



TIGER BRANDS LIMITED
(Registration Number 1944/017881/06)
("the Company")

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Constitution and general principles

- 1.1 In line with the recommendations of the King IV Report on Corporate Governance for South Africa 2016 ("King IV"), the board of directors of the Company ("the Board") resolved to establish a committee of the Board to be known as the remuneration Committee ("the Committee").
- 1.2 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company who must continue to exercise due care and diligence in accordance with their statutory and fiduciary duties.
- 1.3 These terms of reference have been approved by the Board and shall be annually reviewed. It shall be read with the Board Charter and shall be subject to the provisions of the Act, the Memorandum of Incorporation of the Company and any other applicable law or regulatory provision.
- 1.4 In addition to ensuring compliance with the law, the Committee shall be expected, in fulfilling its functions, to apply the principles of good corporate governance as set out in King IV.
- 1.5 All members of the Committee shall be required to keep up to date with developments affecting the areas of responsibility of the Committee. Members are furthermore expected to be fully prepared for meetings and to provide appropriate and constructive input on matters under consideration.
- 1.6 In these terms of reference, "Group" shall refer to the Company and its subsidiaries.

2. Composition

- 2.1 The Committee shall be appointed by the Board, on recommendation of the Nominations Committee, and shall comprise a minimum of 3 (three) non-executive directors of the Company, the majority of whom shall be independent as defined in King IV.
- 2.2 Due to the nature of the mandate of the Committee, members of executive management shall not be eligible for appointment as members of the Committee.
- 2.3 The chair of the Committee shall be appointed by the Board from one of the non-executive members of the Committee.
- 2.4 The chair of the Board may be a member of the Committee but not its chair.

3. Authority

- 3.1 The Committee shall have decision-making power in respect of such duties, if any, where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.
- 3.2 The Committee is authorised by the Board, subject to the approved process as set out in the Board Charter, to obtain outside legal or other independent professional advice and to secure the attendance at meetings of the Committee of outsiders with relevant experience and expertise if deemed necessary.
- 3.3 The Committee may establish and delegate authority to any member or sub-committee to assist it in carrying out certain of its functions. Such delegation, and the extent thereof, shall be properly recorded in a formal resolution of the Committee passed at a meeting of the Committee or via written resolution.
- 3.4 The Company shall meet all expenses reasonably incurred by the Committee in the fulfilling of its duties.

4. Committee meetings and resolutions

4.1 Attendance at meetings

- 4.1.1 Every member of the Board is entitled to attend any meetings of the Committee as an observer. However, unless that member is also a member of the Committee, the member shall not be entitled to participate without the consent of the chair, does not have a vote for such attendance unless otherwise approved by the Board and shareholders.
- 4.1.2 The Committee shall identify those members of management, who shall have a standing invitation to attend the meetings of the Committee as and when deemed necessary. Other individuals, including members of management and external consultants and service providers may be invited to attend from time to time in consultation with the chair.
- 4.1.3 The company secretary (or duly authorised representative of the company secretary) shall be in attendance at each meeting of the Committee to act as secretary of the Committee.
- 4.1.4 Committee members are expected to attend all meetings of the Committee, unless an apology with reasons has been submitted to the chair or the company secretary.
- 4.1.5 If the chair of the Committee is absent from the meeting, any other member of the Committee may act as chair for that meeting as agreed by those present or as nominated by the chair of the Committee.

4.2 Frequency of meetings

- 4.2.1 Meetings of the Committee shall be held as frequently as the Committee, in consultation with the company secretary, considers appropriate, but it shall normally meet not less than 3 (three) times a year.
- 4.2.2 Meetings shall be scheduled in advance, as per the Annual board calendar. The agenda and supporting meeting papers will serve as adequate notice of such meeting.

- 4.2.3 The chief executive officer or a member of the Committee may request a meeting if deemed necessary and a meeting shall then be arranged in consultation with the chair of the Committee. Formal notice of such special meeting shall be given as and when required.
- 4.2.4 The Committee must undertake such work as is necessary in preparation for each Board meeting and to properly report to the Board on its activities and recommendations.
- 4.2.5 An annual work plan, based on the duties as listed in clause 6, shall be implemented and approved by the Committee and shall be annually reviewed together with these terms of reference.

4.3 Meeting procedures

- 4.3.1 The meetings of the Committee may be held in person, or by electronic communication as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 4.3.2 A quorum shall be a majority of members present in person or via electronic communication facilities throughout the meeting. Where a member declares an interest and is recused from the meeting, the meeting shall remain quorate during his/her absence.
- 4.3.3 In the absence of a quorum and subject to the discretion of the chair, the meeting can either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.
- 4.3.4 No resolutions tabled for approval by the Committee at a meeting which is not quorate shall be implemented or given effect to until formally approved at the postponed meeting or via written resolution as contemplated in clause 4.3.3.
- 4.3.5 The written resolution circulated in terms of clause 4.3.3 requires majority approval, in the absence of which a special meeting of the Committee shall be convened in order for the matter to be discussed and formally approved during such special meeting.

- 4.3.6 An agenda with supporting papers shall be circulated no later than 5 (five) business days prior to the meeting, where reasonably possible. The company secretary shall be responsible for the preparation of the meeting agenda in consultation with the chair and responsible member of executive management.
- 4.3.7 An annual work plan, as a minimum, shall determine the content of the agenda and frequency of the meetings will be in place and based on the duties listed in item 6.
- 4.3.8 Draft minutes of meetings shall be approved as per the following timeline –
- 4.3.8.1 Minutes of meetings will be completed within 10 (ten) business days of the meeting and circulated to relevant members of the Executive Committee for comment and internal approval;
- 4.3.8.2 Executive Management shall comment and approve said minutes within 5 (five) business days after receipt;
- 4.3.8.3 Should no comments be received by 12:00 midday on the 6th (sixth) business day following circulation, the Secretary of the meeting shall circulate the minutes to the chair of the Committee for comment within 7 (seven) business days prior to sending them to the members for their comments as well;
- 4.3.8.4 The members of the Committee shall provide the Secretary with comment to the minutes and each member shall send an email to the Secretary indicating their approval of the minutes, within 10 (ten) business days; and
- 4.3.8.5 The final minutes will be tabled for confirmation as a true record of proceedings at the next meeting of the Committee or circulated for this purpose via electronic communication and shall thereafter be signed by the chair of the Committee

4.4 In-committee meetings

- 4.4.1 In-committee meetings of the Committee, where only members of the Committee are present, may be held as and when deemed appropriate by the chair of the Committee.
- 4.4.2 The company secretary may be required to be in attendance at in-committee meetings for minute purposes. In the event that the company secretary is also excused from the meeting, the chair shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.

4.4.3 Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication whereafter it shall be signed by the chair of the Committee.

4.5 Written resolutions

A resolution in writing signed by a majority of the members of the Committee 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.

5. **Role of the Committee**

5.1 The role of the Committee is to provide an independent and objective body that shall assist the Board in ensuring that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

5.2 The Committee shall fulfil its duties as listed in clause 6 in respect of the Company and each of its subsidiaries (the Group).

5.3 In performing the roles above, the Committee shall place reliance on the work and reports of any employee, advisor or Committee of the Board that has responsibility for any function falling within the role of the Committee.

6. **Duties of the Committee**

The duties of the Committee shall be to:

6.1 Remuneration governance

6.1.1 oversee the development and regular review of a remuneration policy that articulates and gives effect to the Board's direction on fair, responsible and transparent remuneration and that achieves the following objectives:

(a) to attract, motivate, reward and retain human capital;

- (b) to promote the achievement of strategic objectives within the Group's risk appetite;
 - (c) to promote the achievement of value creation as defined by the Board;
 - (d) to promote positive outcomes; and
 - (e) to promote an ethical culture and responsible corporate citizenship;
- 6.1.2 ensure that the remuneration policy as recommended to the Board from time to time includes provision for the following:
- (a) arrangements toward ensuring that the remuneration of executive management is fair and responsible in the context of the overall employee remuneration in the Group;
 - (b) the use of performance measures that support value creation and positive outcomes across the economic, social and environmental context in which the Group operates; and/or all the capitals that the Group uses or affects;
 - (c) the voting by shareholders on the remuneration policy and the implementation report, and for the implementation of related responding measures as recommended in King IV;
 - (d) all elements of remuneration that are offered in the Group and the mix of these, including those listed in King IV;
- 6.1.3 oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy;
- 6.1.4 review and monitor the use of remuneration benchmarks for purposes of the remuneration policy;
- 6.1.5 review and approve the remuneration report, including the overview of the remuneration policy and the implementation report, based on the King IV guidance and recommendations, for inclusion in the integrated report;
- 6.1.6 perform the responding measures as recommended in King IV in the event of the remuneration policy and/or implementation report not receiving the recommended minimum support from shareholders at the annual general meeting;
- 6.1.7 annually review the nature and adequacy of the performance measurement methodology applied throughout the Group; and

6.1.8 consider, as and when required, the appropriateness of the rules of the Company's long term share incentive schemes.

6.2 Executive and senior management remuneration and performance

6.2.1 recommend the specific remuneration package of executive directors of the Company, based on the principles of the approved remuneration policy, to the Board for approval;

6.2.2 review and note the specific remuneration package of members of executive (excluding executive directors of the Company) and senior management, based on the principles of the approved remuneration policy, as determined by the chief executive officer;

6.2.3 annually review and approve the performance measurement criteria for executive directors, executives and senior management;

6.2.4 annually review and confirm achievement of the approved performance measurement criteria contemplated in clause 6.2.3;

6.2.5 determine and approve any grants to be made to members of executive directors, executives and senior management pursuant to any share incentive scheme adopted by the Company; and

6.2.6 review and confirm attainment of performance conditions for vesting purposes, if any, in terms of any share incentive scheme adopted by the Company.

6.3 Non-executive director remuneration

6.3.1 as and when required, consider appropriate and credible benchmarks for non-executive remuneration in the listed environment;

6.3.2 annually consider the remuneration structure for non-executive directors as recommended by the chief executive officer and recommend same for approval by the Board and shareholders at the next annual general meeting;

6.4 General

- 6.4.1 give due consideration to the relevant provisions of the Act, the Listings Requirements of the JSE Limited and the principles and recommendations of King IV; and
- 6.4.2 consider such other topics and fulfil such other duties as defined by the Board.

7. Reporting Procedure

- 7.1 The Committee shall include a report in the integrated report that addresses the matters as listed in King IV for disclosure by committees of the Board.
- 7.2 In addition to the above, the Committee shall review and sign off the remuneration report for inclusion in the integrated report, ensuring compliance with the King IV recommendations and verifying the completeness and accuracy of the information as contained in the report.
- 7.3 The chair of the Committee shall provide a report on the Committee's most recent activities at every subsequent Board meeting.

8. Performance evaluation

- 8.1 The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.
-