



TRANSNET SOC LTD

RULES APPLICABLE TO BOARD COMMITTEES

1. INTRODUCTION

- 1.1 Various committees ("Committees") of the Board of Directors ("Board") of Transnet SOC Ltd ("the Company") have been established, and their Terms of Reference are set out in the Charters.
- 1.2 This document sets out additional Rules applicable to the conduct of each Committee (the "Rules"). The Rules should be read in conjunction with the applicable Charters.
- 1.3 The Rules are drafted in accordance with, inter alia, the Companies Act, 2008 (Act No. 71 of 2008), the Companies Regulations, 2011 ("the Companies Regulations"), King IV Report on Corporate Governance for South Africa, 2016 ("King IV"), the Company's Memorandum of Incorporation ("MOI"), the Delegation of Authority Policy and Framework of the Company, and all other applicable laws and regulations.
- 1.4 The Rules are not intended to replace or amend the MOI in any way whatsoever.
- 1.5 In the event of any conflict with the MOI, the MOI shall prevail over the Charters and the Rules. In the event of any conflict between the Rules and a Charter, the Charter will prevail.
- 1.6 As at the date of adoption of the Rules, the Rules are applicable to all Committees of the Board.
- 1.7 The Rules are not applicable to the Group Executive Committee and the Board, as the Charters of the Group Executive Committee and the Board contain all the Rules applicable to them.
- 1.8 In the Rules, "Group" means the Company and each company within its Group of Companies of which it has direct or indirect control, and each company within the Group is referred to as a "Group Company".

2. AUTHORITY

- 2.1 Unless expressly provided otherwise in this Charter and/or the Delegation of Authority Policy and Framework, the Committee does not have ultimate decision-making authority. It provides oversight and makes recommendations to the Boards of the Group Companies in



respect of matters within the scope of the Committee's purpose and functions for such Boards' consideration and, if such Boards consider it appropriate, ultimate approval.

3. **ACCESS TO INFORMATION AND RESOURCES**

3.1 Each Committee may:

3.1.1 access any information in relation to the Group it requires to fulfil its responsibilities;

3.1.2 with prior notification to the Chairperson of the Committee, seek independent advice and consult with specialists or consultants, facilitated through the Group Company Secretary's office and/or the Chairperson of the Board, at the Company's expense;

3.1.3 investigate matters within its mandate;

3.1.4 have direct access to the Chairpersons of the Board of their Group Company, the Chief Executive of their Group Company and each Operating Division of the Company, members of the Executive Committee of their Group Company and each Operating Division of the Company.

3.1.5 consult with, and receive the full co-operation of, any senior management of the respective Group Companies where necessary to fulfil its responsibilities; and

3.1.6 request the Group Company Secretary or his/her designate to provide it with information in order to fulfil its duties.

3.1.7 the Group Audit Committee and Group Risk Committee may instruct any assurance provider of the Group to provide it with information in order to fulfil its duties.

3.2 The Committees shall comply with all policies and procedures established regarding the disclosure of information within the Group to ensure that the appropriate protection, disclosure and flow of information is maintained.

4. **REPORTING RESPONSIBILITIES**

4.1 Each Committee shall report to the Board through its Chairperson.

4.2 The Chairperson of each Committee may present a report on the activities of the Committee at the next scheduled Board meeting.



- 4.3 The Chairperson of each Committee, alternatively a member of each Committee, shall be present at the Annual General Meeting to answer any questions relating to reports of their respective committees.
- 4.4 Should a Committee receive a complaint or report implicating the Group Chief Executive, any member of the Board or the Boards of the other Group Companies, or any officer of the Company, in financial and non-financial misconduct, fraud, corruption, bribery gross negligence and any other unethical conduct, the Chairperson of that Committee must promptly report this to the Chairperson of the Board for onward recommendation to the decision-making authority. If the complaint or report implicates the Board Chairperson, the matter should be referred by the Audit Committee Chairperson to the Board for consideration.
- 4.5 Each Committee shall ensure that reporting requirements in relation to its mandate, to regulatory bodies, the Johannesburg Stock Exchange ("JSE") and law enforcement agencies are complied with.
- 4.6 The Committee may form, and delegate authority to sub-committee or steering committees comprising members of the Committee, through Terms of Reference which sets out the conferred authority, provided it is not precluded by legal or regulatory requirements from doing so.
- 4.7 The roles and responsibilities of the members of the Committee as set out in this Charter, are in addition to the duties and responsibilities that they have as members of the Board and/or senior executives of the Group, as the case may be. The roles and functions of the Committee do not reduce the individual and collective responsibilities of the members of the Committee with regard to their fiduciary duties.

5. **ROLE OF THE CHAIRPERSON**

- 5.1 The Chairperson shall provide leadership and guidance to the Committee and to Management.
- 5.2 The Chairperson shall inter alia:
 - 5.2.1 Preside over the Committee meetings;
 - 5.2.2 Establish the agenda for, and frequency of the Committee meetings together with the Group Company Secretary or their designate;
 - 5.2.3 Monitor the implementation of the Committee resolutions;



- 5.2.4 Review matters of concern to Group in relation to the Committee's mandate and escalate same to the Board, or where necessary due to the sensitivity of the matter escalated to the Chairperson of the Board;
- 5.2.5 Lead and facilitate the Committee and the contribution of the Committee members to a collective decision making process;
- 5.2.6 Maintain a professional working relationship with Management;
- 5.3 The Chairperson of each Committee is responsible for ensuring effectiveness of each Committee in fulfilling its mandated functions.
- 5.4 Among other things, the Chairperson of each Committee shall:
 - 5.4.1 ensure the orderly progress of Committee meetings, and exercise procedural control over meetings;
 - 5.4.2 ensure that the time of the meeting is used productively which includes (i) allocating sufficient time required for each item on the agenda, (ii) ensuring that the agenda is followed, and all agenda items are addressed in the time allocated for the meeting, and (iii) closing the meeting at the scheduled time;
 - 5.4.3 ensure that all members of the applicable Committee attend all meetings for the full duration thereof;
 - 5.4.4 not permit the re-opening of matters which have already been decided by the applicable Committee and not permit the reconsideration of decisions with the result that previous decisions and resolutions of the applicable Committee are overturned. Decisions of each Committee should only be reconsidered where there is material new or changed information;
 - 5.4.5 encourage effective and constructive participation of all Committee members and ensure that no one person or group of persons dominate the discussions.
 - 5.4.6 determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairperson shall: Ensure that all members are reasonably heard;



5.4.7 Retain sufficient control to ensure that the authority of the Chairperson is recognised – this may require a degree of formality to be introduced when it is required to make progress;

5.4.7.1 Take care that decisions are properly understood and well recorded;

5.4.7.2 Ensure that decisions and debates are completed with formal resolution recording the conclusions reached; and

5.4.7.3 Sign all the minutes of the committee meeting after approval by the Committee.

6. **COMMITTEE MEMBERS REMUNERATION**

6.1 The remuneration of the Chairperson of each Committee, and the remuneration of Committee members, will be (i) recommended by the Remuneration, Social and Ethics Committee to the Board, (ii) recommended by the Board to the Shareholder and (iii) approved by the Shareholder at the Company's Annual General Meeting.

6.2 The remuneration of each Committee member shall be formulated in line with the Shareholder Representative's Remuneration and Incentives Guidelines for State Owned Companies.

7. **COMMITTEE EVALUATION**

A formal evaluation of each Committee shall be conducted by an independent service provider in accordance with the MOI or as appropriately determined by the Shareholder. The service provider will provide a report to the Board containing the outcome of the evaluation, with a formal process to address any matters for consideration. On an annual basis, each Committee will report to the Board its progress against the agreed outcomes of the prior evaluation process, if any.

8. **COMMITTEE OPERATION**

8.1 **Frequency**

8.1.1 The minimum number of meetings to be held by each Committee annually is set out in its Charter.

8.1.2 In addition, *ad hoc* meetings of the Committee may be convened, as and when required, by the Chairperson of that Committee. The Chairperson of each Committee shall use



their discretion in scheduling *ad hoc* meetings, with a view to ensuring the Committee operates effectively, and the Chairperson should endeavour to keep the number of *ad hoc* meetings to a minimum, and only schedule an *ad hoc* meeting if a matter is important and urgent, and cannot be deferred to be addressed at the next scheduled meeting of the Committee.

8.1.3 Meetings shall be scheduled to take place prior to the Company's scheduled Board meetings.

8.2 **Quorum**

The quorum of each Committee meeting shall be a majority of the members of that Committee. A duly constituted meeting shall be competent to exercise all or any of the authorities, powers and responsibilities vested in or exercisable by that Committee.

8.3 **Attendance**

8.3.1 Committee members must attend all meetings of the applicable Committee, including meetings scheduled on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson of the applicable Committee or the Group Company Secretary or their designate.

8.3.2 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

8.3.3 If the Chairperson of a Committee is unable to attend a meeting, the members present must elect one of the members among them to act as Chairperson of that meeting.

8.3.4 Each Committee may invite consultants or specialists to Committee meetings (or any part thereof) as deemed fit in consultation with the Group Company Secretary on governance processes required.

8.3.5 Attendees at Committee meetings who are not members of that Committee (other than attendees who attend on a standing basis):



- 8.3.5.1 may only attend a specific Committee meeting by invitation of the Chairperson of that Committee; and
 - 8.3.5.2 invitations should not be extended as a norm, but only if the person is needed to assist on specific items of the meeting relevant to their work. The attendee should only attend the meeting for the relevant agenda item and should not be permitted to contribute on any other matter. Further, they should be requested to be excused from the meeting after their input on the relevant item has been provided.
 - 8.3.6 Invitees and Attendees at a Committee meeting may participate in discussions to the extent necessary to fulfil the purpose of their attendance, but they do not form part of the quorum, and may not vote on any matter.
 - 8.3.7 Members of the Board may attend any Committee meetings as observers. However, unless the Board member is a member of the Committee, he/she is not entitled to participate without the consent of the Committee, does not form part of the quorum, may not vote on any matter, and will not be remunerated for his/her attendance.
 - 8.3.8 The Chairperson of a Committee may attend meetings of the equivalent Committee of subsidiaries of the Company, subject to the subsidiaries' governance processes permitting same.
- 8.4 **Disclosure of conflicts of interest**
- 8.4.1 At the commencement of each meeting or any time prior to the meeting, members should disclose whether they have any conflict of interest in respect of any matter on the agenda.
 - 8.4.2 Where a member of a Committee has a personal financial interest (as provided for in section 75 of the Companies Act and International Accounting Standard ("IAS") 24), in respect of a matter to be considered at a meeting of that Committee or knows that a related person has a personal financial interest in a matter, the member:
 - (i) must disclose the interest and its general nature in writing prior to the matter being considered at the meeting;
 - (ii) must disclose any material information relating to the matter and known to the member,



- (iii) may disclose any observations or pertinent insights relating to the matter if requested to do so by that committee's members,
- (iv) if present at the meeting must be excused from the meeting immediately after making the disclosures; and
- (v) must not take part in the consideration of the matter, except to make the disclosures. The conflict of interest and recusal shall be minuted.

8.4.3 Where a member of a Committee is absent for the entire or any part of the meeting due to a personal financial interest, such a member is to be regarded as being present for the entire duration of the meeting for the purpose of determining a quorum but is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted. The member may not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.

8.4.4 Where a member has disclosed a personal financial interest as contemplated above, the member shall not receive information in the Committee meeting pack that relates to the matter.

8.4.5 A conflict of interest register shall be maintained by the Group Company Secretary or her/his designate.

8.5 **Board submissions, agendas, and minutes**

8.5.1 Submissions for consideration by a Committee prior to a meeting of the Committee will be submitted, in the normal course, at least seven (7) days before the meeting, to enable members to study the documentation and allow adequate opportunity for formal and informal discussions.

8.5.2 The Chairperson of a Committee may meet with the Group Chief Executive, Group Chief Financial Officer, Chief Executives of Operating Divisions, or any executive of the Company, and the Group Company Secretary or their designate prior to a Committee meeting to discuss important issues and agree on the agenda.

8.5.3 The Chairperson of a Committee, through the Group Company Secretary, shall ensure that the agenda is finalised and circulated to the Committee's members together with the meeting submissions on time.



- 8.5.4 The minutes of Committee meetings must be completed within 10 days after the date of the meeting and circulated to all members of the Committee for review.
- 8.5.5 Where a Committee holds an in-committee meeting (and the Group Company Secretary and his/her designate was excused prior the meeting) members of the Committee shall elect a member to record the minutes and/or decisions of the meeting for record purposes. Such resolutions shall be communicated to the Group Company Secretary or her/his designate through the Committee Chairperson, within 10 days, and adopted at the next meeting for record purposes.
- 8.5.6 The minutes must be formally approved by the Committee at its next scheduled meeting.
- 8.5.7 Each Committee must adopt an Annual Work Plan (AWP) for each financial year of the Company to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The AWP must ensure proper coverage of the matters outlined in the Charter of the applicable Committee. The AWP shall be recommended to the Board for approval.

8.6 Voting, written resolutions and electronic participation

- 8.6.1 Each Committee member has one vote on a matter considered by the Committee.
- 8.6.2 In relation to a matter submitted to a Committee for decision, a majority of the votes cast on a resolution is sufficient to approve the resolution. If an equal number of votes are cast for or against any matter submitted to a Committee for decision, then the matter should be elevated to the Board for final consideration, if unresolved.
- 8.6.3 A resolution in writing approved and signed by the majority of the members of an applicable Committee in line with the MOI, after submission to all members of the Committee, shall be as valid as a resolution passed at a meeting of the Committee.
- 8.6.4 The passing of written resolutions shall not detract from the required frequency of meetings as set out in the Charter of the applicable Committee.
- 8.6.5 A meeting of a Committee may be conducted by electronic communication, so long as the electronic communication facility employed enables all persons participating in the meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

9. CROSS-CUTTING MATTERS

- 9.1 The Board is responsible for considering the allocation of roles and responsibilities across Committees holistically, so as to achieve avoidance of duplication or fragmented functioning in so far as possible, and where more than one Committee has jurisdiction to deal with a similar matter, the Board is responsible for ensuring the specific role and positioning of each Committee in relation to such matter is defined to ensure complementary rather than competing approaches.
- 9.2 The Board is responsible for developing a mechanism of ensuring that all cross-cutting matters (being matters in respect of which more than one Committee has roles and responsibilities) are dealt with at relevant Committees.
- 9.3 If there is any uncertainty or clash regarding the Committees and cross-cutting matters, the Board shall make a determination to resolve such uncertainty or clash.
- 9.4 Notwithstanding any delegation of authority to the Committee, the matters set out in the Delegation of Authority Policy and Framework as being reserved for the Board, shall be so reserved for the Board.
- 9.5 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties. The Committee members are required to keep up to date with developments impacting their relevant skills as well as the subject areas relevant to the required skill set for the Committee.
- 9.6 The Secretary of the Committee shall be the Group Company Secretary or her/his designate.
- 9.7 All Charters are subject to the governance arrangements and must be implemented in line with the founding documents of each Group Company.



10. **APPROVAL AND STATUS OF THIS CHARTER**

10.1 These rules will be reviewed by the Board as and when required.

10.2 The rules will be deemed to be accepted by and be binding upon all existing and future Directors from the effective date of their appointment or election as Directors, without any further action being required.

Approved by the Board on 29 November 2024

Signed by the Chairperson of the Board



Mr Andile Sangqu

09 December 2024

Date: