



TERMS OF REFERENCE

PROJECT AND INVESTMENT COMMITTEE

1. Introduction

- 1.1 The Project and Investment Committee (the Committee) is constituted as a committee of the Board of Salungano Group Limited (“the Company”) in terms of section 72 of the Companies Act 71 of 2008. The Committee has been established by the Board to act as the Project and Investment Committee of the Company and its subsidiaries (the Group) and to assist the Board with the matters set out herein.
- 1.2 The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties and responsibilities, and Board members must continue to exercise due care and judgment in accordance with their legal obligations.
- 1.3 These Terms of Reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation, King IV, the JSE Listing Requirements, the Board Charter and any other applicable law or regulatory provision.

2. Purpose of the Terms of Reference

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, meetings and other procedures.

3. Composition

- 3.1 The Committee comprises at least five directors of the Company, of whom three shall be Non-Executive Directors and two Executive Directors, all of whom being appointed by the Board.
- 3.2 The Board selects the members of the Committee from its current members.
- 3.3 The Committee is chaired by an independent non-executive Board member. The Board selects the Chair of the Committee from the appointed members.
- 3.4 The members of the Committee shall collectively have sufficient qualifications and experience to fulfil their duties. Committee members are required to keep up to date with developments impacting their relevant skill set as well as the subject areas relevant to the required skill set needed on the Committee.
- 3.5 The Board fills vacancies on the Committee as and when required.
- 3.6 The constitution of the Committee and its Chairpersonship will be subject to annual review by the Board.

4. Role

- 4.1 The Committee has an independent role with accountability to the Board.
- 4.2 The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.
- 4.3 The role of the Committee comprises assisting the Board:
 - 4.3.1 in considering projects, investment opportunities and other corporate actions; and
 - 4.3.2 to approve acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it and in line with the investment strategy and policies determined by the Board.

5. Responsibilities

The responsibilities of the Committee include:

- 5.1 Regular review of the Company's investment strategy against investment evaluation criteria;

- 5.2 Setting of criteria and targets for investment;
- 5.3 Ensuring compliance with the Capital Expenditure (CAPEX) policy and capital allocation framework;
- 5.4 Periodic review of due diligence processes for acquisitions;
- 5.5 Approval of equity and other strategic investments;
- 5.6 Reviewing of market evaluations by external valuers;
- 5.7 Regular review of the performance of the Company's investment portfolio;
- 5.8 Ancillary and ad hoc duties delegated to the Committee by the Board.

6. Authority

- 6.1 The Committee acts in accordance with its delegated authority of the Board as recorded in these Terms of Reference. It has the power to investigate any activity within the scope of its Terms of Reference and mandate.
- 6.2 The Committee, in the fulfilment of its duties, may call upon the Chairs of the other Board committees, any of the executive directors, company officers or assurance providers to provide it with relevant information subject to a Board-approved process.
- 6.3 The Committee is entitled to reasonable access to the company's records, facilities and employees as is necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to, subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.
- 6.5 The Committee has the right to obtain independent external professional advice to assist with the execution of its duties, at the company's cost, subject to a Board-approved process.

7. Meetings and Procedures

7.1 Frequency

The Committee must hold a sufficient number of scheduled meetings to discharge all its duties as set out in these Terms of Reference and its annual workplan but will ordinarily not meet less than twice a year.

7.2 Attendance

- 7.2.1 Executives of the company, other assurance providers, professional advisors, management and Board members may attend Committee meetings, by invitation only, at the discretion of the Chair, and they may not vote.
- 7.2.2 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 Chair or Committee Secretary.
- 7.2.3 If the elected Chair of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chair for the duration of that meeting.
- 7.2.4 Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.
- 7.2.5 Committee members may attend meetings in person or via electronic means.
- 7.2.6 At the commencement of each meeting, all members must declare whether any of them has any conflict of interest in respect of a matter on the agenda.

7.3 Agenda and minutes

- 7.3.1 The Committee must establish an annual workplan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 7.3.2 A detailed agenda, together with supporting documentation, must be circulated, at least five working days prior to each meeting to the members of the Committee and other invitees.
- 7.3.3 The minutes must be completed within ten working days after the meeting and circulated to the Committee for review.
- 7.3.4 The minutes must be formally approved by the Committee at its next scheduled meeting.
- 7.3.5 Minutes of the meeting, signed by the Chair, are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.
- 7.3.6 The Company Secretary shall act as Committee Secretary of the Committee.
- 7.3.7 A resolution in writing (“round robin resolution”) signed by a majority of the members of the Committee who are present in South Africa at the time when such resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meeting of

the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

7.4 Quorum

7.4.1 The quorum for meetings is a majority of members present.

7.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings and accordingly may not vote on any matter.

8. Reporting

8.1 A report by the Chairperson of the Committee will be submitted to the Board at its next succeeding meeting for noting purposes.

8.2 In addition to the above, the Chairperson of the Committee will provide verbal feedback at the meetings of the Board of Directors on the Committee's recent activities.

9. Evaluation

9.1 The Committee will perform a self-evaluation of its effectiveness every second year and report the results of the self-evaluation to the Board.

9.2 In the years alternate to its self-evaluation years, independent evaluations of the Committee's performance will be conducted, provided that these independent evaluations are aligned with independent Board evaluation cycles and further provided that the independent evaluations are considered necessary and practicable by the Board.

9.3 The Board may notwithstanding and at its own discretion elect to have an independent evaluation of the Committee's performance conducted at any time when considered appropriate by the Board.

10. Review of Terms of Reference

These terms of reference will be due for review annually.

11. Approval of these Terms of Reference

These Terms of Reference were approved by the Board on 29 March 2022 and will be due for review in March 2023.



Chairman of the Board

29 March 2022

Date: