



CLOVER INDUSTRIES LIMITED
INVESTMENT COMMITTEE
TERMS OF REFERENCE

1. Introduction

The Investment Committee (“**Committee**”) is constituted as a committee of the board of directors of Clover Industries Limited (“**Company**”).

The duties and responsibilities of the members of the Committee are in addition to those as members of the board. The deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act no 71 of 2008, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision, including the JSE Listing Requirements and the King IV Report on Corporate Governance for South Africa, 2016. Where these terms of reference transgress legislation and/or rules of the Companies Act, that legislation and/or regulation takes precedence over the Charter.

2. Purpose of the terms of reference

The purpose of these terms of reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

3. Composition

The Committee comprises at least three non-executive directors of the Company, at least two of whom must be independent non-executive directors.

The members of this Committee and its Chairman are nominated by the Board. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

The Chairman of the Committee shall be appointed by the Board, from its members, and shall be an independent non-executive director.

4. Role

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.

The purpose of the Investment Committee is to provide guidance and to act as a strategic sound board for the Executive Committee when considering growth plans with particular focus on mergers, acquisitions and other capital expenditure not specifically budgeted for.

The Investment Committee has the delegated authority to approve matters falling within the above ambit between the value of R 35 million and of R 300 million (“**Mandate**”).

5. Responsibilities

The Committee must perform all the functions necessary to fulfil its role as stated above and including the following: -

- Review and approve all acquisition or disposal proposals falling within its Mandate.
- Review the achievement of business cases and the realisation of synergies relating to the acquisition and/or disposals falling within its Mandate.
- Note all acquisition and/or disposals falling within the Chief Executive’s Mandate.
- Review on a six-monthly basis the valuation of all disposals and/or acquisitions, including the valuation of intangibles and goodwill for recommendation to the Audit and Risk Committee and the Board.
- Review Managements proposal regarding the Company’s investment performance criteria in line with the Company’s investment strategy as approved by the Board.
- Monitor compliance with the investment policies of the Company.
- Any material change to the rationale of an acquisition or disposal falling within its Mandate should be considered by the Committee as a new proposal of acquisition or disposal.
- Perform such oversight function as requested by the Board.
- If required, conduct special investigations relating to the above matters and, where necessary, seek the advice of counsel or experts to assist in any such investigations.
- Evaluate the performance of the Committee’s function on an annual basis.

6. Authority

The Committee acts in terms of the delegated authority of the Board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, officers or company secretary to provide it with information, subject to following a board approved process.

The Committee has reasonable access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee makes the recommendations to the board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

7. Meeting procedures

7.1 Frequency

The Committee will meet at least two times per year to discharge all its duties as set out in these terms of reference

Meetings in addition to those scheduled may be held at the request of the Chief Executive Officer or other members of senior management or at the instance of the board.

The chairman of the Committee may meet with the Chief Executive of the Company and/or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

The chairman of the Committee or Chief Executive Officer shall be entitled to refer any matter dealt with by the Committee to the board for final determination.

7.2 Attendance

The Chief Executive Officer, Chief Financial Officer or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.

Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or company secretary.

The Company Secretary is the secretary to this Committee.

If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

7.3 Agenda and minutes

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

It is envisaged that the following meetings be held with specific agenda items as detailed in workplan of the Committee attached hereto as annexure "A".

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

The minutes must be completed as soon as possible after the meeting and circulated to the chairman and the Committee members for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

7.4 Quorum

A representative quorum for meetings is a majority of members present. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

8. Authority to seek any required information

The Committee shall have the authority to seek any information that it requires from any officer or employee of the Company.

9. Independent Professional Advice

The Committee is authorised to take such independent professional advice as it considers necessary, the costs of which shall be for the account of the Company, provided the Committee follow the procedure set out in Annexure "B" to the Board Charter.

10. No executive powers

Save for its duties provided for in the Act, the Committee shall have no executive powers with regard to its findings and recommendations.

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.

12. Approval of these terms of reference

These terms of reference were approved by the chairman of the board and chairman of the Committee on 28 November 2017 and will be due for review on 26 November 2018.