

REMUNERATION CHARTER

1. INTRODUCTION

At a meeting of the Board of Directors (the "Board") of Metrofile Holdings Limited (the "Company") held on 26 February 2013, the Board resolved to separate the Nomination and Remuneration Committee and establish a Remuneration Committee (the "Committee"); this Charter, which sets out the role and responsibilities, composition, structure and membership requirements of the Committee, was adopted.

2. CONSTITUTION

- 2.1 The Committee has been established by the Board of the Company to act as the Remuneration Committee of the Company and its subsidiaries (the "Group") and thereby to assist the Board with regard to matters set out below, which include, inter alia, monitoring, review and approving compensation policies and practices of the Company and administering the Company's share incentive schemes.
- 2.2 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 2.3 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company.
- 2.4 Any reference in this Committee Charter (the "Charter") or to the "Group" is to be construed as a reference to the Company or any company or companies in the Group as the context may require and not only as reference to the Group as a whole.

3. PURPOSE AND ROLE

- 3.1 The primary purposes of the Committee are:
 - 3.1.1 To assist the Board in its responsibility for setting, monitoring, reviewing, approving and administering remuneration policies and practices.
 - 3.1.2 To administer the Company's share incentive schemes.
 - 3.1.3 To ensure that the Group's directors and executive managers are fairly and responsibly rewarded for their individual contributions to the Group's overall performance.



- 3.1.4 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.
- 3.2 The Committee's primary objectives are to:
 - 3.2.1 Consider and recommend remuneration policies for the Group, particularly executive managers, including executive directors and to advise on the remuneration of non-executive directors.
 - 3.2.2 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.

4. RESPONSIBILITIES AND DUTIES

- 4.1 The responsibilities and duties of the Committee shall include:
 - 4.1.1 Annual review of the Company's Reward Philosophy and Reward Strategy and Policy for executive managers' and directors' remuneration.
 - 4.1.2 Annual review of the basis of calculation of executive managers' and directors' remuneration to ensure that it is reasonable, taking into account the measurement of performance against pre-determined and agreed criteria.
 - 4.1.3 Review of current industry and general best practice in remuneration, including, inter alia:
 - 4.1.3.1 professional executive recruitment organisations' publications.
 - 4.1.3.2 evolving and changing methods of remunerating executive managers and directors.
 - 4.1.3.3 existing and developing concepts in fringe benefits and share plan architectures.
 - 4.1.3.4 retirement and termination payments.
 - 4.1.4 Review of related party transactions and disclosure, if any.
 - 4.1.5 Review of terms and conditions of executive directors' service agreements.
 - 4.1.6 Approving allocations/awards/grants of share appreciation rights/performance shares/restricted shares in terms of the Metrofile Share Plan.
 - 4.1.7 Approving the payments of incentive bonuses to executives in terms of all incentive plans.
 - 4.1.8 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 III and that it will find favour with, and be approved by, shareholders at the AGM.
- 4.2 The Committee shall at all times:



- 4.2.1 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 Report, 2009;
- 4.2.2 Retain a copy of the current Charter of the Committee at the registered office of the Company and provide shareholders with a copy of same, if requested; and
- 4.2.3 Consider such other topics and fulfil such other duties as defined by the Board.

5. POWERS

- 5.1 The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment.
- 5.2 The Committee has unrestricted access to all information, including records, property and personnel of the Group, and must be provided with adequate resources in order to fulfil its responsibilities.
- 5.3 The Committee is authorised by the Board to:
 - 5.3.1 Investigate any activities within its terms of reference;
 - 5.3.2 Seek outside legal or other independent professional advice at the Group's expense in accordance with a procedure developed by the Board for this purpose;
 - 5.3.3 Secure the attendance of outsiders with the relevant experience and expertise, where necessary, at the Group's expense in accordance with a procedure developed by the Board for this purpose;
 - 5.3.4 Seek any information it requires from any employee, within its terms of reference, and all employees are required to cooperate with any reasonable requests made by the Committee;and
 - 5.3.5 Further delegate duties to a sub-committee of this Committee.

6. MEMBERSHIP

- 6.1 Composition
 - 6.1.1 The Committee shall comprise of at least 3 (three) members, each of whom shall be appointed by the Board.
 - 6.1.2 The members of the Committee shall be non-executive Directors and the majority shall be independent.
 - 6.1.3 The Chairman of the Board shall not be the Chairman of the Committee but may be a member of the Committee.
 - 6.1.4 The Chairman of the Committee shall be a non-executive Director of the Company.
 - 6.1.5 The Committee must be constituted so as to ensure its independence.
- 6.2 Appointment
 - 6.2.1 On recommendation of the Nomination Committee, the Board shall appoint the members of the Committee and fill any vacancy as and when required.



6.2.2 Unless the Board appoints a Chairman (who shall not be the Chairman of the Board), the members of the Committee may appoint a Chairman by majority vote of the full Committee membership.

6.3 Duration of membership

Members of the Committee shall be appointed for such period of time as the Board requires.

6.4 Termination

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

7. MEETINGS

7.1 *Frequency of meetings*

7.1.1 The Committee will meet at least 2 (two) times a year and whenever it is necessary to make recommendations relating to the remuneration of executive managers and executive Directors.

7.1.2 Any member of the Committee or the Chief Executive Officer, if not a member of the Committee, may request a meeting, if deemed necessary, and a meeting will then be arranged in consultation with the Chairman of the Committee.

7.2 *Quorum*

7.2.1 A quorum for meetings of the Committee shall be a majority of members present in person or via telecommunication facilities.

7.2.2 If the Chairman of the Committee is not present within 15 (fifteen) minutes of the stipulated time for such meeting, then the members of the Committee present shall elect a chairman from among them to act as Chairman of the meeting.

7.3 *Attendance*

7.3.1 The Committee (via the Committee Chairman) may invite people knowledgeable in remuneration matters to attend meetings and to act in an advisory capacity, or any other party who may contribute to its deliberations such as the Chairman of the Board, if not a member of the Committee, and the Chief Executive Officer.

7.3.2 The Committee may, if deemed appropriate, confer by telephone, closed circuit television or video conferencing ("Conference"). Notwithstanding that the members of the Committee are not present together in one place at the time of the Conference, a resolution passed by members constituting a quorum at such a Conference shall, provided such resolution is recorded in writing and confirmed at the next meeting of the Committee, be deemed to have been passed at a meeting of the Committee held on the day on which and at the time at which the Conference was held. The provisions of this Charter relating to proceedings of the Committee apply so far as they are capable of application mutatis mutandis to such Conferences.



7.3.3 Other Board members shall have the right of attendance with the prior consent of the Chairman of the Committee.

7.3.4 The Company Secretary shall be the secretary of the Committee.

7.4 *Notice and Agenda*

7.4.1 The Chief Executive and the Company Secretary shall, in consultation with the Chairman of the Committee, draft an agenda which shall be circulated with supporting documentation, preferably 5 (five) business days prior to each meeting to the members of the Committee and, where applicable, to anyone invited to attend the meeting.

7.4.2 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters referred to in this Charter.

7.4.3 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.

7.5 *Minutes and reporting procedure*

7.5.1 The Company Secretary shall attend and minute all meetings.

7.5.2 The minutes of the Committee meetings shall be completed within 7 (seven) days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.

7.5.3 The secretary shall incorporate the approved minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes.

7.5.4 In addition to the above, the Chairman of the Committee will provide verbal feedback at the meetings of the Board of directors on the Committee's recent activities.

7.5.5 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.

8. MEMBER SKILLS AND TRAINING

8.1 All members of the Committee shall have a working familiarity with remuneration and accounting practices and at least 1 (one) member of the Committee should have a proven record in negotiating reward packages for senior management.

8.2 The members of the Committee shall be knowledgeable about the affairs of the Group and, where appropriate, specific skills shall be represented on the Committee.

8.3 All Committee members will be required to keep up-to-date with developments affecting the areas of responsibility of the Committee.



9. REMUNERATION

Having regard for the functions performed by the members of the Committee in addition to their functions as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Shareholders and the Memorandum of Incorporation of the Company, the Chairman and members of the Committee shall be paid in accordance with the remuneration levels approved by the shareholders at an Annual General Meeting of the Company.

10. SELF-ASSESSMENT

10.1 The Committee shall conduct continual self-assessment or self-evaluation. The Committee Chairman shall assess the performance of individual Committee members and the Board shall evaluate the Committee's Chairman, based on several factors.

These include:

10.1.1 Expertise.

10.1.2 Inquiring attitude, objectivity, and independence.

10.1.3 Judgement.

10.1.4 Understanding of the Group's business.

10.1.5 Understanding of and commitment to the Committee's duties and responsibilities.

10.1.6 Willingness to devote the time needed to prepare for and participate in Committee deliberations.

10.1.7 Timely responses.

10.1.8 Attendance at meetings.

10.2 Input from management shall form part of the Committee evaluation, the evaluation of the Committee Chairman and members of the Committee.

10.3 After completing its evaluation, the Committee should review the results with the Board of Directors so that appropriate action can be taken on any recommendations resulting from the review.

11. GENERAL

11.1 The Committee members are obliged to disclose, in writing, any interests they have within or outside the Company and the Group that may interfere or conflict with the performance of their duties.

11.2 All Company related information that becomes known to directors in the performance of their duties must at all times be kept confidential.

