



THARISA plc
Registration number HE223412
(Incorporated in Cyprus on 20 February 2008)
("Tharisa" or "the Company")

REMUNERATION COMMITTEE
TERMS OF REFERENCE

1. **BACKGROUND**

- 1.1 The Board of Directors of the Company ("the **Board**") has resolved to establish a Remuneration Committee ("the **Committee**").
- 1.2 The Board has delegated to the Committee responsibility for overseeing remuneration of the Executive Group (as defined below).
- 1.3 These terms of reference were adopted on 2 April 2014 and replace any previous terms of reference for any Remuneration Committee of the Board.

2. **DUTIES OF THE COMMITTEE**

- 2.1 The Committee shall:
 - (a) determine the framework or broad policy for the remuneration of the Chairman, Chief Executive Officer, the Chief Financial Officer, the other executive directors of the Company, the Company Secretary and any other members of the executive management of the Company and its subsidiaries (collectively, "the **Group**") as the Board may determine from time to time ("the **Executive Group**") (the remuneration of non-executive directors being a matter for the Chairman of the Board and the executive members of the Board) The Committee shall ensure that the remuneration policy is put to a non-binding advisory vote at the general meeting of shareholders once every year;
 - (b) take into account all factors deemed necessary when determining the remuneration policy, the objective of which shall be to ensure that

members of the Executive Group are provided with appropriate, stretching incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their contributions to the long-term success of the Company;

- (c) review and have regard to the remuneration trends across the Company or Group when determining the remuneration policy for directors;
- (d) review the ongoing appropriateness and relevance of the remuneration policy;
- (e) consider and determine all elements of the remuneration of the Executive Group, namely:
 - (i) base salary (the Committee shall also consider the pension consequences of basic salary increases);
 - (ii) bonuses and performance-related payments (including profit-sharing schemes);
 - (iii) discretionary payments;
 - (iv) retirement contributions;
 - (v) benefits in kind; and
 - (vi) share options and their equivalents;
- (f) in respect of any element of remuneration of the Executive Group which is performance-related, formulate suitable performance-related criteria and monitor their operation;
- (g) consider and determine other provisions of the service agreements of the Executive Group (in particular the term, any notice period and compensation commitment on early termination);
- (h) approve any payment to, and/or any non-cash benefit to be provided to, or for the benefit of an executive director or other member of the Executive Group and any other terms and conditions to apply on termination of that person's employment (once the decision to dismiss or reach agreement to terminate employment has been taken by the Board);
- (i) agree the policy for authorising claims for expenses from the directors;

- (j) approve all aspects of any executive share scheme operated by or to be established by the Company (subject always to the rules of that scheme and any applicable legal and stock exchange requirements) including but not limited to:
 - (i) the selection of those eligible executives of the Company and its subsidiary companies to whom options or awards should be granted;
 - (ii) the timing of any grant;
 - (iii) the numbers of shares over which options or awards are to be granted;
 - (iv) the exercise price at which options or awards are to be granted; and
 - (v) the imposition of any objective condition which must be complied with before any option or award may be exercised;
- (k) have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes (in particular the principles and provisions of the King Code on Corporate Governance for South Africa 2009 ("the King Code"), the King III Report on Corporate Governance for South Africa 2009 ("the King III Report"), and the requirements of the Johannesburg Stock Exchange ("JSE") Listings Requirements) which the Committee considers relevant or appropriate;
- (l) ensure that provisions regarding disclosure of information, including pensions, as set out in the JSE Listings Requirements and the King Code and the King III Report, are fulfilled and to produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report;
- (m) consider and make recommendations to the Board concerning disclosure of details of remuneration packages and structures in addition to those required by law or by the JSE Listings Requirements;
- (n) be aware of and advise the Board on any major changes in employee benefit structures throughout the Company or Group;
- (o) be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who

advise the Committee within any budgetary restraints imposed by the Board and considering any other connection that they may have with the Company or Group; and

(p) consider any other matters as may be requested by the Board.

2.2 In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company.

2.3 The duties of the Committee do not include decisions to employ or dismiss members of the Executive Group. The Committee does not have responsibility for nominations to the Board.

3. COMPOSITION

3.1 The Committee shall be made up of at least three members, who shall also be members of the Board, appointed by the Board and in consultation with the Chairman of the Committee from time to time. The Committee shall consist of non-executive directors, the majority of which shall be independent non-executive directors. The Chairman of the Board may be a member of, but not chair, the Committee provided that he/she was considered independent on appointment. Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited to attend all or part of any meeting.

3.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee.

3.3 The Board shall appoint one member of the Committee to act as its Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

4. QUORUM

4.1 The quorum necessary for the transaction of business shall be a majority of members present.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. MEETING ADMINISTRATION

- 5.1 The Committee shall meet at least twice a year at the times as may be agreed by the members and at such other times as determined by the Committee Chairman.
- 5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.
- 5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required) together with an agenda of the items to be discussed and supporting documentation, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting, or as soon as is practicable.

6. SECRETARY

- 6.1 The Company Secretary or such person as the Company Secretary nominates shall act as the secretary of the Committee.
- 6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.3 Draft Minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once agreed, minutes shall be available to all other members of the Board upon request, unless it would be inappropriate to do so.

7. EVALUATION

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

The Board shall review the performance of the Committee, its composition and terms of reference on an annual basis.

8. REPORTING RESPONSIBILITIES

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is desirable.

- 8.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval.
- 8.4 The Committee Chairman shall attend the Company's annual general meeting to respond to any shareholder questions on the Committee's activities.

9. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to laws and regulations, the provisions of the King Code, the King III Report, the requirements of the JSE Listings Requirements , Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- (d) oversee any investigation of activities which are within its terms of reference.

10. AUTHORITY

10.1 The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee or contractor in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee;
- (d) call any Group employee or contractor to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.