

LESAKA TECHNOLOGIES, INC.  
CAPITAL ALLOCATION COMMITTEE

*MANDATE AND TERMS OF REFERENCE*

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## 1. EXECUTIVE SUMMARY

### 1.1. INTRODUCTION

The Capital Allocation Committee (hereinafter referred to as the “Committee”) is constituted as a Committee of the Board of Directors (hereinafter referred to as the “Board”) of Lesaka Technologies, Inc. (hereinafter referred to as “the 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.

This mandate and terms of reference (hereinafter referred to “terms of reference”) is subject to the provisions of the Company’s by-laws and any other applicable law or regulatory provision.

References throughout this document to “the Group” shall mean the Company and its subsidiaries and associated companies, from time to time.

## 2. PURPOSE AND COMPOSITION OF THE COMMITTEE

### 2.1. PURPOSE OF THE COMMITTEE

The purpose of the Committee is to, *inter alia*, consider and evaluate on an ad hoc basis, the viability of proposed investment opportunities, disposals and expansion projects, and review the Company's capital structure, material capital allocations and strategic investments, for recommendation to the Board for its consideration and approval.

### 2.2. COMPOSITION OF THE COMMITTEE

The Committee shall consist of no less than three members.

The Chairman of the Committee (hereinafter referred to as the "Chairman") (who shall preferably be an independent non-executive director) and members of the Committee shall be appointed by the Board and shall comprise of non-executive directors, the majority of whom shall be independent.

The secretary of the Company shall be secretary to the Committee. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

Meetings are attended by the Company's Chief Executive and Chief Financial Officer, by invitation of the Committee.

The Board shall have the power at all times to review the composition of the Committee, to alter the size of the Committee, or to remove any members from the Committee and to fill any vacancies created by such removal.

### **3. REPORTING RESPONSIBILITIES AND MEETING PROCEDURE**

#### **3.1. REPORTING RESPONSIBILITIES**

The Committee reports to the Board through its Chairman who shall from time to time update the Board on matters relating to the Committee, including, without limitation, making recommendations to the Board in accordance with these terms of reference.

Where appropriate or otherwise deemed necessary by the Committee, decisions of the Committee may be taken by way of round robin resolution.

The Chairman shall also be available to discuss any matters of a sensitive nature arising from the meetings of the Committee with directors who are not members of the Committee, on request.

#### **3.2. MEETING PROCEDURE**

Meetings of the Committee will be held as necessary. When circumstances dictate, meetings of the Committee may be convened on short notice.

The quorum necessary for the transaction of business shall be a majority of the members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Committee.

Members and / or invitees of the Committee may participate in and act at any meeting of the Committee through the use of a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting by the person or persons so attending.

Informal consultation shall occur as and when required.

Papers for consideration by the Committee shall be submitted, in the normal course, at least 5 days prior to a meeting to enable members time for study and if necessary, prior informal discussion.

Minutes of the meetings of the Committee shall be circulated by the secretary. Minutes will also be circulated to the other directors who are not members of the Committee.

## 4. TERMS OF REFERENCE AND ANNUAL REVIEW

### 4.1. TERMS OF REFERENCE

The Committee shall, among others:

- Establish and periodically review the Company's investment policies and guidelines;
- Oversee and periodically review the performance of the Company's investments, including the impact on such performance of the Company's investment policies and guidelines;
- Review, challenge and approve for recommendation to the Board specific major investment proposals, taking into consideration the Company's strategic goals;
- Evaluate and make recommendations to the Board on proposed acquisitions, new projects and/or disposals of assets;
- Monitor the execution of approved acquisitions;
- Review the performance of completed acquisitions in order to compare their returns against the initial business case;
- Ensure appropriate independent advice is sought in relation to major investments;
- Ensure correct and appropriate due diligence procedures are followed in respect of any investment related transaction; and
- Monitor on an on-going basis the performance of the Company's investment advisors and retain and terminate such advisors as it deems appropriate.

Without derogating from the generality of the foregoing, the Committee shall:

- Regularly review:
  - Capital allocations made throughout the group including the return on capital invested; and
  - The cost of capital invested for the group.
- Evaluate on an on-going basis the intrinsic value of the Group's businesses for purposes of, among other things, deciding whether to embark on a share buy-back exercise.
- Keep under review:
  - The domestic and global economic, and where appropriate, political conditions and outlook; and
  - Trends and major issues in relevant investment markets and consider their implications for the Company's strategy.
- Review such other investment-related matters as may be directed by the Board from time to time; and
- Carry out a self-evaluation of its own performance every two years, the results of which shall be reported to the Board.

### 4.2. ANNUAL REVIEW

The Committee shall review and reassess on at least an annual basis the adequacy of the terms of reference by taking into account, *inter alia*:

- The scope of responsibilities of the Committee; and
- The Committee's performance of its duties.

Any proposed changes to the terms of reference or the Committee's scope of responsibilities, where indicated, shall be referred to the Board for appropriate action.

**BOARD APPROVAL RECEIVED: SEPTEMBER 2023**