



WESCOAL HOLDINGS LIMITED
("the Company")

Remuneration and Nomination Committee Charter

1 Introduction

The Remuneration and Nomination Committee ("the Committee") is constituted as a committee of the Board of Directors ("the Board") of Wescoal Holdings Limited ("the Company").

The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that the committee members have as members of the board. The deliberations of the Committee do not reduce the individual and the collective responsibilities of the board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.

These terms of reference are subject to the provisions of the Companies Act, No 71 of 2008, the Company's Memorandum of Incorporation, King III and any other applicable law or regulatory provision, in effect from time to time.

2 Purpose

The purpose of these terms of reference is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

3 Role of the Committee

3.1 The Committee has an independent role with accountability to both the Board and shareholders.

3.2 The Committee has to assist the Board to ensure that:

- remuneration of directors and executives is fair, responsible and market related;
- the disclosure of directors remuneration is accurate, complete and transparent; and
- general remuneration increases in the group are appropriate;
- the board has 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, if necessary take place; and



- formal succession plans for the board, chief executive and senior management appointments are in place.

4 Committee Membership

- 4.1 The Committee shall comprise of at least three members to be elected by the Board. A quorum shall be two members.
- 4.2 The board shall appoint the chairman of the Committee from amongst the independent non-executive directors.
- 4.3 The members of the Committee must collectively have sufficient qualifications and experience to fulfill their duties and must keep up-to-date with developments affecting the required skill-set.
- 4.4 Members of the Committee shall be appointed for at least a two year term of office at a time.
- 4.5 The board must fill vacancies on the Committee within 40 business days after the vacancy arises.

5 Meetings and Agenda

- 5.1 The Committee should hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of two meetings per year.
- 5.2 Meetings in addition to those scheduled may be held at the request of the chief executive, the financial director or other members of senior management or at the instance of any member of the Board.
- 5.3 The chief executive, financial director or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 5.4 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or the company secretary.
- 5.5 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.
- 5.6 The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to respond to shareholder questions on the Committee's activities.



- 5.7 The Committee must establish an annual work plan for each year to ensure that the relevant matters are covered by the agendas of the meetings planned for the year. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 5.8 A detailed agenda, together with supporting documentation must be circulated, at least three working days prior to each meeting to the members of the Committee and other invitees.
- 5.9 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input in the matters for discussion.

6 Secretary

The secretary of the company shall be the secretary of the Committee and shall ensure minutes are kept of all meetings.

The minutes must be completed as soon as possible after the meeting and circulated to the chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

7 Authority

- 7.1 The Committee acts in terms of the delegated authority of the board as recorded in this terms of reference. It has the power to decide any activity within the scope of its terms of reference.
- 7.2 The Committee, in the fulfillment of its duties, may call upon the chairmen of the other board Committees, any of the executive directors, company officers, the company secretary or assurance providers to provide it with information subject to board approved process.
- 7.3 The Committee has reasonable access to the company's records, facilities, employees and any other resources necessary to discharge its duties and responsibilities subject to following board approved process.
- 7.4 The Committee may delegate decision making authority to one or more designated members of the Committee.
- 7.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at company's cost, subject to a board approved process being followed.

8 Responsibilities

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

- 8.1. Oversee the establishment and implementation of remuneration policies in relation to non-executive directors, executive directors and other executives' remuneration that will promote the achievement of the strategic objectives of the Company and encourage individual performance.
- 8.2 Review the outcomes of the implementation of the remuneration policies to establish whether set objectives are being achieved. The Committee will recommend the necessary improvements to the board in this regard.
- 8.3 Determine specific remuneration packages for executive directors and designated senior executives of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, retirement and other benefits. The Committee is to select an appropriate comparative or benchmark when comparing remuneration levels.
- 8.4 Determine any criteria necessary to measure the performance of executives in discharging their functions and responsibilities.
- 8.5 Review the service agreements of the chief executive and the executive directors, including notice terms.
- 8.6 Ensure the establishment of a formal process for the appointment of directors, including:
 - identification of suitable members of the board;
 - performance of reference and background checks of candidates prior to nomination;
 - formalising the appointment of directors through an agreement between the company and the director.
- 8.7 Oversee the development of a formal induction programme for new directors.
- 8.8 Ensure that there is a mentorship programme for directors who do not have sufficient experience.
- 8.9 If considered appropriate, oversee the development and implementation of continuing professional development programmes for directors.
- 8.10 Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.
- 8.11 Consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.
- 8.12 Find and recommend to the board a replacement for the chief executive when that becomes necessary.
- 8.13 Ensure that formal succession plans for the board; chief executive and senior management are developed and implemented.



8.14 Recommend fees for non-executive directors (including chairman and sub-committee membership) to the shareholders.

8.15 Issue guidelines for general salary increases.

8.16 Review the remuneration report and disclosure of directors' remuneration that appears in the Company's integrated report to ensure that:

- It is accurate, complete and transparent;
- Provides a clear explanation of how the remuneration policy has been implemented;
- Provides sufficient forward-looking information for the shareholders to assess the remuneration policy for passing a non-binding advisory vote.

9 Self- assessment

The Committee should conduct continual self-assessment or self-evaluation and the Board must perform an evaluation of the effectiveness of the Committee every year.

10 General

The Committee members are obliged to disclose any interests they have within the organisation or outside the organisation that might interfere with the performance of their duties.

Any group related information that comes to light during their performance of duties must be kept confidential. This information can only be disclosed to the board or any statutory board on demand.

APPROVED BY THE REMUNERATION AND NOMINATION COMMITTEE ON 22 JULY 2014