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# REMUNERATION COMMITTEE CHARTER

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<b>Author:</b> <b>Approver:</b>	Company Secretary Board of Directors
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## 1. AUTHORITY AND PURPOSE

- 1.1 This Committee has been established by the Board of Directors (**the Board**) of Huge Group Limited (**the Company**) to assist it, and where applicable, its subsidiary companies (**the Group**), it in discharging its responsibilities relating to the remuneration of the Company's Executives Directors and Managing Directors of the Group, and to develop and monitor the Group Remuneration Policy and Implementation Plan. The Committee also assists the Board in ensuring that the disclosure of remuneration matters is accurate, complete and transparent.
- 1.2 The Committee acts in terms of delegated authority in respect of its duties and responsibilities assigned to it by the Board. To this end, the Committee must make recommendations for approval by the Board and is accountable to the Board.
- 1.3 This Charter is subject to the provisions of the Companies Act 71 of 2008 (as amended) (**the Act**), the Company's Memorandum of Incorporation (**Moi**) and any other applicable laws or regulations.

## 2. MEMBERSHIP

- 2.1 The Committee shall comprise at least three Non-Executive Directors and a majority of the Members should be Independent Non-Executive Directors.
- 2.2 The Board Chairman may be eligible to be a Member of the Committee or the Chairman thereof.
- 2.3 Collectively, the Members of the Committee must at any particular time have necessary qualifications, skills and experience to execute their duties effectively.
- 2.4 The Chairman of the Committee shall be elected by the Board and may be removed from that role by the Board.
- 2.5 The Members must keep up to date with key developments affecting their required skills set.
- 2.6 The Company Secretary of the Company will act the Committee Secretary.

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### 3. ROLE, FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall be responsible for:

- 3.1 Determining the Remuneration Policy for the Company and the Group as a whole, ensuring that same are designed to:
  - 3.1.1 Attract, motivate, reward and retain human capital;
  - 3.1.2 Promote achievement of strategic objectives within the company's risk appetite;
  - 3.1.3 Promote positive outcomes; and
  - 3.1.4 Promote ethical culture and responsible corporate citizenship.
- 3.2 Ensuring that the Remuneration Policy and Group remuneration practices generally are aligned with the Company's strategic objectives;
- 3.3 Determining the total individual remuneration package, including bonuses, incentive payments, retention payments, incentives and other benefits of the Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**); and in consultation with the CEO, the Managing Directors (**MDs**) of the Group, and recommending same to the Board for approval;
- 3.4 Ensuring that the contractual terms on termination of the CEO, CFO and MDs and any payments made in respect thereof, are fair to the individual and the Group; and ensuring that failure is not rewarded, but that the duty to mitigate loss is fully recognised;
- 3.5 Monitoring and reviewing the terms and conditions of the employment contracts of the CEO, CFO and MDs, taking into account information from comparable companies where relevant;
- 3.6 Developing and monitoring the implementation of a framework for a suitable performance appraisal system to be applied to the Group as a whole, and which aligns with the strategic objectives of the Company;
- 3.7 Developing and monitoring the implementation of a framework for suitable short, medium and long-term incentive plans for the CEO, CFO, MDs and Group as a whole, which aligns with the short, medium and long term strategic objectives of the Company;

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- 3.8 Reviewing and approving performance targets and objectives for the CEO, CFO and MDs, and evaluating performance against these targets and objectives. Any recommendations to the Board in respect of remuneration for the CEO, CFO and MDs should be based on the outcome of such evaluations;
  - 3.9 Reviewing the outcomes of the Implementation Plan and determining whether the Remuneration Policy is achieving the objectives intended;
  - 3.10 Reviewing the annual remuneration trends of the Group and noting any significant changes in remuneration and/or employee benefit structures and policies that Management may implement from time to time;
  - 3.11 Advising the Board on the remuneration of the Non-Executive Directors, having given due consideration to independent research and market related practices;
  - 3.12 Ensuring that all benefits, including any retirement benefits and other financial arrangements, are appropriately administered and valued;
  - 3.13 Reviewing the Remuneration Report in the Integrated Annual Report (including the background statement, overview of the Remuneration Policy and the Implementation Plan), ensuring the accuracy, completeness and transparency of the information, and recommending same to the Board for approval.

#### **4. COMMITTEE MEETINGS**

- 4.1 The Committee shall meet at least twice per financial year, provided that any other Member of the Committee, through the Chairman, may call a meeting at any other time. Non-Committee members may be invited to attend meetings but shall not be entitled to vote at Committee meetings.
- 4.2 Notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each Member of the Committee at least five working days prior to the date of each meeting.
- 4.3 A quorum for meetings of the Committee shall be a majority of Members present in person or via telecommunication facilities. Non-Committee members in attendance at Committee meetings by invitation do not form part of the quorum of Committee meetings.
- 4.4 Suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular

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matter. No attendee who is not a Member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum of the meeting.

- 4.5 Where the Chairman is not present within fifteen minutes of the time stipulated for the Committee meeting, the Committee Members present must elect one of them to chair that meeting.
- 4.6 A meeting of the Committee may be conducted by electronic communication and/or one or more Members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other, without an intermediary, and to participate effectively in the meeting.
- 4.7 Each Member of the Committee has one vote on a matter before the Committee and a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 4.8 In the case of a tied vote, the Chairman may not cast a deciding vote, even if the Chairman did not initially have or cast a vote and the matter being voted fails.
- 4.9 A round robin resolution of Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each Member has received notice of the matter to be decided upon and that the majority of the Members have noted in favour of the matter. A round robin resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the round robin resolution.
- 4.10 The Company Secretary shall ensure that minutes of all Committee meetings are taken. Minutes must be formally approved by the Board at the next meeting thereof.
- 4.11 The Chairman of the Committee or failing him or her, a Member of the Committee, shall be present at each Annual General Meeting of the Company to answer questions concerning matters falling within the authority of the Committee.
- 4.12 Minutes of meetings shall be taken by the Company Secretary and circulated to all the Members of the Committee within one month of the date of each meeting and may also, if the Chairman so decides, be circulated to other Members of the Board. Minutes must be formally approved by the Committee at its next meeting.

## **5. CONDUCT OF COMMITTEE MEMBERS**

Committee Members are expected to:

- 5.1 Act in the best interests of the Company and the Group as a whole, with good faith and integrity and adhere to all relevant legal standards of conduct;
- 5.2 Avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflicts or potential conflicts;
- 5.3 Disclose any information they may be aware of that is material to the Company and of which the Committee is not aware, unless such Member is bound by ethical or contractual obligations of non-disclosure;
- 5.4 Keep all information learned by them, in their capacity as Committee Members, strictly confidential; and
- 5.5 Exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Company as those carried out by that person, and having the general knowledge, skill and experience of that person.

## **6. NO PERSONAL LIABILITY ARISING FROM APPOINTMENT**

Subject to the above provisions and any relevant legislation, the Members of the Committee shall not attract any personal liability arising from their appointment, and the Company shall indemnify Members of the Committee against all and any claims howsoever arising.

## **7. COMMITTEE EXPENSES**

The Company will pay all expenses reasonably incurred by the Committee in executing its duties. The Committee must be provided with adequate resources in order to properly discharge its duties.

## **8. REMUNERATION**

- 8.1 Having regard to the functions performed by the Members of Committee, in addition to their functions as Directors of the Board and in relation to the activities of the Committee, Members of the Committee shall be paid such special remuneration in respect of their appointment as shall be approved by the Board, on the recommendation of the Remuneration Committee, and subject to the approval of shareholders at the Annual General Meeting of the Company held each year.
- 8.2 The Company shall pay the professional membership fees of those Members registered with a professional institution or body, such as may be relevant to the Member performing his or her functions on the Board.

## **9. GENERAL**

- 9.1 The Committee, in carrying out its tasks under this Charter, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 9.2 The Committee shall review and reassess the adequacy of this Charter periodically and recommend any changes to the Board for approval.
- 9.3 The Committee shall review its own performance on an annual basis and assess the efficacy with which it has discharged its duties in terms of this Charter and report its findings to the Board.
- 9.4 The Committee has reasonable access to the information, including records of the Company's property, employees, facilities and other resources, as well as to that of the Group, as may be necessary to discharge its duties and responsibilities. The Committee shall follow any relevant Board approved process in discharging any of its duties and responsibilities.