

REUNERT

REUNERT LIMITED

POLICY ON NON-EXECUTIVE
DIRECTORS' FEES AND
REIMBURSEMENT OF
EXPENSES

REUNERT BOARD

RECOMMENDED BY THE REMUNERATION COMMITTEE ON

25 MAY 2018

APPROVED BY THE BOARD ON 25 MAY 2018

1. Non-executive directors' fees

1.1 Basic principles

- Non-executive directors' fees are paid in accordance with the fee structure approved, in advance, by shareholders at the Company's annual general meeting by way of a special resolution.
- The new fees approved by shareholders take effect from 1 March each year (subject to approval by shareholders of those fees).
- If a director is registered for VAT and has provided the VAT registration number to Reunert, VAT will be paid in addition to the non-executive directors' fees.
- If shareholders do not approve the fees proposed to the annual general meeting, non-executive directors will continue to be remunerated in accordance with the fees approved at the previous annual general meeting, until the shareholders approve different fees.
- Annual fees (the sum of "non-executive directors' fees" plus fees applicable for relevant board committees, as applicable) are divided by four and paid on a quarterly basis on 31 March, 30 June, 30 September and 31 December.
- Non-executive directors may request Reunert to deduct PAYE, as well as the percentage of such deduction (but not less than 25%). In the absence of a specific instruction from the non-executive director, PAYE will not be deducted. Where the fee amount is remitted to a legal entity PAYE will not be deducted.
- Individuals who are appointed to, or resign from, the board and/or any board committee are paid a pro-rated portion of the quarterly fee at the end of the quarter in which the appointment or resignation is effective. The same principle applies to changes in the chairmanship of committees.
- After the quarter in which an individual was appointed, that new appointee will receive the same quarterly equivalent of the annual fee as the other directors, in other words a quarter of the annual fee (board fees plus board committee fees to the extent relevant), per quarter.
- The remuneration committee indicates, when proposing the board and board committee fees to shareholders, a minimum number of meetings ("assumed number of meetings") that the board and each of the committees are required to convene per financial year. However, the board and board committee fees are not paid only for the attendance of meetings, but include a number of on-going duties set out in paragraph 1.5. Therefore, a non-executive director that is excused from any meeting of the board or a board committee will still receive his/her quarterly remuneration. (The same does not apply in respect of additional meetings, as set out in paragraph 1.2, or for committees that meet on an ad hoc basis as set out in paragraphs 1.3 and 1.4.)
- The chair of the board's fees are not calculated per committee and includes the chair's attendance of the assumed number of board and board committee meetings.

1.2 Additional meetings

- When the relevant assumed number of meetings in respect of either the board or any committee is exceeded, an additional fee per meeting is payable, as approved by shareholders at the annual general meeting.
- The additional meeting fee will be paid at the end of the quarter during which the meeting took place.
- Fees are only paid to non-executive directors that attended the relevant additional meeting(s). In other words, these fees are not paid on the basis of membership of the board or relevant board committee, but for actual attendance of the additional meeting.
- The annual board strategy or strategy review meeting will be paid for as an additional board meeting, subject to actual attendance of that meeting.

1.3 Investment committee

- The investment committee does not have a set meeting schedule and meets on an “as and when required”-basis.
- Investment committee members are paid per meeting attended. No fee is payable to a non-executive director on the basis of his or her membership of this committee. Investment committee members that are unable to attend any meeting of the committee will therefore not be remunerated for that meeting.
- As the investment committee does not have an assumed number of meetings per annum, the fee per meeting remains the same, regardless of the number of meetings that the investment committee holds.

1.4 Ad hoc committees and sub-committees

- Ad hoc or sub-committees of the board may be elected or appointed by the board, or any of its committees, from time to time, typically to deal on an in-depth basis with a specific matter or project.
- Serving on ad hoc or sub-committees is regarded as part of non-executive director’s on-going responsibilities (as contemplated in paragraph 1.5). Non-executive directors are therefore not entitled to additional fees for their services to ad hoc and sub-committees of the board or any board committee.
- Despite the general rule that additional fees will not be payable as set out above, the chairs of the board and the remuneration committee may:
 - Subject to shareholder pre-approval;
 - In their discretion; and
 - Having regard to the commitment of time and expertise required by the mandate of a particular ad hoc or sub-committee, jointly approve a fee for the members of such committee.
- The above additional fee may relate to services already rendered, future services or both, as the chairs of the board and the remuneration committee deem appropriate to be put to shareholders.
- Should either or both the chair of the board or the chair of the remuneration committee have an interest in the additional fee under consideration, the discretion to pay an additional fee referred to in this paragraph shall be exercised by the remuneration committee, excluding the interested individual or individuals.

1.5 Non-executive directors’ on-going responsibilities

- Board and board committee fees do not pertain only to the preparation for and attendance of meetings, but also assumes that the particular director will be reasonably available to consider matters that may arise during the course of the year. The following matters are examples of duties that directors will, from time to time, be expected to perform in the course of their non-executive directorships (and therefore without additional remuneration):
 - Preparation for board and board committee meetings;
 - Travelling to and from board and board committee meetings, unless specifically agreed otherwise (see paragraph 2.2)
 - Attending to urgent matters that cannot reasonably be postponed until the next board or committee meeting;
 - Considering and voting on written resolutions;
 - Attending training sessions arranged for the board and/or board committees. However, if a director is not also attending another board or committee meeting on the same day at the same venue and is obliged to travel for and attend a training session of the board, such director may be paid the fee approved by shareholders as an additional meeting fee for non-executive directors;
 - Attending interviews with potential candidates for appointment to the board. However, if a member of the nomination and governance committee is not also attending another board or committee meeting on the same day at the same venue and is obliged to travel for and attend an interview, such director

may be paid the fee approved by shareholders as an additional meeting fee for the nomination and governance committee;

- Serving as members of ad hoc or sub-committees appointed from time to time by the board or a board committee, as more fully set out in paragraph 1.4;
- Participating in activities that are aimed at increasing the understanding by non-executive directors of the Reunert operations, including site visits and attendance of investor events;
- Attending ad hoc meetings with executive directors in respect of matters that arise in the ordinary course of business;
- Administrative interaction with Reunert as is reasonably required for the facilitation of the board and board committee duties, for example arranging meeting dates and times and completing questionnaires and declarations;
- Appearance at court, arbitration or regulator hearings. However, subject to shareholder pre-approval, if the director's actual participation in any hearing exceeds 4 hours, the relevant non-executive director may be paid on the basis that each day or part thereof constitutes an additional board meeting;
- Committee Chairs: Discussion and settlement of committee agenda, which may include a meeting with executive directors or the company secretary and dealing with matters within the ambit of the relevant committee's mandate which arise between meetings;
- In addition to the duties listed above, the chair of the board is expected to meet with the chief executive officer on a regular basis and with other executives on a periodic basis to be informed of and advise on material matters that arise between board meetings; and
- When the assumed number of meetings (calculated from the start of the relevant financial year) is exceeded, non-executive directors will be remunerated for the attendance of additional meetings, on the basis approved by shareholders.

1.6 Chair of the board's fees

- The chair of the board's fee is, similar to that of other non-executive directors, divided by four and paid on a quarterly basis.
- The chair's fee includes attendance of the assumed number of board and board committee meetings and no additional fees are payable to the chair for his membership, chairing of or attendance of these committees.
- The chair of the board will, however, receive remuneration for the attendance of additional board and board committee meetings (that is, for the meetings in a financial year which exceeds the assumed number of meetings), on the same basis and at the same time as the other non-executive directors.
- The chair of the board is separately remunerated for each investment committee meeting attended.
- The chair of the board may receive ad hoc fees as determined by the remuneration committee, subject to shareholder approval.

1.7 General guidelines on length of meetings

- As far as possible, board and board committee meetings are scheduled well in advance, taking account of directors' other commitments and circumstances.
- When scheduling meetings, training sessions etc., the estimated length of time of the meeting or event is indicated.
- However, the length of time for a particular meeting may need to be varied depending on the requirements of the business and at the discretion of the chair of that meeting or the organiser of the relevant event. As far as possible, variations will be discussed and agreed with non-executive directors beforehand.
- Below is an indication of the average length of meetings and events, subject to change as necessitated by the business of the board or relevant board committee:

- Board meetings: 4 hours, but 5 hours in November
- Audit committee meetings: 3 hours, but 4 hours in November
- Other board committees (that is the remuneration committee, nomination and governance committee, risk committee, social, ethics and transformation committee and the investment committee): 2 hours each
- Board training (twice a year for the main board): 2 hours per session
- Board strategy session: 1 day per year
- Site visits and other activities to improve or update the board's understanding of the Reunert operations: Ad hoc – as arranged in advance

2. Reimbursement of expenses incurred by non-executive directors

2.1 Hardware, software and communication costs

- Non-executive directors are required to have access to appropriate hardware and software to enable them to communicate effectively with Reunert. Expenses associated with general communication or communication infrastructure will not be reimbursed by Reunert.
- In the event that Reunert requires its non-executive directors to utilise specific hardware or software packages, Reunert will incur the relevant expenses, but the hardware and software will remain the property of Reunert and must be returned to Reunert when the non-executive directors resigns from office.

2.2 Expenses incurred to attend board meetings

- In respect of non-executive directors based in Gauteng, Reunert will not pay for, and non-executive directors will not be reimbursed for, travel and related expenses incurred in order to attend a board or board committee meeting.
- In respect of non-executive directors based outside of Gauteng, Reunert will reimburse reasonable travel (including the cost of business (international only) or economy class flights), accommodation and related expenses, actually incurred and substantiated by documentation. (Note that the full cost of first class flights will not be reimbursed, but Reunert will reimburse an amount up to the cost of a business class ticket on the same flight.)
- If a non-executive director attends any board or board committee meeting via telephone, reasonable expenses associated with the call, actually incurred, will be reimbursed.
- It is the responsibility of the director who incurred the expense to submit the claim to the company secretary, as soon as possible but not later than two months after the relevant meeting.
- A director may request Reunert to make the travel, accommodation and associated arrangements on his or her behalf, in which event Reunert will make payment directly to the service provider.
- If a director incurs an expense for more than one purpose, for example to attend other meetings in addition to the Reunert board meeting, non-executive directors are required to use judgement in respect of the appropriate portion of the expense to claim from Reunert.

2.3 Other expenses

- Other expenses, not expressly addressed above, incurred in the course of the exercise of directors' duties may be reimbursed with the approval (preferably the approval should be obtained prior to incurring the relevant expense) of the remuneration committee.
- Expenses incurred to obtain legal and other professional advice will be dealt with in accordance with the provisions of the relevant board charter or board committee terms of reference.

- If the matter is urgent, the reimbursement may be approved by the chair of the remuneration committee in consultation with the chair of the board.

3. Discretion of the remuneration committee and the board

- Either of the board or the remuneration committee has the discretion to allow an exception to the principles set out above, but only when it will be unreasonable not to do so and subject to shareholder approval where required in terms of the Companies Act or the JSE Listings Requirements.
- Reunert will maintain directors' and officers' insurance against liability of non-executive directors to the extent that the risk committee believes to be reasonable and the law allows. A copy of the policy is available from the chief financial officer of Reunert.
- Non-executive directors will be covered as set out in the policy documents from time and time, provided that the directors comply with the policy requirements, such as the notification of any event which may give rise to directors' liability.

4. Exceptions and amendments

- The remuneration committee may consider and deal with any aspect of non-executive director remuneration or reimbursement that is not dealt with in this document in its sole discretion, subject to shareholder approval where required in terms of the Companies Act or the JSE Listings Requirements.
- The remuneration committee may propose amendments to this policy to the board at any time.
- The board may amend this policy, at its discretion, at any time.

5. Effective date

- This policy takes effect on the date of adoption thereof by the board. To the extent that the application of any aspect of this policy requires shareholder approval, it will only be valid if and to the extent that shareholder approval has been obtained.

6. Approval of the policy

This policy was recommended by the remuneration committee and approved by the board on **25 May 2018**.

Signature _____
The chair of the remuneration committee

Date: _____

Signature _____
The chair of the board

Date: _____