

CHARTER OF THE  
REMUNERATION  
AND NOMINATIONS COMMITTEE



PEERMONT

HOTELS CASINOS RESORTS

## 1. **Introduction**

1.1 The board of directors (“the Board”) of Peermont Global Holdings I (Pty) Limited (“the Company”) hereby establishes a Remuneration and Nominations Committee (“the Committee”) subject to the terms and conditions contained in this charter and to the provisions of the Companies Act 2008, the Company’s memorandum of incorporation and any other applicable law or regulatory provision.

1.2 The Committee’s main functions are to lead the Company’s policies, philosophy and practice relating to –

1.2.1 the remuneration of the Company’s executives, senior management (collectively “executives”) and the Board;

1.2.2 the Company’s compliance with the principles of good corporate governance; and

1.2.3 the composition of the Board.

## 2. **Membership**

2.1 The Committee shall consist of such number of non-executive directors as determined by the Board from time to time.

2.2 The members of the Committee and its chairman shall be appointed, removed and replaced by the Board.

2.3 The chairman of the Board is an *ex officio* member of this Committee.

2.4 The secretary of the Committee shall be appointed by the Committee.

### 3. **Role**

3.1 The Committee has an independent role, operating as a decision maker on behalf of the Board. The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

3.2 The role of the Committee is to assist the Board to ensure that:

3.2.1 the Company remunerates directors and executives fairly and responsibly; and

3.2.2 the disclosure of director remuneration is accurate, complete and transparent.

### 4. **Remuneration**

#### **Responsibilities and activities**

4.1 The Committee must perform all the functions necessary to fulfil its role as stated above and including the following:

4.1.1 oversee the setting and administering of remuneration at all levels in the Company and other entities in which the Company has a majority or significant interest (“the Group”), irrespective of whether such entity has its own remuneration committee or not;

4.1.2 oversee the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance;

4.1.3 ensure that the non-executive remuneration is approved in terms of the Companies Act 2008, as amended;

4.1.4 review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;

- 4.1.5 ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets the Company's needs and strategic objectives;
- 4.1.6 satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- 4.1.7 ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- 4.1.8 consider the results of the evaluation of the performance of the Chief Executive Officer and other senior executives of the Group, including directors, when determining their remuneration;
- 4.1.9 determining the specific remuneration packages for the Chief Executive Officer and other senior executives of the Group, for and on behalf of the Board;
- 4.1.10 select an appropriate comparative group when comparing remuneration levels;
- 4.1.11 doing all things necessary for and on behalf of the Board to introduce and administer the existing and future incentive schemes of the Company and the Group ("Scheme/s"), including but not limited to the following –
  - 4.1.11.1 determining and finalising the rules of any Scheme, in conjunction with the shareholders of the Company, if required;
  - 4.1.11.2 determining the performance criteria relevant to the Scheme;
  - 4.1.11.3 determining the awards to various employees;
  - 4.1.11.4 determining whether the relevant performance criteria have been met;

- 4.1.11.5 regularly reviewing the Schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules; and
- 4.1.11.6 considering the appropriateness of early vesting of share-based schemes at the end of employment;
- 4.1.12 advise on the terms of any consultancy agreement with, or the remuneration of, non-executive directors;
- 4.1.13 overseeing the preparation and recommending to the Board the remuneration report, to be included in the integrated report, for whether it:
  - 4.1.13.1 is accurate, complete and transparent;
  - 4.1.13.2 provides a clear explanation of how the remuneration policy has been implemented; and
  - 4.1.13.3 provides sufficient forward-looking information to enable the shareholders to pass a special resolution recording the remuneration which may be paid to the Company's directors for their services as directors;
- 4.1.14 advising the Board on the budget and overall cost of executive remuneration; and
- 4.1.15 consulting with the chief executive of the Company in formulating a remuneration policy and when determining specific remuneration packages.

## 4.2 Nominations

The Committee shall endeavour to ensure, where practicable, that the Board comprises individuals of high calibre and credibility with an appropriate balance and skills diversity necessary for the effective discharge by the Board of its obligations to the Company by, *inter alia*, the following activities:

- 4.2.1 regularly reviewing the Board's structure, size, composition and the balance between executive and non-executive directors and making recommendations to the Board with regards to any adjustments that are deemed necessary;
- 4.2.2 evaluating the balance of skills, knowledge and experience on the Board and, in light of this evaluation, devising criteria for Board membership and Board positions;
- 4.2.3 identifying candidates and making recommendations to the Board on the appointment of new executive and non-executive directors (including the filling of vacancies on the Board), based on the description set out in 4.2.4;
- 4.2.4 ensure the establishment of a formal process for the appointment of directors, including:
  - 4.2.4.1 identification of suitable members of the Board;
  - 4.2.4.2 performance of reference and background checks of candidates prior to nomination; and
  - 4.2.4.3 formalising the appointment of directors through an agreement between the Company and the director;
- 4.2.5 oversee the development of a formal induction program for new directors;

- 4.2.6 ensure that inexperienced directors are developed through a mentorship programme;
- 4.2.7 oversee the development and implementation of continuing professional development programmes for directors;
- 4.2.8 ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company and the Group operates; and
- 4.2.9 consider the performance of directors and take steps to remove directors who do not make an appropriate contribution; and
- 4.2.10 ensuring that formal succession plans for the Board, the chairperson, the chief executive officer and senior management appointments are developed and implemented.

## 5. **Reporting**

The chairperson of the Committee shall account to the Board for its activities and make recommendations to the Board concerning any matter arising from the Committee's responsibilities and activities.

## 6. **Meetings**

- 6.1 Meetings of the Committee will be held at least twice a year.
- 6.2 Each member shall be given reasonable notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed.
- 6.3 The quorum for decisions of the Committee shall be any two of its members present; provided that if the Committee consists of only one member at any point in time, that member shall form a quorum.

6.4 The Committee shall invite the chief executive to attend meetings from time to time to discuss the performance of other executives and to make proposals as necessary.

## 7. **Proceedings**

7.1 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 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.

7.2 The Committee's secretary shall take minutes of meetings. Any director may, provided that there is no conflict of interest, and with the consent of the chairperson of the Committee, obtain copies of the Committee's minutes.

7.3 No Committee attendee shall participate in any discussion or decision in respect of his/her own remuneration.

## 8. **Assessment**

8.1 The Committee will evaluate its own performance and procedures as well as the mandates, performance and effectiveness on an annual basis.

8.2 The chairperson will appraise the performance of each member on a regular basis.

8.3 The Board will appraise the performance of the chairperson on an annual basis.

9. **General**

- 9.1 The Committee, in carrying out its tasks under this charter, shall be entitled to obtain such professional advice as it considers necessary to carry out its duties and appoint such consultants and determine the terms and conditions of such appointments and remuneration of such consultants in its discretion.
- 9.2 This charter may from time to time be amended as required, subject to the approval of the Board.