

DIRECTORS' REMUNERATION POLICY

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DISTRIBUTION

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

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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 for the board.
- 2.2 The remuneration payable to directors shall be consistent with market-related best practice and, *inter alia*, account for their professional expertise, knowledge, and skills.

The structure and quantum of directors' remuneration will be reviewed annually by the SERT committee to make recommendations to the board for approval, after considering *inter alia* the outcome of an annual benchmarking exercise undertaken by an approved 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.
- 4.2 Previously, Octodec's executive directors received directors' remuneration for attending board and board sub-committee meetings, whether or not they were members of a particular board sub-committee. Effective from 1 March 2022, this provision will no longer apply, and executive directors will receive only directors' remuneration for attending board meetings.
- 4.3 Effective from 1 March 2022, Octodec's non-executive directors, who are not members of a particular board sub-committees, will no longer receive fees for their attendance at such meetings unless the non-executive director in question is a standing invitee of a board sub-committee which he/she attends by standing or casual invitation (i.e., the Chairman of the board has a standing invitation to attend group audit committee meetings) or the Chairman of the respective board sub-committee specifically invites a non-executive director to attend a board sub-committee meeting for a specific purpose.
- 4.4 The current fees per meeting payable to directors are reflected in **Annexure B** of this policy. Meeting fees will be payable quarterly in arrears, with the retainer.
- 4.5 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.
- 4.6 In cases of partial attendance at meetings, a director must attend for at least two-thirds of the duration of the meeting for the fee to be paid subject to the approval of the meeting chair, unless otherwise agreed.
- 4.7 Payment for *ad hoc* meetings is subject to approval by the board chair.
- 4.8 Directors will not receive supplementary fees for *ad hoc* work as the retainer fee is deemed

to include a 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.

- 4.9 Where more than one meeting is scheduled on a particular day and given the preparation required for both meetings, the standard meeting fee for each meeting, as indicated in **Annexure B**, is payable to the directors.
- 4.10 In compliance with the SARS Binding General Rule ("BGR") 41, non-executive directors who earn more than R1 million (one million rand only) in twelve months 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, if required.
- 5.2 The company will reimburse directors, at the discretion of the company for:
- 5.2.1 The equivalent of 2 (two) night's 4-star hotel accommodation per meeting, per night;
- 5.2.2 The equivalent of 3 (three) 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;
- 5.2.3 The cost of a shuttle service from the airport to the hotel and *vice versa*; and
- 5.2.4 The cost of airport parking; and
- 5.2.5 Economy class airfare, 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 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 Printing;
- 5.4.4 Stationery; and

5.4.5 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 14 FEBRUARY 2024

ANNEXURE A**Approved at the AGM held on 3 February 2023 for the 12 months to 31 August 2024**

Description of director	Annual retainer
Board chairman	R 751 275.00
Lead independent director	R 375 801.00
Non-executive directors	R312 753.00
Executive directors	R 312 753.00

Approved at the AGM held on 1 February 2024 for the 12 months to 31 August 2025

Description of director	Annual retainer
Board chairman	R 751 275.00
Lead independent director	R 375 801.00
Non-executive directors	R312 753.00
Executive directors	R 312 753.00

ANNEXURE B

Approved at the AGM held on 3 February 2023 for the 12 months to 31 August 2024

Type of meeting	Meeting fee
Board meeting (including Annual General Meeting)	R 18 810.00
Meeting fee for a non-executive director's attendance at a sub-committee of the Board	R 22 483.00
Chairman of sub-committee of the Board	R 27 491.00
Meeting fee for a non-executive director's attendance at an <i>ad hoc</i> sub-committee meeting of the Board	R 22 483.00
Chairman of an <i>ad hoc</i> sub-committee of the Board	R 27 491.00

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