TERMS OF REFERENCE

REMUNERATION COMMITTEE

1. Introduction

1.1 The Remuneration 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 Remuneration 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 three Non-Executive Directors of the Company, with at least the majority of the Non-Executive Directors being Independent Non-Executive Directors, all of whom are appointed by the Board.

3.2 The Board appoints the members of the Committee on recommendation of the Nomination Committee and fills any vacancy on the Committee as and when required.

3.3 The Committee is chaired by an independent non-executive Board member. The Board selects the Chairperson of the Committee from the appointed members.

3.4 The Chairperson of the Board shall not be the Chairperson of the Committee but may be a member of the Committee.

3.5 The Chief Executive Officer and other executives may not be a member and/or chairperson of the Committee but may attend meetings by invitation. They may not be part of any discussions on their own remuneration.

3.6 The Board may terminate membership of any person serving on the Committee on recommendation of the Committee, or on recommendation of the Nomination Committee.

3.7 The constitution of the Committee and its Chairpersonship will be subject to annual review by the Board.

4. Member skills and training

4.1 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.

4.2 All members of the Committee shall have a working familiarity with remuneration and accounting practices, and at least one member of the Committee should have a proven record in negotiating reward packages for senior management.

5. Role

5.1 The Committee has an independent role with accountability to the Board.

5.2 The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

5.3 The role of the Committee is to assist the Board with the governance of remuneration matters relating to the Company, as described in these Terms of Reference.

6. Purpose

The primary purposes of the Remuneration Committee are:

6.1 To assist the Board in its responsibility for setting, monitoring, reviewing, approving and administering remuneration policies and practices.

6.2 To monitor the Company's share incentive schemes (as overseen by the Share Incentive Trust).

6.3 To ensure that the Group's executive directors and executive managers are fairly and responsibly rewarded for their individual contributions to the Group's overall performance in the context of overall employees in the Group, in a way that promotes the achievement of the Group's strategic objectives.

6.4 To assist the Board to ensure that engagement on remuneration-related matters with stakeholders takes place regularly.

6.5 To assist the Board to ensure that the Group maintains a status as a responsible corporate citizen by overseeing that remuneration trends and remuneration issues (such as the ethics of pay and gender equality) are addressed and/or considered when discharging its duties.

6.6 To demonstrate to all stakeholders that the remuneration of executive managers of the Group is set by a Committee of Board members who have no personal interest in the outcomes of their decisions and who will give due regard to the interests of the shareholders and to the financial and commercial health of the Group.

7. Primary objectives

The Committee's primary objectives are to:

7.1 consider and recommend remuneration policies for the Group, particularly executive managers, including Executive Directors, and to advise on the remuneration of Non-Executive Directors; and

7.2 monitor and strengthen the objectivity and credibility of the Group's Directors and executive remuneration system by correlating remuneration to individual performance, the Group's performance and market conditions.

8. Responsibilities

The responsibilities of the Committee shall include:

8.1 The annual review of the Company's Remuneration Policy for the remuneration of executive managers and directors.

8.2 The annual review of the basis of calculation of executive managers' and executive directors' remuneration to ensure that it is reasonable, considering the measurement of performance against pre-determined and agreed criteria.

8.3 Review of current industry and general best practice in remuneration, including, *inter alia*:

8.3.1 professional executive recruitment organisation's publications;
8.3.2 evolving and changing methods of remunerating executive managers and executive directors;
8.3.3 existing and developing concepts in fringe benefits and share plan architectures;
8.3.4 retirement and termination payments.

8.4 Review of related-party transactions and disclosures, if any.

8.5 Review of terms and conditions of executive directors' service agreements.

8.6 Approving allocations/awards/grants of share appreciation rights/performance shares/restricted shares in terms of the Group's share plans, if applicable.

8.7 Approving the payments of incentive bonuses to executives in terms of all incentive plans.

8.8 Ensuring that the Remuneration Report to be included in the Group's Integrated Annual Report complies with the principles and guidelines set out in King IV™ and that it will find favour with, and be endorsed by, shareholders in their voting of the separate non-binding votes of the remuneration policy and implementation report at the AGM.

8.9 Assist the Board in the establishment of a remuneration framework that articulates and gives effect on fair, responsible and transparent remuneration, especially for directors and senior executives, and promotes the achievement of strategic objectives and encourages individual performance.

8.10 Ensuring that all legislation is adhered to, and that adherence is monitored, particularly regarding equal pay for work of equal value.

8.11 Ensuring that an organisation wide remuneration strategy and policy is designed to achieve the following, non-exhaustive objectives:

8.11.1 To attract, motivate, reward and retain human capital;
8.11.2 To promote the achievement of strategic objectives within the organisation's risk appetite;
8.11.3 To promote positive outcomes; and
8.11.4 To promote an ethical cultural and responsible corporate citizenship.

8.12 Ensuring that the remuneration policy achieves its stated objectives.

8.13 Review the remuneration policy and assess the appropriateness of the fixed to variable remuneration mix for the organisation, to ensure it reflects the remuneration strategy.

8.14 Ensuring that the design of the variable pay schemes and the setting of associated targets do not encourage behaviour contrary to the organisation's risk management approach and does not drive excessively risky behaviour in pursuit of incentive target.

8.15 Monitor the application of the remuneration policy and review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved. The Committee should also make recommendations to the Board of any areas of improvement to the remuneration policy.

8.16 Ensure that the remuneration policy and implementation report are put to two separate non-binding advisory votes at the annual general meeting, and that in the event that 25% or more of the shareholders vote against either or both resolutions, ensure that:

8.16.1 The Stock Exchange News Service ("SENS") announcement after the AGM contains an invitation to shareholders to engage with the Committee regarding the reasons for their dissenting votes, and include the manner and timing of the engagement;

8.16.2 The shareholder engagement processes (as set out in the remuneration policy) take place, and that one or more of the members of the Committee are present during the shareholder engagement sessions; and

8.16.3 The following is disclosed in the background statement of the remuneration report succeeding the voting:

- With whom the Company engaged, and the manner and form of engagement to ascertain the reason for the negative votes; and
- The nature of steps taken to address legitimate and reasonable objections and concerns.

8.17 The Committee shall at all times:

8.17.1 Give due consideration to the relevant provisions of the Companies Act, 2008, the JSE Listings Requirements and the Code of Governance Principles as contained in the King IV™;

8.17.2 Noting the imminent enactment of the Companies Amendment Bill, 2023, and the Companies Second Amendment Bill, 2023, give due consideration to the provisions of these Amendment Bills once enacted, among others including pay gap disclosure, the approval by shareholders at the AGM (by way of ordinary resolutions) of the remuneration report, remuneration policy and implementation report, and the consequences of the non-approval of the implementation report on the eligibility of non-executive directors to serve on the Committee.

8.17.3 Retain a copy of the current Terms of Reference of the Committee at the registered office of the Company and provide shareholders with a copy of same if requested; and

8.17.4 Consider such other topics and fulfil such other duties as defined by the Board.

9. Authority

9.1 The Committee acts in accordance with its statutory powers and the 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.

9.2 The Committee, in the fulfilment of its duties, may call upon the Chairpersons 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.

9.3 The Committee is entitled to reasonable access to the company's records, facilities and employees as is necessary to discharge its duties and responsibilities.

9.4 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.

9.5 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.

10. Meetings and Procedures

10.1 Frequency

The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these Terms of Reference and its annual workplan, but subject to a minimum of three meetings per year, and whenever it is necessary to make recommendations relating to the remuneration of executive managers and directors.

10.2 Attendance

10.2.1 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.

10.2.2 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 Chairperson or Committee Secretary.

10.2.3 The Company Secretary shall be the Secretary of the Committee.

10.2.4 If the elected Chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairperson for the duration of that meeting.

10.2.5 Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.

10.2.6 Committee members may attend meetings in person or via electronic means.

10.2.7 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.

10.3 Agenda and minutes

10.3.1 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.

10.3.2 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.

10.3.3 The minutes must be completed within ten working days after the meeting and circulated to the Committee for review.

10.3.4 The minutes must be formally approved by the Committee at its next scheduled meeting.

10.3.5 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.

10.4 Quorum

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

10.4.2 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.

11. Reporting

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

11.2 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.

11.3 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.

11.4 The Chairperson of the Committee shall prepare a statement, for inclusion in the integrated report, that describes the Committee's composition and responsibilities (including its mandate), and how these responsibilities were discharged during the relevant financial year.

11.5 The Committee shall prepare a report, for inclusion in the integrated and other stakeholders reports, of the Group's remuneration philosophy, the major components of executive remuneration and how they are applied to each individual executive Director and prescribed officers.

11.6 The Committee shall review the remuneration disclosure and shareholders engagement processes, ensuring transparency and providing sufficient forward- looking information for shareholders to assess the remuneration policy. The Committee shall submit the remuneration policy as well as the implementation report to the shareholders at the annual general meeting for two separate non-binding advisory votes.

11.7 The Chairperson of the Committee, or in his/her absence, any member of the Committee shall be in attendance at the Group's annual general meeting and respond to any questions relating to the work of the Committee.

12. Evaluation

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

12.2 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.

12.3 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.

13. Review of Terms of Reference

These terms of reference will be due for review annually.

14. Approval of these Terms of Reference

These Terms of Reference were approved by the Board on 7 May 2024 and will be due for review in May 2025.

CHAIRMAN OF THE BOARD

Date: 7 May 2024