in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings and may not vote.
- 6.1.5 Dates and related information of scheduled meetings of the Committee during a calendar year are provided to all Committee members and updated from time to time as required. No formal notice of such meetings is provided and the meeting agenda and papers also serve as notice of the meeting. Notice will however be given of special meetings of the Committee (in addition to the scheduled meetings) arranged in consultation with the Committee Chairperson and members from time to time.

6.2 Attendance

- 6.2.1 In view of the dates of scheduled Committee meetings being communicated well in advance, all members are expected to be in attendance at all meetings unless the absence, in the form of an apology, with reasons was communicated to the Committee Chairperson or Group Company Secretary (or duly authorised representative – “Committee Secretary”).
- 6.2.2 The Board appreciates that unexpected and urgent matters do arise but urges Committee members to ensure attendance at all scheduled meetings of the Committee for the full duration of the meeting.
- 6.2.3 Special meetings of the Committee, which are normally arranged at short notice, will be scheduled in consultation with the Committee Chairperson and members at a date and time that will, as a minimum, ensure the presence of a quorum at the meeting. As mentioned above, the Board appreciates the demands on the diaries of members and acknowledges that not all members of the Committee may be able to attend special meetings. Committee members are however, urged to attend the special meeting, if reasonably possible to do so.
- 6.2.4 Every Board member is entitled to attend any meetings of the Committee as an observer. However, unless that member is also a member of the Committee, the member shall not be entitled to participate without the consent of the Committee Chairperson, does not have a vote and is not entitled to fees for such attendance unless otherwise approved by the Board and shareholders.
- 6.2.5 The Chief Executive Officer, Chief Financial Officer and Executive Head: Human Resources shall be standing invitees to Committee meetings. Other individuals, including members of management, external consultants and service providers may be invited to attend meetings of the Committee from time to time in consultation with the Committee Chairperson.
- 6.2.6 If the Committee Chairperson is absent from the meeting, any other member of the Committee may act as chairperson for that meeting as agreed by those present or as nominated by the Committee chairperson.
- 6.2.7 The Committee Secretary shall be in attendance at each meeting of the Committee to act as secretary of the Committee (the Committee Secretary).

6.3 Frequency

- 6.3.1 The Committee must hold sufficient meetings to discharge all its duties as set out in these Terms of Reference, but subject to a minimum of 4 (four) times per annum .
- 6.3.2 Scheduled meetings shall, where possible, be held prior to Board meeting and scheduled in advance and no formal notice of the meeting shall be given, excluding the agenda and supporting meeting papers.
- 6.3.3 A member of the Committee may request a meeting of the Committee, if deemed necessary. Should the Committee Chairperson approve such a request, the meeting shall then be arranged. Formal notice of such special meeting shall be given as and when required. In the event the Chairperson does not approve such meeting request, the relevant member shall be entitled to direct his/her request to the Committee and the matter shall be added to the agenda if supported by a majority (50 per cent plus 1) of the members.

6.4 Annual Work Plan and Agenda

- 6.4.1 An annual work plan, based on the duties of the Committee, shall be implemented and approved by the Committee and shall be annually reviewed together with these Terms of Reference. The annual work plan shall provide guidance on the number, timing and duration of Committee meetings in an annual cycle.
- 6.4.2 The agenda of Committee meetings is governed by the above-mentioned annual work plan to ensure all relevant matters are covered.
- 6.4.3 The annual work plan must ensure proper coverage of matters laid out in the Committee's Terms of Reference; matters that are more critical will need to be attended to each year while other matters may be dealt with by rotation over a three-year period.
- 6.4.4 The Committee Secretary shall be required to facilitate the process of setting the agenda for each meeting as agreed with the Committee Chairperson and responsible executive. Every member of the Committee shall be entitled, in consultation with the Committee Chairperson, to add any item to the agenda for a particular meeting prior to the circulation of the agenda. In the event of the Chairperson not being in agreement with the addition of the requested item, the relevant member shall be entitled to direct his request to the Committee and the matter shall be added to the agenda if supported by a majority (50 per cent plus 1) of the members.
- 6.4.5 Any member of the Committee shall, with the consent of the Committee Chairperson, be entitled to add any item to the agenda for a particular meeting of the Committee at the start or during the course of the meeting on condition that such item does not require a formal resolution to be passed by the Committee in the event of not all members of the Committee being present at the meeting. In the event of the Committee Chairperson not being in agreement with the addition of the requested item, the relevant member shall be entitled to direct his request to the meeting and the matter shall be added to the agenda if supported by a majority (50 per cent plus 1) of the members.
- 6.4.6 A detailed agenda, as prepared by the Company Secretary, and together with supporting documentation shall, barring exceptional circumstances, be circulated a minimum of 5 (five) working days prior to the meeting of the Committee so as to enable members to be properly prepared for the meeting. In order to ensure timeous circulation of meeting papers, submissions which are not available for circulation

within the said period shall only be circulated and included in the meeting papers with the consent of the Chief Executive Officer and Committee Chairperson, which consent shall be obtained by the author of the relevant submission.

6.5 Meeting procedure

- 6.5.1 The meetings of the Committee may be held in person, or by electronic communication as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 6.5.2 To the extent possible, the Committee Chairperson shall endeavour to obtain consensus from amongst members present at meetings of the Committee on any matter requiring support and/or formal approval by the Committee. Where not possible to achieve consensus and in the discretion of the Committee Chairperson, such matters arising at any meeting will be put to a vote and decided by a majority of votes exercised on the matter. In the event of equal votes, the Committee Chairperson will not have a second or casting vote.
- 6.5.3 For urgent decisions required, the Committee Chairperson may decide that the decision will be taken by a round-robin resolution,
- 6.5.4 Each member of the Committee has one (1) vote on a matter before the Committee.
- 6.5.5 Members are expected to be well prepared for meetings and to constructively and actively participate in deliberations.
- 6.5.6 Where the Committee Chairperson is not present within 15 minutes of the time stipulated for a Committee meeting, the Committee members present must elect one of them to act as the Committee Chairperson of that meeting.

6.6 Minutes

- 6.6.1 The draft minutes of the meeting and an action report, when applicable, must be completed as soon as reasonably possible and circulated for comment and proposed amendments in the manner contemplated in item 6.6.2.
- 6.6.2 Draft minutes shall be circulated to executives within 7 (seven) working days after the meeting and to non-executive directors within 10 (ten) working days after the meeting. Executives shall be afforded 3 working days and Directors shall be afforded 5 (five) working days from the date of circulation of the draft minutes to propose to the Committee Secretary or designate in writing, any amendments to the draft minutes, in the absence of which they shall be deemed not to have any comments, unless otherwise indicated in writing to the Group Company Secretary.
- 6.6.3 The Committee Secretary or designate shall duly consider all input received and make such amendments as deemed appropriate to the draft minutes for purposes of formal confirmation and signature as contemplated in item 6.6.4. In the event of the Committee Secretary or designate not being in agreement with a proposed amendment, he or she shall inform the relevant director or executive who suggested the amendment accordingly who shall be entitled to raise his or her concern at the next meeting of the committee where the minutes are tabled for confirmation.
- 6.6.4 The minutes shall be confirmed as a true record by the committee at its next scheduled meeting or via electronic communication, if necessary, where after it shall be signed by the Committee Chairperson or acting Committee Chairperson of the

meeting. In the interest of time and considering the process of circulation as set out above, directors and executives are urged to provide the Committee Secretary or designate with comments and proposed amendments prior to the meeting and to only raise material concerns with the draft minutes, if any, in the meeting for discussion.

- 6.6.5 The Committee Secretary or designate will attend and minute all meetings and record the proceedings and decisions taken, the details of which will remain confidential. Formal extracts, signed by the Committee Secretary, from the signed minutes of the meetings will be circulated to relevant personnel as directed and requested for specific operational requirements.
- 6.6.6 Notwithstanding the responsibility of the Committee Secretary or designate to record proceedings and decisions taken as set out above, the committee remains ultimately responsible for ensuring the accuracy and correctness thereof prior to signing of the minutes by the Committee Chairperson, and directors are therefore expected to consider the content with due attention and care when receiving same for comment.
- 6.6.7 The draft or approved minutes shall be presented to the Board for noting at its next meeting after a Committee meeting.

6.7 Resolutions

- 6.7.1 A written resolution consented to in writing by 75 (seventy five) per cent of the Committee members for the time being, will be as valid and effective as if the same had been passed at a duly convened meeting of the Committee provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.
- 6.7.2 Any written resolution may be signed or consented to in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document. It may further be conveyed or transmitted by email or any other form of electronic means.
- 6.7.3 The passing of written resolutions of the Committee must not detract from the requirements for frequency of Committee meetings as set out in these Terms of Reference.

6.8 In-committee meetings

- 6.8.1 In-committee meetings of the Committee, where only members of the Committee are present, may be held as and when deemed appropriate by the Committee Chairperson.
- 6.8.2 The Committee Secretary shall be in attendance at in-committee meetings for minute purposes. In the event that the Committee Secretary is also excused from the meeting, the Committee Chairperson shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.
- 6.8.3 Where required, separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication where after it shall be signed by the Committee Chairperson.

7. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

7.1 Nomination Responsibilities

Outcome/Objective	Terms of Reference	Areas of Focus
<p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>Ensure that the composition of the Board is annually reviewed.</p>	<ul style="list-style-type: none"> • Annually review the Board structure, size and composition of all committees and make recommendations to the Board with regards to any adjustments that are deemed necessary based on the factors as listed in King IV; and • Monitor the performance of the Board against its targets for race and gender representation in its membership.
	<p>Ensure the nomination and appointment of adequate directors into the Board.</p>	<ul style="list-style-type: none"> • Ensure that a formal and transparent process is followed in the nomination, election and appointment of executive, non-executive and independent non-executive directors and ensure the filling of vacancies as and when these arise; • Nominate and make recommendations to the Board on the appointment of appropriate candidates as directors based on the outcome of the process envisaged above and focusing on the promotion of diversity in the Board by considering the factors below; <ul style="list-style-type: none"> ○ the appropriate mix of independent non-executive, non-executive and executive members; ○ requirements based on regulations; ○ sufficient number of qualified members required to serve on the committee; ○ the appropriate mix of skills, knowledge and experience, including industry, commercial and business experience required to practice effective oversight and to govern the Company; and

Outcome/Objective	Terms of Reference	Areas of Focus
		<ul style="list-style-type: none"> ○ targets set in relation to diversity of the Board across a variety of attributes for promoting effective governance and decision making, such as cultural background, age, gender, race, qualifications, skills and experience.
	<p>Ensure that Board governance related policy is periodically reviewed.</p>	<ul style="list-style-type: none"> • Board continuing professional development • Board Nomination and Appointment policy ERL-CORPSEC-P10 • Guidance Note on the Directors' Nomination and Appointment Policy ERL-CORPSEC-P10 • Gender Charter • Board Diversity and Inclusion policy
	<p>Ensure continuous education of directors on the company's industry, operations, key laws, regulations, standards and codes.</p>	<ul style="list-style-type: none"> • Regularly review the agenda and content of the induction programme for incoming directors to ensure maximum contribution by the newly appointed individuals within the shortest time possible. Such programmes will include and not limited to meetings with senior management, visits to the company's facilities and operations, provision of background material, policies and codes of conduct.
	<p>Ensure succession planning of the Board and executives.</p>	<ul style="list-style-type: none"> • As part of the annual review of the composition of the Board, consider the need for succession planning for key positions on the Board, including the Chairperson and Chairpersons of committees; and • Review succession planning for executive directors, key executives for the group and any subsidiaries and ensure the availability of the succession plan for the Chief Executive Officer and CFO.
	<p>Evaluate the performance of the Board.</p>	<ul style="list-style-type: none"> • Annually, the Chairperson of the Board with the assistance of the Company Secretary, is to evaluate the performance of the Board (in its entirety), its committees, its individuals members and the Chief Executive Officer and CFO; • Every alternate year, oversee a formal discussion by the Board of its performance and that of its committees, its Chairperson and all directors as a whole; and • Review the outcome of the performance evaluation process in consultation with the Board, including the disclosure thereof in the integrated report.

7.2 Remuneration Responsibilities

Outcome/Objective	Terms of Reference	Areas of Focus
<p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>Ensure the continuous development, review and implementation of remuneration - governance related documents.</p>	<ul style="list-style-type: none"> • Oversee the development and regular review of a remuneration philosophy and policy that articulates and gives effect to the Board's direction on fair, responsible and transparent remuneration and that achieves the following objectives: <ul style="list-style-type: none"> ○ to attract, motivate, reward and retain human capital; ○ to promote the achievement of strategic objectives within the Group's risk appetite; ○ to promote positive outcomes; and ○ to promote an ethical culture and responsible corporate citizenship; • Oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy; • Review implementation of all remuneration policies to ensure that they achieve the desired outcomes and objectives; and
	<p>Disclosure, reporting and shareholder engagement</p>	<ul style="list-style-type: none"> • Review and approve the remuneration report, including the overview of the remuneration policy and the implementation report, based on the King IV guidance and recommendations, for inclusion in the integrated report; and • Tabling of remuneration policy and implementation report for non-binding advisory votes by the shareholders at the AGM and address any concerns raised by voting thereon.
	<p>Remuneration design</p>	<ul style="list-style-type: none"> • Ensure that the structure and mix of fixed and variable pay, in cash, shares and other elements, meets the Board objectives • Oversee the remuneration quanta and terms and conditions for fixed and variable pay at all levels in the company (this includes approval of the mandate for union negotiations)
	<p>Remuneration of Executives and Senior Management in relation to performance</p>	<ul style="list-style-type: none"> • Determine the specific remuneration package of executive directors of the Company and the Company Secretary, based on the principles of the approved remuneration policy; • Determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for executive directors and the Committee Secretary; • Review and note the specific remuneration package of members of executive (excluding executive directors of the Company) and senior management, based on the principles of the approved remuneration policy, as determined by the Chief Executive Officer;

Outcome/Objective	Terms of Reference	Areas of Focus
		<ul style="list-style-type: none"> • Annually review, approve and confirm the performance measurement criteria and targets for executive, company secretary and senior management as well as achievement against thereof; and • Review and confirm attainment of performance conditions for vesting purposes, if any, in terms of any share or other long-term incentive scheme adopted by the Company.
	Organisation wide remuneration	<ul style="list-style-type: none"> • Oversee any major changes in remuneration structures throughout the Group; • Ensure the appropriate comparator group is selected when comparing remuneration levels ; • Ensure that fixed and variable pay are compared against relevant market comparators on a regular basis and • Act as the sole body authorised to exercise any power or discretion vested in the Board under any remuneration, reward or incentive schemes established for the benefit of employees of the Group from time to time.
	Ensure adequate governance on remuneration of Non-executive directors.	<ul style="list-style-type: none"> • Annually consider the remuneration structure for non-executive directors as recommended by the Chief Executive Officer and recommend same for approval by shareholders at the annual general meeting; and • Submit fees for non-executive members for services as directors for approval by special resolution by shareholders annually preceding payment.

8. REPORTING

8.1 Internally

- 8.1.1 The Committee will account to the Board for its activities and make recommendations to the Board on all matters within its duties and responsibilities in respect of which the Committee does not have decision-making authority, particularly those where the Committee considers action or improvement is needed, including recommendations on the steps to be taken.
- 8.1.2 The Committee shall provide the Board and other Board committees with reports in line with the Reporting Framework.
- 8.1.3 The Committee Chairperson will verbally report on its proceedings and findings at every subsequent Board meeting.

8.2 Externally

- 8.2.1 The Committee shall include a report in the Company's integrated report that provides shareholders with an overview of the matters within the mandate of the Committee (to form the basis of the statutory report to shareholders at the annual general meeting) and that addresses the matters as listed in King IV for disclosure by a committee of the Board.
- 8.2.2 The Committee shall review and approve the remuneration report, including the implementation report for inclusion in the annual integrated report.
- 8.2.3 The Committee Chairperson or, in his absence, a member of the Committee, shall be available at the Company's annual general meeting to respond to questions from shareholders on any part of the business of the meeting that concerns the Committee's functions.

9. EVALUATION OF THE COMMITTEE

The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.

10. REMUNERATION

- 10.1 Members of the Committee, including the Chairperson, will be paid such fees as recommended from time to time by the Chief Executive Officer to the Board, subject to shareholders' approval.
- 10.2 Remuneration of newly appointed Committee members will be payable in the month of first attendance as members.

11. REVIEW OF TERMS OF REFERENCE

This Terms of Reference shall be reviewed on an annual basis by the Committee and may be amended as required and as recommended by the Committee, subject to approval of the Board.

ANNEXURE A

RESPONSIBILITY MATRIX

REMUNERATION RESPONSIBILITIES	HR	Finance	Legal/ CoSec	Senior Management	RemCo	Board of Directors	Share-holders	RBR Com	Audit Com	SER Com
Remuneration policy and strategy	Recommend			Recommend <ul style="list-style-type: none"> Administer and implement policy Recommend improvements to enhance alignment with strategy 	Prior Approval <ul style="list-style-type: none"> Oversee and review effectiveness of policy and strategy Review implementation of remuneration policy annually 	Final approval	Non-binding vote	Consult		Consult
Remuneration quanta and employment terms and conditions	Recommend	Consult	Consult	Recommend <ul style="list-style-type: none"> Provide analysis and research to Remco 	Prior Approval <ul style="list-style-type: none"> Set executive pay quanta and pay structures Approve all equity Grants Review and approve attainment of performance conditions for vesting purposes, if any, in terms of any share or other long-term incentive scheme 	Final approval				Consult
Structure and pay mix	Recommend	Consult	Consult	Recommend <ul style="list-style-type: none"> Recommend equity-based remuneration structures Recommend employees eligible to participate in equity plans 	Prior Approval <ul style="list-style-type: none"> Approve equity-based remuneration programmes Determine employees eligible to participate in plans 	Final approval	Approve new share based LTI structure			

Performance metrics for variable pay	Provide guidance	Consult		Recommend <ul style="list-style-type: none"> • Recommend variable remuneration performance conditions to align with company strategy and support business objectives and plans • Undertake analysis and modelling to test implications • Provide actual performance data for the performance period 	Prior Approval <ul style="list-style-type: none"> • Approve performance measures • Set performance targets • Approve extent to which targets have been achieved (with external audit where applicable) • Review performance data for the performance period Acts as a safeguard against unintended consequences and windfall gains. • Confirm the performance measure criteria and targets • Confirm achievement of targets against set criteria • Review and note the specific remuneration package of members of executive, company secretary and senior management, based on the principles of the approved remuneration policy as determined by CEO 	Final approval of all incentive awards for Executive Directors and Prescribed Officers.		Consult		
Governance, including assessment of risk elements in remuneration	Recommend	Consult	Consult	Final approval	Prior Approval	Final approval		Recommend	Recommend	Recommend

Remco Disclosure reporting and Stakeholder dialogue	Consult	Consult	Consult	Consult	<ul style="list-style-type: none"> • Approve the remuneration report, including the overview of the remuneration policy and the implementation report • Table of remuneration policy and implementation report for non-binding advisory votes by the shareholders at the AGM and • Address any concerns raised by voting thereon 	Consult				
Non-executive director fees			Consult	Formulate and recommend (using external advisors if required)	Review the proposal and recommend to the Board	Confirm the proposal and recommend to the shareholders	Vote at the AGM			
Organisation wide remuneration	Formulate <ul style="list-style-type: none"> • the appropriate comparator group when comparing remuneration levels; • Compare fixed and variable pay are against relevant market comparators and Recommend		Submit minutes of subsidiary company remco (when applicable)		Prior Approval <ul style="list-style-type: none"> • Oversee any major changes in remuneration structures throughout the Group • Approve appropriate benchmarks • Review remuneration committee minutes of subsidiary companies • Act as the (Final approval) sole body authorised to exercise any power or discretion vested in the Board under any remuneration, reward or incentive schemes established for the benefit of employees of the Group from time to time 					
NOMINATION RESPONSIBILITIES	HR	Finance	Legal/ CoSec	Senior Management	RemCo	Board of Directors	Shareholders	RBR Com	Audit Com	SER Com

Board Composition			Formulate and recommend (using external advisors if required)		<ul style="list-style-type: none"> • Review the Board structure, size and composition of all committees and Recommend to Board • Monitor the performance of the Board against its targets for race and gender • Consider the need for succession planning for key positions on the Board, including the Chairperson and Chairpersons of committees 	Confirm the appointment and recommend to the shareholders	Elect the directors by vote at AGM			Consult
Nomination and appointment of adequate directors			Formulate and recommend (using external advisors if required)		<ul style="list-style-type: none"> • Ensure that a formal and transparent process is followed in the nomination, election and appointment of executive, non-executive and independent non-executive directors and ensure the filling of vacancies • Recommend to the Board the appointment of appropriate candidates based on the promotion of diversity 					
Continuous education of directors on the company's industry, operations, key laws, regulations, standards and codes			Formulate and recommend (using external advisors if required)		<ul style="list-style-type: none"> • Review and Approve the agenda and content of the induction programme 					

<p>Appointment and succession planning of executive directors and key executives</p>	<p>Formulate and recommend (using external advisors if required)</p>		<p>Consult</p>	<ul style="list-style-type: none"> • Recommend Provide recommended candidates to Remco based on a formal and transparent process in line with company policy and diversity targets 	<ul style="list-style-type: none"> • Appoint executive directors and senior executive managers • Review and Approve succession planning for executive directors, and key executive positions for the group and any subsidiaries and ensure the availability of the succession plan for the Chief Executive Officer and FD 	<ul style="list-style-type: none"> • Confirm the Appointment of executive directors and recommend to the shareholders • Note the appointment of other senior executives 	<p>Elect the executive directors by vote at AGM</p>		<p>Consult on FD</p>	
<p>Board Performance evaluation</p>	<p>Submit annual evaluation of CEO and FD</p>		<p>Formulate and recommend (using external advisors if required)</p> <ul style="list-style-type: none"> • Submit annual evaluation of performance 		<ul style="list-style-type: none"> • Every alternate year, oversee a formal discussion by the Board of its performance and that of its committees, its Chairperson and all directors as a whole • Annually, the Chairperson is to Approve evaluation the performance of the Board, CEO, FD and Cosec 	<ul style="list-style-type: none"> • Review the outcome of the performance evaluation process in consultation with the Board, including the disclosure thereof in the integrated report • Note the performance of senior executives: CEO, FD and Cosec 				