



Nomination of Directors Policy



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Nominations of Directors Policy

1. Introduction

- 1.1. The purpose of this policy is to record the principles applicable to the nomination of directors to the board of directors of Equites (the "**Board**"), in line with the provisions of King IV, the JSE Listings Requirements and the JSE Debt Listings Requirements.
- 1.2. The Nomination Committee assists the Board in making recommendation on the appointment of directors to the Board and the policy aims to ensure that such nomination and appointment is undertaken in a formal and transparent manner, based on an agreed upon set of principles.

2. Nominations committee functions in respect of nominations of directors

The primary functions of Equites' Nomination Committee include, *inter alia*:

- 2.1. Reviewing the structure, size and composition (including, *inter alia*, the skills, knowledge, experience, employment equity and diversity) of the Board and making recommendations to the Board regarding any changes thereto.
- 2.2. Regularly reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- 2.3. Completing a formalised board composition assessment to reflect all factors considered, including:
 - 2.3.1. The Board as a whole and sub-committees contain the appropriate mix of independence, knowledge, skills and experience (i.e. business, commercial and industry) in its membership.
 - 2.3.2. The appropriate mix of executive, non-executive and independent non-executive members are represented on the main Board and the sub-committees. The Board should comprise a majority of non- executive members, most of whom should be independent.
 - 2.3.3. A balanced distribution of power in respect of membership across sub-committees, so that no individual has the ability to dominate decision-making and no undue reliance is placed on any individual director.
 - 2.3.4. The CEO and at least two other members of executive management should be appointed to the Board to ensure direct interaction with Management.
 - 2.3.5. There is a sufficient number of members that qualify to serve on board sub-committees.
 - 2.3.6. The need to secure a quorum at all meetings.
 - 2.3.7. Assessing if Directors are over boarded.
 - 2.3.8. Diversity targets, if applicable, relating to the composition of the Board, including field of knowledge, skills, experience, age, culture, race and gender.
- 2.4. Identifying and nominating candidates to fill vacancies on the Board as and when they arise.
- 2.5. Prior to any appointment being made to the Board, evaluating the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for an appointment.
- 2.6. Assessing and recommending for approval by the Board the independence of directors with tenure of 9 years and more. This assessment should conclude whether the director exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

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3. Policy objectives

- 3.1. In order to effectively discharge their responsibilities, the Nominations Committee has devised a policy to guide all nominations and appointments.
- 3.2. The Board seeks directors who combine a broad spectrum of business experience, industry knowledge and financial expertise with a reputation for integrity and objectivity. The Board believes that good governance contributes to value creation in the short-, medium- and long-term and improves the trust and confidence of stakeholders.
- 3.3. The overriding objective is to ensure that as a collective, the Board is knowledgeable, skilled, experienced, diverse and independent enough to fully discharge its governance role and responsibilities.
- 3.4. Board diversity underpins the selection criteria for the nomination and appointment of directors to the Board and encompasses a broader approach to diversity including gender, race, age, expertise, culture, skills and experience in order to encourage innovation through the consideration of various perspectives and enhance the quality of decision making.

4. Procedure for the selection and nomination of directors

- 4.1. In considering nominations to the Board, the Nomination Committee will consider the current and future needs of Equites based on an assessment of the current composition of the Board and the future requirements of the business in order to optimise board effectiveness.
- 4.2. In line with principle 7 of King IV, the Nomination Committee will consider the following factors prior to nominating a director for appointment:
 - 4.2.1. An appropriate mix of skills, knowledge and experience need to govern the Company.
 - 4.2.2. The need for a sufficient number of board members that qualify to serve on the various committees of the Company.
 - 4.2.3. An appropriate mix of executive, non-executive and independent non-executive board members.
 - 4.2.4. Any regulatory requirements imposed on the Company.
 - 4.2.5. The diversity requirements of the Board in accordance with the Board's diversity policy.
- 4.3. The Nomination Committee shall undertake adequate due diligence in respect in relation to the candidate, including:
 - 4.3.1. Background, qualification and reference checks.
 - 4.3.2. Determining whether the candidate has been disqualified from acting as a director in terms of the Companies Act.
 - 4.3.3. Obtaining details of the candidate's current and past directorships.
 - 4.3.4. Confirming the existence of any actual or perceived conflicts of interest.
 - 4.3.5. The candidates' ability to add value to the Board; and
 - 4.3.6. The integrity, commitment to ethics and reputation of the candidate.
- 4.4. All appointments to the Board will be undertaken in accordance with the provisions for the election of directors as set out in the Companies Act, the Memorandum of Incorporation, the JSE Listings Requirements and the JSE Debt Listings Requirements and will be subject to shareholder confirmation at the annual general meeting or general meeting following their appointment.
- 4.5. The Board shall be entitled to amend or deviate from any of the terms of the policy where it believes it is appropriate to do so, provided that the Company remains in compliance with its Memorandum of Incorporation, the JSE Listings Requirements, the Debt Listings Requirements and the Companies Act and stakeholders will be informed of any amendments or deviations from the policy.



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