



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

BOARD CHARTER
("the Charter")

1. INTRODUCTION AND PURPOSE OF THE BOARD CHARTER

Tharisa is a public company, incorporated in Cyprus, for the purpose, inter alia, of carrying out the business of a holding company.

The Board of directors ("the Board") is ultimately responsible and accountable for the Company's affairs and performance regarding good corporate governance, and is fundamentally important to the achievement of the Company's mission, its financial objectives and the fulfilment of its corporate responsibilities in a sustainable manner.

The Board is unreservedly committed to applying the core governance tests of fairness, accountability, responsibility and transparency to the Company's dealings with its identified stakeholders.

This Charter is subject to the provisions of the Cyprus Companies Law, CAP113, the Articles of Association of the Company and any other applicable law or regulatory provision.

2. PURPOSE OF THE CHARTER

The purpose of this Charter is to regulate the parameters within which the Board operates and to ensure the application of principles of good corporate governance in dealings entered into by the Company.

The Charter sets out the Board's composition, role, responsibilities, meeting procedures, and other related matters and shall form an integral part of each director's terms of appointment.

3. COMPOSITION OF THE BOARD

- 3.1. The Company has a unitary Board, which both leads and controls the Company. It comprises executive and non-executive directors, with the majority of directors being non-executive and the majority of non-executive directors being independent.
- 3.2. The Board is structured in such a way such that there is a clear balance of authority, ensuring that no one director has unfettered powers.
- 3.3. The size of the Board is regulated by the Company's Articles of Association and directors are appointed through a formal process. The Nomination Committee assists with the process by identifying suitable candidates for appointment as directors.
- 3.4. Directors are required to be individuals of calibre and credibility with the necessary skill and experience to bring judgement, independent of management, on issues of strategy, performance, resources, diversity, standards of conduct and evaluation of performance.
- 3.5. On appointment, all new directors will be subjected to an induction or orientation programme organised by the executive management, Company Secretary(ies) or the sponsor to familiarise them with the Company's operations, its business environment and executive management, and to induct them in their fiduciary duties and responsibilities, applicable laws and regulations.
- 3.6. Certain responsibilities are reserved for the Board, while other responsibilities are delegated to Board committees, each with formal mandates and terms of reference, without abdicating the Board's own responsibilities.

4. ROLE AND RESPONSIBILITIES OF THE BOARD

The obligations and responsibilities attributed to directors in terms of the Charter will equally apply to alternate directors appointed in terms of the Articles of Association of the Company (if any).

The role and responsibilities of the Board are to:

- 4.1. Provide effective leadership based on an ethical foundation; ;
- 4.2. Act as the focal point for and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles and to find the correct balance between conforming with governance constraints and performing in an entrepreneurial way;
- 4.3. Ensure that the Company is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company, but also the impact that business operations have on the environment and the society within which it operates;
- 4.4. Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - a. contributing to and approving strategy;
 - b. satisfying itself that strategy and business plans do not give rise to risks that have

- not been thoroughly assessed by management;
 - c. identifying key performance and risk areas;
 - d. ensuring that strategy will result in sustainable outcomes; and
 - e. considering sustainability as a business opportunity that guides strategy formulation;
- 4.5. Encourage attendance by directors, shareholders and relevant stakeholders at the Annual General Meeting or other shareholders' meeting and make every effort to ensure the attendance by the Board Chairman and committee Chairmen at such meetings;
- 4.6. Ensure that the Board committees are effective and fulfill their duties in terms of their respective mandates and terms of reference;
- 4.7. Act in the best interests of the Company, so as to maximise the economic value of the Company and ensuring that the Company complies with applicable laws, rules and standards;
- 4.8. Consider whether its size, diversity and demographics make it effective or not, and ensure that the Board comprises a balance of executive and non-executive directors, with a majority of non-executive directors, of whom a sufficient number shall be independent;
- 4.9. Ensure that procedures for appointments to the Board are formal and transparent, and a matter for the Board as a whole, assisted where appropriate by the Nomination Committee, comprising a majority of non-executive directors, and chaired by the Chairman, or, where the Chairman is an executive Chairman, by the Lead Independent Director;
- 4.10. Ensure that division of responsibilities between the Board Chairman and the CEO is clearly defined;
- 4.11. Appoint the directors subject to election or re-election by the members of the Company in general meeting;
- 4.12. Determine procedures for the frequency, purpose and conduct of its meetings and those of its committees;
- 4.13. Adopt efficient and timely procedures for informing the Board adequately before meetings and ensure that members have unrestricted access to all company information, documents, records and property;
- 4.14. Ensure that the Board of the Company:
- a. manages real or perceived conflicts of interests appropriately;
 - b. has an effective and independent Audit Committee and an effective risk-based internal audit function, together with any such other effective and independent Committees required by law or advisable in terms of corporate governance or determined by the Board;
 - c. is responsible for the management of risk throughout the business;
 - d. is responsible for information technology (IT) governance;
 - e. complies with applicable laws and considers adherence to non-binding rules and standards;

- f. appreciates that stakeholder perceptions affect the Company's reputation;
- g. ensures the integrity of the Company's integrated report;
- h. acts in the best interests of the Company by ensuring that individual directors:
 - i) adhere to legal standards of conduct;
 - ii) are permitted to take independent advice in connection with their duties following the agreed procedure of liaising first with either the Chairman or the Lead Independent Director;
 - iii) disclose real or perceived conflicts of interest to the Board and deal with them accordingly; and
 - iv) deal with securities only in accordance with the policy adopted by the Board in compliance with the Securities Services Act, 2004 and the Listing Requirements of the JSE;
- i. determine the overall framework of skills and other requirements of directors;
- j. appoint and evaluate the performance of the Chief Executive Officer ("CEO");
- k. ensure that the Company has developed succession plans for the Board Chairman, the CEO, the executive directors, Company Secretary(ies) and other key executives;
- l. exercise its functions jointly (directors are jointly accountable for the decisions of the Board) and no director has any authority to severally perform any act on behalf of the Company or the Board unless specifically authorised, or requested by the Board or its authorised nominee(s); and
- m. define levels of materiality from time to time, reserving specific powers to itself and delegating to executive management with the necessary written authority those matters which the Board considers appropriate, with due regard for the directors' statutory and fiduciary responsibilities to the Company and strategic and operational efficiencies.

5. MATTERS RESERVED FOR THE BOARD

The following matters shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the committees of the Board (as appropriate):

Strategy and management

- 5.1. Approval of the strategy, business plans and annual budgets and any subsequent material changes in strategic direction or material deviations in business plans and/or annual budgets;

Financial reporting

- 5.2. Adoption of any material change to or departure from the accounting policies and practices of the Company and its subsidiaries;
- 5.3. Approval of annual financial statements and interim reports and of any ancillary documents related thereto;
- 5.4. Approval of the dividend policy, determination of any interim dividend and the recommendation, subject to approval by shareholders in general meeting, of any final dividend or any other distribution to be paid by the Company;

Contracts and expenditure

- 5.5. Approval of all major capital projects, corporate actions or related actions and investments with respect to the Company or any of its subsidiaries, that will have or is likely to have a material financial cost;
- 5.6. Entering into any agreement and/or transaction requiring specific board approval in terms of the adopted Authorities Matrix;

Governance

- 5.7. Appointment of the Chairman, Lead Independent Director, and any directors of the Company;
- 5.8. Determining whether a director is considered to be independent;
- 5.9. Removal of directors of the Board, and the suspension or termination of service of an executive director, directors of other Group companies and senior management as an employee of the Group;
- 5.10. Succession planning for the Board and senior management of the Group, taking into account of recommendations from the Nomination Committee, where appropriate;
- 5.11. Establishing of Board committees, determining or changing the composition of such committees, and the approval of terms of reference of such committees;
- 5.12. Appointment, dismissal or replacement of the Company Secretary(ies);
- 5.13. Recommendation to shareholders of the appointment, removal or replacement of the Company's external auditor, on the recommendation of the Audit Committee;

Remuneration

- 5.14. Approval of the proposals of the Remuneration Committee on the policy and specific remuneration packages for the executive directors;
- 5.15. Determination of the remuneration of non-executive directors on recommendation of the executive directors;
- 5.16. Introduction of share incentive plans, short-term and long-term incentive and cash bonus schemes, or material changes to existing plans, to be put to shareholders for approval;

Risk management

- 5.17. Control of the total process of risk management, the evaluation of its effectiveness and approval of recommended risk management and internal control strategies, systems and procedures;

Other matters

- 5.18. Prosecution, defense or settlement of litigation or other dispute resolution material to the interests and reputation of the Group; and
- 5.19. Approval of any other matters which are reserved for decision by the Board in accordance with the requirements of the approved Authorities Matrix, any applicable law, regulation, the Articles of Association of the Company or pursuant to accepted best practice.

6. BOARD LEADERSHIP

The Board is structured such that there is a clear balance of power and authority, ensuring that no one Director has unfettered powers.

6.1. Board Chairman

The Chairman will be an independent non-executive director, or, where the Chairman is an executive Chairman, the Board will appoint a Lead Independent Director. The Chairman of the Board will not hold the position of CEO.

The Chairman is responsible for ensuring the integrity and effectiveness of the Board and its Committees, which includes:

- a. setting the ethical tone for the Board and the Company;
- b. providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- c. presiding over meetings of the Board and meetings of shareholders;
- d. acting as facilitator at Board meetings to ensure that no director, whether executive or non-executive, or group of directors, dominates the discussion, that sufficient debate takes place, that the opinions of all directors relevant to the subject under discussion are solicited and expressed freely, that conflicts of interests are managed and that Board discussions lead to appropriate decisions.
- e. actively participating in the selection of Board members and overseeing a formal succession plan for the Board and certain senior management appointments;
- f. determining and formulating (in conjunction with the Chief Executive Officer and Company Secretary(ies)) the annual work plan for the Board against agreed objectives and goals and playing an active part in setting the agenda for Board meetings;
- g. acting as the link between the Board and management and particularly between the

Board and the CEO;

- h. encouraging collegiality amongst Board members and management while at the same time maintaining an arm's length relationship;
- i. ensuring that directors play a full and constructive role in the affairs of the Company and taking a lead role in the process for removing non-performing or unsuitable directors from the Board;
- j. ensuring that relevant, objective, information is placed before the Board to enable directors to reach informed decisions;
- k. monitoring how the Board functions collectively, how individual directors perform and how they interact at meetings;
- l. mentoring to enhance directors' confidence, especially new or inexperienced directors and encouraging them to make an active contribution at meetings;
- m. ensuring that Board members are appropriately educated in their duties and responsibilities and that a formal programme of continuing professional education is adopted at Board level;
- n. ensuring that good relations are maintained with the Company's major shareholders and its strategic stakeholders; and
- o. building and maintaining stakeholders' trust and confidence in the Company.

The Chairman's performance will be appraised by the Board on an annual or such other basis as the Board may determine.

6.2. Chief Executive Officer ("CEO")

The Board's authority conferred on management is delegated through the CEO, so that the authority and accountability of management is considered to be the authority and accountability of the CEO. The position of the CEO will not be held by the Chairman of the Board.

Only decisions of the Board acting as a body will be binding on the CEO. Decisions of or directives or instructions by individual members of the Board will not be binding, except in those instances where specific authority is delegated to such members by the Board.

The Chief Executive Officer provides executive leadership and is accountable to the Board for the implementation of strategies, objectives and decisions within the framework of the delegated authorities, values and policies of the Company, which include:

- a. recommending or appointing the executive members and ensuring proper succession planning and performance appraisals;
- b. developing the Company's strategy and vision for Board consideration and approval;
- c. developing and recommending to the Board, annual business plans and budgets that

- support the Company's long-term strategy;
- d. monitoring and reporting to the Board on performance against and conformance with strategic imperatives;
- e. organising the structure necessary to achieve the Company's strategic plans;
- f. ensuring that the Company has appropriate management structures and a management team to effectively carry out the Company's objectives, strategy and business plans;
- g. ensuring that the assets of the Company are properly maintained and safeguarded and not unnecessarily placed at risk;
- h. ensuring that effective IT systems, internal control, auditing and compliance policies, procedures and processes are formulated, recommended to and approved by the Board and implemented in order to avoid or mitigate key business risks;
- i. setting the tone from the top in providing ethical leadership and creating an ethical environment;
- j. not causing or permitting any decision, internal or external practice or activity by the Company that may be contrary to commonly accepted business practice, good corporate governance or professional ethics;
- k. ensuring that the Company complies with all relevant laws and regulations; and
- l. acting as the chief spokesperson of the Company.

The Board will monitor and evaluate the performance of the CEO in achieving the approved targets/objectives at least annually or more frequently, if the Board in its discretion so determines. The results of such evaluation will also be considered by the Remuneration Committee to guide it in its appraisal of the performance and remuneration of the CEO.

7. DIRECTORS

Directors will:

- 7.1. conduct themselves, at all times, in a professional manner, having due regard to their fiduciary duties and responsibilities to the Company;
- 7.2. ensure that sufficient time is made available to devote to their duties as Board members;
- 7.3. following their appointment to the Board, regularly notify the Company Secretary(ies) in writing of any additional directorships or external appointments;
- 7.4. be diligent in discharging their duties to the Company, seek to acquire sufficient knowledge of the business of the Company and endeavour to keep abreast of changes and trends in the business environment and markets in which the Company operates, in order to be able to provide meaningful direction to the Company's business activities and operations; and
- 7.5. attend meetings of the Board and of any Board committees, where applicable.

8. BOARD COMMITTEES

- 8.1. The Board will constitute such committees as may be legally required and necessary to assist the Board in discharging its duties and responsibilities and effectively fulfil its decision-taking process.
- 8.2. Each Board committee shall have its own terms of reference, which shall determine, inter alia, the composition, purpose, scope of its mandate, and its powers and duties.
- 8.3. Board committees will observe the same rules of conduct and procedures as the Board, unless specifically determined otherwise in the committee's terms of reference approved by the Board.
- 8.4. Board committees will as far as possible be chaired by an independent non-executive director, be free to take independent external professional advice as and when necessary, and will be subject to regular evaluation by the Board to ascertain their performance and effectiveness.

9. GENERAL CONDUCT OF THE BOARD

- 9.1. The conduct of directors shall be consistent with their accountability to the Company and for the Company to act responsibly towards its stakeholders.
- 9.2. The Board shall be disciplined in carrying out its role, with the emphasis on strategic issues and policy.
- 9.3. The Board's discussions shall at all times be open and constructive. The Chairman shall seek a consensus in the Board but may, where considered necessary, call for a vote in accordance with the Articles of Association. After full discussion and debate on any subject, the Chairman shall summarise the debate prior to final resolution whether by way of consensus or by way of a vote.
- 9.4. All matters are considered confidential unless otherwise stated and any briefings on legal matters privileged and to the extent advisable, the Board shall be entitled not to incorporate in its minutes any such briefings.
- 9.5. The Chairman, the CEO and the Company Secretary(ies) have ownership of the meeting agenda. Any Director may, however, request the addition of an item on the agenda.
- 9.6. The directors are entitled to have access, at reasonable times, to all relevant Company information and to management in accordance with the approved procedure.
- 9.7. The directors are expected to observe restrictions on the use and confidentiality of the Company information.
- 9.8. At each Board meeting, the Board shall consider reports from management and any major issues and opportunities for Board consideration.

10. MEETING PROCEDURES

10.1. Frequency

- a. The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter but subject to a minimum of four meetings per financial year; and
- b. Meetings in addition to those scheduled may be held at the request of a Board member.

10.2. Attendance

- a. Members of Senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote;
- b. Board members must attend all scheduled meetings of the Board, including meetings called on an ad hoc-basis for special matters, unless prior apology, has been submitted to the Chairman or Company Secretary(ies);
- c. Notwithstanding (b) above, Board members are required to attend a minimum of two Board meetings per financial year;
- d. The Company Secretary(ies) will be the secretary to the Board; and
- e. If the Chairman of the Board is absent from a meeting, the Lead Independent Director, if one has been appointed, will act as Chairman, failing which members present must elect one of the members present to act as Chairman.

10.3. Agenda and minutes

- a. The Board 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 laid out in this Charter;
- b. The number, timing and length of meetings and the agendas are to be determined in accordance with the annual plan;
- c. A detailed agenda, together with supporting documentation, must be circulated, at least five business days, or as soon as may be reasonably possible, prior to each meeting to the members of the Board and/or other invitees. The Board Chairman must establish standards for preparation of Board papers and reports;
- d. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion; and
- e. The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Board for review. The minutes must be formally approved by the Board at its next scheduled meeting.

- 10.4. Quorum
- a. A quorum necessary for the transaction of business shall be as determined by the Articles of Association; and
 - b. Individuals in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings.
- 10.5. Proceedings of meetings
- In addition to matters set out in this Charter, meetings and proceedings of the Board will be governed by the Articles of Association.

11. CORPORATE GOVERNANCE

- 11.1. The Board will ensure that the Company complies with all the laws and regulations pertaining to its status as a company registered in the Republic of Cyprus.
- 11.2. The Board will ensure that, for so long as the Company's shares are listed on the JSE, the Company will comply in substance with the provisions of the King Code on Corporate Governance for South Africa 2009 and the King III Report on Corporate Governance for South Africa 2009 and any future amendments thereto, except to the extent that it is not applicable to the business of the Company, the Company's Articles of Association and all relevant laws and statutory regulations.
- 11.3. The board will develop, and review on a regular basis, a corporate code of conduct that addresses conflicts of interest, particularly relating to directors and management.
- 11.4. Directors will:
- a. adhere strictly to the provisions of the Company's Articles of Association, and all relevant laws and statutory regulations, and to the policy established by the Board and implemented by the Company Secretary(ies) regulating dealings of directors, officers and other selected employees in the Company's securities;
 - b. inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular activities or operations of the Company's business, as soon as they become aware of such conflict or potential conflict;
 - c. recuse themselves from discussions or decisions on matters in which they have a conflict of interest, unless the Board otherwise determines;
 - d. act in the best interest of the Company, with due care and diligence in discharging their responsibilities as directors, to declare promptly and avoid conflicts of interest with the Company, and to account to the Company for any advantages gained in discharging their duties on behalf of the Company.

12. EVALUATION

- 12.1. The Board will assess its own performance and effectiveness as a whole, and that of individual directors, including the Board Chairman and the CEO on an annual or such other basis as the Board may determine.
- 12.2. The self-evaluation may take the form of a questionnaire, feedback from relevant stakeholders or any other form as may be prescribed by the Board.
- 12.3. The Board will review the performance of each of the Board committees, as well as their composition and terms of reference, to ensure that the committees will continue to provide effective assistance to the Board in the areas in which they function.

13. COMPANY SECRETARY

The Company Secretary(ies) is/are accountable to the Board and will:

- 13.1. ensure that Board procedures (mandates, terms of reference, this Charter, etc) are followed and reviewed regularly;
- 13.2. ensure that the applicable laws and rules for the conduct of the affairs of the Board are complied with;
- 13.3. provide administrative support to the Board and the Board committees;
- 13.4. maintain the Company's records in accordance with legal requirements;
- 13.5. provide the Board as a whole and directors individually with advice and guidance as to how their responsibilities should be properly discharged in the best interests of the Company;
- 13.6. assist the Chairman and CEO in determining the annual Board plan and the administration of other issues of a strategic nature at Board level;
- 13.7. in addition to statutory duties, to provide a central source of guidance and advice to the Board, and within the Company, on matters of good corporate governance and ethics;
- 13.8. minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance. Draft minutes of Board meetings shall be circulated as soon as possible after the meeting to all members of the Board for review and approval at the next scheduled meeting;
- 13.9. on an annual basis, be considered by the Board in terms of his/her competence, qualifications, experience and arms-length relationship with the Board; and
- 13.10. not be a director of the Company.

14. REVIEW

This Charter shall be reviewed by the Board on an annual or *ad hoc*-basis as required.

15. APPROVAL OF THIS CHARTER

This Charter was adopted on 2 April 2014.