

## DIRECTORS' REMUNERATION POLICY

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### AUTHORISATION

	Name	Designation
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<b>Reviewed</b>	SERT Committee	-
<b>Accepted</b>	SERT Committee	-
<b>Approved</b>	Board	-

### DISTRIBUTION

Board, SERT Committee, CPA HR Executive, Group Company Secretary, Managing Director

### REVISION

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00	First issue	24 June 2015
01	Second issue	16 August 2016
02	Third issue	21 February 2018
03	Fourth issue	21 August 2019
04	Fifth issue	7 April 2020

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## **1. INTERPRETATION**

In this Policy the following expressions shall bear the meanings assigned to them below and cognate expressions shall bear corresponding meanings:

- 1.1 "AGM" means the annual general meeting;
- 1.2 "board" means the board of directors of the company from time to time;
- 1.3 "company" means Octodec Investments Limited, Registration Number 1956/002868/06;
- 1.4 "Companies Act" means the Companies Act 71 of 2008 (as amended);
- 1.5 "group" means the company, and each of its direct or indirect subsidiary or associate companies from time to time;
- 1.6 "King IV™" means the King IV Report on Corporate Governance for South Africa, 2016;
- 1.7 "meeting fee" means the fee payable to attend a board meeting, annual general meeting or board sub-committee meeting;
- 1.8 "directors" means Executive and Non-Executive Director/s;
- 1.9 "retainer" means the annual fee amount payable to the directors in return for rendering services to the company, as stipulated in terms of this policy.

## **2. KEY PRINCIPLES**

The company and Social, Ethics, Remuneration and Transformation ("SERT") committee take cognisance of the additional responsibilities placed on directors by the Companies Act and corporate governance principles referred to in King IV™. Consequently, the key principles which will underpin the remuneration of directors of the company are as follows:

- 2.1 Remuneration should be sufficient to attract, motivate and retain suitable talent to the board.
- 2.2 The remuneration payable to directors shall be consistent with market related best practice and account for their professional expertise, knowledge and skills.

The structure and quantum of directors' remuneration will, be reviewed annually by the SERT committee who will make recommendations to the board for approval, after considering *inter alia* the outcome of an annual benchmarking exercise undertaken by an independent remuneration advisor.

### **3. RETAINERS**

- 3.1 Directors will receive a retainer per annum paid quarterly in arrears, for services rendered as directors to the company. The current annual retainers payable to directors are reflected in Annexure A to this policy.
- 3.2 The retainer is subject to review every year by the SERT committee, the board and the approval of the company's shareholders.
- 3.3 Directors are not entitled to receive any remuneration or company benefits (including pension schemes or share arrangements) other than the retainer and meeting fees contemplated in paragraph 3.1 above as specifically provided for in this policy.
- 3.4 The retainer is to be paid on submission of a VAT invoice and approved by the Financial Director.

### **4. MEETING FEES**

- 4.1 In addition to the annual retainer, directors shall be entitled to a fee per meeting for attendance at board meetings, the AGM and board sub-committee meetings on which the director serves, and which includes attendance by invitation. The current fees per meeting payable to directors are reflected in Annexure B to this policy. Meeting fees will be payable quarterly in arrears, with the retainer.
- 4.2 Subject to 4.4, the fee shall only be payable if the meeting is scheduled and recorded on the board calendar and the director is reflected as present by his/her signature in the attendance register.
- 4.3 In cases of partial attendance at meetings, the director must attend for at least two-thirds of the duration of the meeting for the fee to be paid subject to approval of the board chair, unless otherwise agreed.
- 4.4 Payment for *ad hoc* meetings is subject to approval by the board chair.
- 4.5 Directors will not receive supplementary fees for *ad hoc* work as the retainer fee is deemed to include provision for a reasonable amount of additional hours to be spent on *ad hoc* matters. The board will approve fees for extraordinary work undertaken on a case by case basis.
- 4.6 Where more than one meeting is scheduled on a particular day and in view of the preparation required for both meetings, a meeting fee for each meeting is payable to the non-executive directors but only the highest meeting fee in respect of all the meetings held on that particular day would be payable to the executive directors. Subject to the shareholders' approval, effective 1 March 2020, this provision will not apply and will be amended as per 4.7 below.

4.7 Where more than one meeting is scheduled on a particular day and in view of the preparation required for both meetings, a meeting fee for each meeting is payable to the directors.

4.8 In compliance with the SARS Binding General Rule ("BGR") 41, non-executive directors who earn more than R1 million (one million rand only) in a 12-month period will be liable to register for and charge VAT for services rendered as a non-executive director.

## **5. OUT OF POCKET AND INCIDENTAL EXPENSES**

5.1 The group company secretary's office will provide directors with logistic support which includes assistance with travel and transport arrangements and related administrative services.

5.2 The company will reimburse directors, at the discretion of the company for:

5.2.1 The equivalent to 1 (one) night's 4-star hotel accommodation per meeting, limited to a maximum reimbursement of R2,500.00 per night;

5.2.2 The equivalent of 2 (two) nights' 4-star accommodation for 2 (two) days' back-to-back meetings. 2 (Two) meetings scheduled on the same day would not qualify for the reimbursement of an extra night's accommodation; and

5.2.3 Economy class airfare, limited to a maximum reimbursement of R3,000.00 per return trip;

5.3 Reasonable out of pocket expenses incurred in carrying out their duties associated with their appointments to the company board and board sub-committees.

5.4 The following incidental expenses are considered to be covered by the retainer fee and will not qualify for reimbursement by the company, unless otherwise agreed:

5.4.1 Telephone calls;

5.4.2 Internet bandwidth;

5.4.3 Road travel to and from meetings;

5.4.4 Printing;

5.4.5 Stationery; and

5.4.6 Meals.

- 5.5 Directors should submit proof of out of pocket expenses incurred to the group company secretary for processing, subject to approval by the financial director.

**APPROVED BY THE BOARD ON 21 APRIL 2020**

**ANNEXURE A**

**Approved at the AGM held on 24 January 2020 for the 12 months to 31 August 2021**

<b>Names of Directors</b>	<b>Annual Retainer</b>
Board chairman	R 715,500.00
Lead independent director	R 357 220.00
Non-executive directors	R 297 860.00
Executive directors	R 297 860.00

**ANNEXURE B**

**Approved at the AGM held on 24 January 2020 for the 12 months to 31 August 2021**

<b>Meeting</b>	<b>Meeting fee</b>
Board meeting (including Annual General Meeting)	R 17,914.00
Meeting fee for attendance at sub-committee of the Board	R 21,412.00
Chairman of sub-committee of the Board	R 26,182.00
Meeting fee for attendance at an ad hoc sub-committee meeting of the Board	R 21,412.00
Chairman of an ad hoc sub-committee of the Board	R 26,182.00