

Board of Directors	R Bruyns Chairman: Nominations and Remuneration Committee	Revision No:	03
	R. Frew Chairman: Board of Directors	Effective date:	5 June 2018

## Nominations and Remuneration Committee Terms of Reference

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## 1. Introduction

The Nominations and Remuneration Committee (“the Committee”) is established to assist the MiX Telematics Limited Board (“the Board”) in discharging its responsibilities. The Board nevertheless remains responsible for these duties. The duties assigned to the Committee relate primarily to the incentive and remuneration programs available to MiX Telematics Limited (“the Company” or “MiX”) executive directors, senior executives and employees, in particular the:

- long-term incentive plan;
- short-term bonus incentive;
- remuneration policy and annual increase cycle; and
- Trust program established under the name ‘*MiX Telematics Enterprise BEE Trust*’ for the benefit of qualifying employees.

The Committee does not perform any management functions or assume any management responsibilities. It provides a decision-making forum relative to its duties and responsibilities.

## 2. Constitution

- 2.1 The Committee is constituted as a committee of the Board.
- 2.2 The Committee shall be a standing committee, with the composition and membership reviewed by the Board annually.
- 2.3 The Committee shall report to and derive its powers from the Board.
- 2.4 The deliberations of the Committee do not reduce the individual or collective responsibilities of the Board members with regard to their fiduciary duties and responsibilities and they must exercise due care, skill and diligence.
- 2.5 These Terms of Reference are subject to the Companies Act, 71 of 2008, as amended, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision, including the JSE Listings Requirements, and has been drafted with due consideration of the King Report on Corporate Governance for South Africa, 2016 (“King IV”).

## 3. Composition

- 3.1 The Committee members shall be nominated by the designated Nominations Committee and appointed by the Board. The Committee shall comprise of at least three members, all of whom shall be non-executive directors and the majority shall be independent.
- 3.2 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 3.3 Invitations to attend the Committee meetings shall be extended to:
  - the Group Chief Executive Officer (“CEO”); and
  - any other senior executives and professional advisors as deemed appropriate.

- 3.4 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not vote on resolutions or form part of the quorum for Committee meetings.
- 3.5 A quorum of the Committee shall be a majority of members.
- 3.6 The Chairperson of the Committee shall be appointed by the Board, from its members, and shall be an independent non-executive director.
- 3.7 In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting.
- 3.8 The Committee Chairperson shall be the secretary to the Committee.

#### 4. Role of the Committee

- 4.1 The role of the Committee is to ensure the employee value proposition promotes fair, responsible, transparent remuneration and reasonable employment practices within the Group, whilst adopting a stakeholder-inclusive approach.
- 4.2 It will also ensure the establishment of an appropriate remuneration framework and adoption of remuneration policies, which aim to attract and retain top talent, agree with the Group's long-term strategy and drive sustainable performance.

#### 5. Mandate in respect of subsidiaries

The Committee is appointed to act on behalf of the Company and its subsidiaries. The Committee has been authorised by the Board to establish relevant sub-Committees, within the subsidiary companies, constituted of appropriately qualified persons to assist in discharging its mandate in respect of any particular matter contained in these Terms of Reference.

#### 6. Responsibilities

The Committee shall operate within the Board's delegation of authority. In discharging its responsibilities to the Board, the Committee will:

- 6.1 oversee that the Company's remuneration strategy is market-related, competitive and business relevant in order to attract, retain and motivate diverse talent required to drive the desired behaviour;
- 6.2 review the performance of the Executive Committee ("Exco") members (excluding the CEO) against agreed performance measures and targets;
- 6.3 review the performance evaluations of the Exco members, excluding the CEO;
- 6.4 determine specific and appropriate remuneration packages for the CEO and members of Exco;
- 6.5 approve and review any form of exit packages for the CEO and Exco members;
- 6.6 approve the design of the corporate short-term incentive schemes, including determining targets and participations thresholds;

- 6.7 approve the design and the rules of the long-term incentive schemes, including determining the allocation criteria and performance conditions;
- 6.8 approve the design and the rules of the share retention schemes, including allocation criteria;
- 6.9 approve the design and the rules of any broad-based black economic empowerment employee share ownership scheme;
- 6.10 recommend for Board approval JSE schedule 14 share schemes and any amendments thereof;
- 6.11 review the effectiveness of the Exco succession planning process, including Exco members and other key positions to provide continuity of leadership;
- 6.12 consider and recommend to the Board the fees to be paid to the non-executive directors for services on the Board and its Committees, where relevant;
- 6.13 review the remuneration disclosures in the Annual Report and Annual Financial Statements and ensure that the information is accurate, complete and transparent.

#### **Remuneration Policy and Remuneration Report**

- 6.14 review and approve the Company's Remuneration Policy and Implementation Report based on principles of fair, responsible and transparent remuneration;
- 6.15 consider the results of the non-binding advisory shareholder votes on the Remuneration Policy and Implementation Report;
- 6.16 engage with major dissenting shareholders, if any, where possible to address any concerns;
- 6.17 oversee the preparation and recommend to the Board the Remuneration Policy and Implementation Report to be included in the Annual Report and any related statutory or governance disclosures.
- 6.18 The emphasis of meetings shall be directed toward the issues summarised in Annexure A. Specific business decisions which are in terms of the delegation of authority and require input from the Committee are set out in Annexure B.

## **7. Meetings of the Committee**

- 7.1 Committee meetings shall be held at least quarterly. The Committee Chairperson shall report on key matters addressed by the Committee at each Board meeting.
- 7.2 Additional meetings may be held at the request of the Chairperson or any member of the Committee or Board as required.
- 7.3 All non-executive directors are entitled to attend the Committee meetings.
- 7.4 Minutes of Committee meetings shall be distributed timeously.
- 7.5 Committee papers shall, other than under exceptional circumstances, be forwarded to each member of the Committee no fewer than seven days prior to the date of the meeting.
- 7.6 Members of the Committee shall declare any conflict of interest in respect of matters on the agenda and such declarations will be managed as deemed necessary.

- 7.7 The Chairperson of the Committee shall attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

## 8. Authority of the Committee

- 8.1 The Committee shall have the authority to:
- access any information it needs to fulfil its responsibilities;
  - seek independent advice at the Company's expense; and
  - investigate matters within its mandate.
- 8.2 The Committee shall have the ability to consult with and receive the full cooperation of any employee where necessary to fulfil its responsibilities.

## 9. Remuneration of members

Members of the Committee shall be paid such remuneration in respect of their appointment as recommended by the Board and approved by shareholders. The Chairperson of the Committee shall, in addition to his/her remuneration as a member, receive a further sum as recommended by the Board and approved by shareholders.

## 10. Review of Terms of Reference

The Committee shall review the Terms of Reference annually, to ensure that they remain consistent with the Board's objectives and responsibilities. The Terms of Reference may be amended as required, subject to approval of the Board.

## 11. Evaluation of the Committee's performance

The Committee shall ensure that a formal process, as recommended by the Nominations Committee and approved by the board, is followed for evaluating the performance of the Committee, at least every second year.

**Appendix A: Content and Emphasis of Committee Meetings**

	Q1	Q2	Q3	Q4
<b>Remuneration and policy</b>				
Review executive and non-executive remuneration trends and benchmarking in South Africa.			X	
Review the performance evaluations of Exco (excluding the CEO).		X		X
Approve proposed remuneration for the CEO and Exco members.				X
Review non-executive directors' fees for recommendation to the Board.	X			
Review the risk report on remuneration items.	X	X	X	X
Consider the results of the non-binding advisory shareholders votes on the Remuneration Policy and Implementation Report at the annual general meeting.			X	
Engage with dissenting shareholders.			X	X
Approve and review any form of exit packages for the CEO and Exco members.	X	X	X	X
<b>Group Corporate short-term incentives</b>				
Review and approve the design, including targets and performance conditions.			X	
Review and approve the CEO and Exco member payouts.		X		X
Note details of payouts, including the financial model and participation thresholds for all participants.		X		X
Note details of forecast payments against budgets.		X		X
<b>Group Corporate long-term incentives</b>				
Review and approve design rules, including allocation criteria and performance conditions.			X	
Review and approve grants and awards under the LTIP scheme, including performance conditions.		X		X

	Q1	Q2	Q3	Q4
Review and approve pro-rata vestings, including testing and tracking of performance conditions.		X		X
Note the number of shares available for utilisation in terms of the Company's share trust, and share instruments exercised by members.		X		X
<b>Retention scheme</b>				
Note the results from the succession planning process for Exco members and key positions.	X			
Note allocations and/or vesting of Restricted Shares.	X	X	X	X
<b>Feedback from Group entities</b>				
Review feedback from subsidiary remuneration committees.	X	X	X	X
<b>Employee value proposition</b>				
Note update on the people strategy and the employment value proposition.	X	X	X	X
<b>Annual integrated report and financial statements</b>				
Review and recommend the disclosure of directors' and prescribed officers' remuneration and shareholdings.				X
Review and recommend the Remuneration Policy and Implementation Report to the Board for approval.				X
<b>Governance</b>				
Review the results of the Committee effectiveness evaluation process (every second year).		X		
Review terms of reference and recommend changes to the Board for approval.			X	
Confirm that the Committee has carried out its responsibilities in compliance with the Terms of Reference.				X