

# NOMINATION COMMITTEE REPORT

## ROLE OF THE NOMINATION COMMITTEE

The committee's main role is to ensure that the Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The role of the committee is to assist the Board in assessing its composition and recommends the appointment of directors. The committee is the main body responsible for evaluating, promoting and ensuring gender and race diversity. In reviewing the Board composition, the committee considers the benefits of all aspects of diversity to enable it to discharge its duties and responsibilities effectively. In identifying suitable candidates for appointment to the Board, the committee considers candidates on merit against objective criteria and with due regard to the benefits of gender and race diversity on the Board.

For the annual performance evaluation of the effectiveness of the Board, the nomination committee considers the balance, skills, experience and the diversity of the Board members, and other factors relevant to its effectiveness. It also ensures that the Board has the appropriate composition in terms of structure, size and independence for it to execute its duties effectively and that directors are appointed through a formal and transparent process. The committee ensures that induction and ongoing training and development of directors take place and that formal succession plans for the Board, CEO and senior management are in place.

## REPORT OF THE NOMINATION COMMITTEE

- During the year, the nomination committee performed all the functions necessary to fulfil its role as stated above, including the following:
- **Gender diversity policy:** The committee will consider candidates on merit against objective criteria and with due regard to the potential benefits of gender diversity at Board level. The committee will continue to discuss and annually agree on all measurable targets in terms of gender diversity on the Board.
- **Race diversity policy:** The Company believes that race diversity at Board level maximises opportunities to achieve its business goals through an informed understanding of the diverse environments in which we operate. The committee assessed the composition and recommended the appointment of directors as a truly diverse Board which includes the differences in age, gender, race, skills and industry experience and other distinctions between directors. The selection of Board members is made on merit, in the context of their skills, experience, independence and knowledge, which the Board as a whole requires to be effective. The committee considered candidates on merit against objective criteria and with due regard to the potential benefits of race diversity at Board level. The committee will continue to discuss and annually agree all measurable targets in terms of race diversity on the Board.
- The committee assessed the current composition of the Board in terms of gender and race diversity and confirmed that they were pleased with the composition of the Board. The Company's level of compliance against its targets for the past year is listed below:

| PERCENTAGE OF DIRECTORS | ACTUAL | TARGET |
|-------------------------|--------|--------|
| Black people            | 100%   | 60%    |
| Female                  | 45%    | 30%    |

## NOMINATION COMMITTEE REPORT - continued

The committee established a process for the appointment of new directors, which includes the following:

- Identifying suitable members in terms of gender and race diversity
- Performing reference and background checks of candidates, which should be independently investigated and their qualifications independently verified prior to nomination
- Formalising the appointment of directors through an agreement between the Company and the director
- A formal induction programme for new directors
- A mentorship programme to develop inexperienced directors
- Ongoing professional development programmes for directors
- Regular briefings on changes in regulatory compliance, risks, laws and the environment in which the Company operates

During the year under review, the nomination committee also:

- developed formal succession plans for the Board, chairperson, CEO and executive management;
- evaluated the performance of the chairperson and the Board as a whole and confirmed their performance in terms of independence, balance of power, fiduciary duties, ethical leadership, corporate governance and the effective discharge of their duties;
- reviewed the reappointment of directors with regard to retirements due to rotation on the basis of that member's performance, including attendance at Board and committee meetings;
- ensured that a brief professional profile of each candidate standing for election at the AGM, including details of professional commitments, accompanied the notice of the AGM, together with a statement from the Board confirming its support for each candidate's election or re-election;
- ensured that a programme of professional development and regular briefings on legal and corporate governance developments and risk and changes in the external environment of the organisation were provided to members of the Board;
- ensured that regular briefings on legal and corporate governance developments and risk and changes in the external environment of the organisation were provided to members of the Board; and

- recorded that Messrs AM Salie, TT Hove, JM Gaomab and Ms CF Hendricks and Ms Z Barends did not make themselves available for re-election at the AGM and as members of the various committees. Reverend Dr VC Mehana resigned on 14 March 2019 as a member of the Board and committees.

The Board reviewed the current membership composition and appointed Mr Ismet Amod on 21 January 2019 and Ms Moleboheng Gabriella Mosia and Mr Gaamiem Colbie on 30 August 2019 respectively as independent non-executive directors.

Due to Messrs AM Salie, TT Hove, JM Gaomab and Ms CF Hendricks and Ms Z Barends having not made themselves available for re-election at the AGM, the Board reconstituted the committees and the following appointments were made to committees during the year:

- Mrs Aziza Amod was appointed as the non-executive chairperson of the Board.
- Advocate Dr Ngoako Ramatlhodi was appointed as the chairman of the audit and risk committee.
- Ms Chantelle Rae Ah Sing was appointed to the social, ethics and transformation committee.
- Mr Ismet Amod was appointed to the audit and risk, the social, ethics and transformation and the nomination committees.
- Mr JS van Wyk was appointed to the Board as a independent non-executive post year-end on 23 September 2019, and to the audit and risk and investment committees.

( - Principles 1, 7, 8 and 9)

The committee believes that race and gender diversity at Board level will assist in achieving the Group's strategic goals through an improved understanding of the diverse environments in which the Group operates. The committee is satisfied with the Board's current composition in terms of gender and race diversity, age, skills and experience.

For the year, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board. The chairperson of the nomination committee reports to the Board on the activities of the committee at Board meetings. The committee was reconstituted post year-end.



Mrs Aziza Begum Amod  
**Nomination committee chairperson**