



## HARMONY GOLD MINING COMPANY LIMITED

("the Company")

### BOARD TERMS OF REFERENCE

#### 1. CONSTITUTION AND INTRODUCTION

- 1.1. The election and constitution of the board of Directors of the Company ("the **Board**") shall at all times be in accordance with the Companies Act, 2008 as amended from time to time, including in terms of the Companies Amendment Act No 16 of 2024 and the Companies Second Amendment Act 17 of 2024 which were signed into law by the President on 30 July 2024 and partially came into effect on 27 December 2024 ("the **Act**"), read with the Companies Regulations, 2011 ("the **Regulations**"), the Company's Memorandum of Incorporation ("**MOI**"), the King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**") and the Listings Requirements of the JSE Limited (the "**JSE Listings Requirements**"), in each case, as amended or substituted from time to time.
- 1.2. These terms of reference ("these **Terms of Reference**") constitute and form an integral part of each Board member's appointment letter to the Board and, if such Board member is also a member of the board of any of the Company's subsidiaries, to the boards of its subsidiary companies (except to the extent that such subsidiary has its own board terms of reference).
- 1.3. These Terms of Reference are subject to the provisions of the Act, the MOI and any other applicable law or regulatory provision. In the event of any ambiguity, discrepancy or conflict between these Terms of Reference and any of the applicable laws or regulatory provisions, the applicable laws or regulatory provisions shall prevail.
- 1.4. Unless inconsistent with the context, in these Terms of Reference, an expression which denotes any one (1) gender includes the other genders.
- 1.5. Any reference in these Terms of Reference to "the **Group**" is to be construed as a reference to the Company and any company or companies which are subsidiaries of the Company.

## 2. PURPOSE AND OBJECTIVES OF THESE TERMS OF REFERENCE

- 2.1. The Board, recognising that it is the focal point and custodian of corporate governance in the Company [*King IV, principle 6*], is committed to ensuring good corporate governance throughout the Group in line with the requirements of the Act, the JSE Listings Requirements, the Company's primary listing, and the New York Stock Exchange, as well as the King IV and related principles of good corporate governance.
- 2.2. The purpose of these Terms of Reference is to regulate the parameters within which the Board will operate and to ensure the application of the principles of good corporate governance in all dealings by, in respect and on behalf of, the Company and furthermore to set out the roles and responsibilities of the Board and individual directors, including the composition and relevant procedural conduct of the Board, to guide the Board's effective functioning. [*King IV, principle 6 Recommended Practice ("RP") 2*]
- 2.3. The objectives of these Terms of Reference are to –
  - 2.3.1. ensure that all Board members are aware of their duties and responsibilities as Board members and of the various pieces of legislation and regulations affecting their conduct and to ensure that the principles of good corporate governance are applied in all their dealings in respect and on behalf of the Group; and
  - 2.3.2. set out, among other things –
    - 2.3.2.1. the responsibilities and duties of the Board, Board committees, the Chairman; the Deputy Chairman, the Lead Independent Director; the Chief Executive Officer; and the Company Secretary; [*King IV, principle 7, RP 33.*]
    - 2.3.2.2. the requirements for membership of the Board; and
    - 2.3.2.3. the meeting procedures of the Board.

## 3. FUNCTIONS, RESPONSIBILITIES AND DUTIES

### Primary functions, responsibilities and duties

The primary functions, responsibilities and duties of the Board are -

- 3.1. to act in good faith and in the best interests of the Company; [*Section 76(3) of the Act and King IV, principle 1, RP1(a)(i)*]
- 3.2. to lead ethically and effectively (beyond mere legal compliance) [*King IV, principle 1, RP1(a)(iii) and (iv)*] in order to achieve the Company's strategic objectives and positive

outcomes over time; and *[King IV, principle 1, RP 2]*

- 3.3. to assume responsibility for the Company's performance, by steering and setting the direction for the realisation of the Company's core purpose and values through its strategy *[King IV, principle 4, RP 1]*, recognising that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. *[King IV, principle 4]*

### **General function, responsibility and duty**

The general functions, responsibilities and duties of the Board, with the assistance of Board committees, include the following –

- 3.4. the responsibility for approving, and where delegated, exercise ongoing oversight of –
- 3.4.1. the Company's short, medium and long-term strategies (taking into consideration the factors identified in King IV, principle 4, recommended practice 3) and monitoring the implementation and execution of strategy by management to ensure accountability of the Company's performance, with the assistance of all of the committees of the Board; *[King IV, principle 1, RP 1(c)(i); principle 4, RP 3 & 6]*
  - 3.4.2. the Company's policies and operational plans, in each case as developed by management, to give effect to such approved strategies, and monitoring the implementation and execution of such operational plans by management to ensure accountability of the Company's performance, with the assistance of all of the committees of the Board; *[King IV, principle 1, RP 1(c)(i); principle 4, RP 3 & 6]*
  - 3.4.3. the Board's composition as contemplated in paragraph 5.3.1 of these Terms of Reference, with the assistance of the Company's Nomination Committee;
  - 3.4.4. cultivating the characteristics of integrity, competence, responsibility, accountability, fairness and transparency and by exhibiting these characteristics in its conduct, as contemplated in King IV, principle 1, recommended practice 1 collectively, and individually through each of its directors; *[King IV, principle 1, RP 1]*
  - 3.4.5. the governance of ethics –
    - 3.4.5.1. in a way that supports the establishment of an ethical culture; and *[King IV, principle 2]*
    - 3.4.5.2. by setting the direction for how ethics should be approached and

addressed by the Company through an ethics management plan and programme, which responsibility shall be delegated to the Company's Social and Ethics Committee; and *[King IV, principle 2, RP 4]*

3.4.5.3. by approving the Company's codes of conduct and ethics policies that articulate and give effect to its direction on Company ethics, with the assistance of the Company's Social and Ethics Committee, *[King IV, principle 2, RP 5]*

3.4.6. corporate citizenship by –

3.4.6.1. ensuring that the Company is seen to be a responsible corporate citizen; and *[King IV, principle 3]*

3.4.6.2. setting the direction for how corporate citizenship should be approached and addressed by the Company, which responsibility shall be delegated to the Company's Social and Ethics Committee; *[King IV, principle 3, RP 11]*

3.4.7. the governance of risk in a way that –

3.4.7.1. supports the Company in setting and achieving its strategic objectives; and *[King IV, principle 11]*

3.4.7.2. recognises that (i) the treatment of risk is integral to the way it makes decisions and executes its duties; *[King IV, principle 11, RP 4]*

3.4.8. with the assistance of the Company's Audit and Risk Committee, through a risk management policy, setting the direction for how risk should be approached and addressed in the Company with an understanding that risk governance encompasses both (i) the opportunities and associated risks to be considered in developing strategy; and (ii) the potential positive and negative effects of the same risks on the achievement of the Company's objectives; *[King IV, principle 11, RP 1]*

3.4.9. with the assistance of the Company's Audit and Risk Committee, evaluating and agreeing the nature and extent of the risks that the Company should be willing to take in pursuit of its strategic objectives and, in particular, approving:

3.4.9.1. the Company's risk appetite, namely its propensity to take appropriate levels of risk; and

3.4.9.2. the limit of the potential loss that the Company has the capacity to

tolerate;

*[King IV, principle 11, RP4]*

- 3.4.10. exercising courage in taking risks and capturing opportunities in a responsible manner and in the best interests of the Company; *[King IV, principle 1, RP 1(c)(ii)]*
- 3.4.11. anticipating, preventing and otherwise ameliorating the negative outcomes of the Company's activities and outputs on the triple context in which it operates, and the capitals that it uses and effects; *[King IV, principle 1, RP 1(c)(iii)]*
- 3.4.12. the governance of technology and information –
  - 3.4.12.1. in a way that supports the Company setting and achieving its strategic objectives; and *[King IV, principle 12]*
  - 3.4.12.2. by setting the direction for how technology and information should be approached in the Company, through a technology and information policy and strategy, which responsibility shall be delegated to the Company's Audit and Risk Committee; *[King IV, principle 12, RP 10 & 11]*
- 3.4.13. the governance of compliance by the Company with applicable laws and adherence to adopted non-binding rules, codes and standards –
  - 3.4.13.1. in a way that supports the Company being ethical and a good corporate citizen; and *[King IV, principle 13]*
  - 3.4.13.2. with the assistance of the Company's Audit and Risk Committee, by setting the direction for how compliance should be approached and addressed across the Group through a corporate governance and compliance policy, setting *inter alia*, (i) the direction for how the relationships and exercise of power within the Group should be approached and conducted and (ii) which non-binding rules, codes and standards the Company has adopted; *[King IV, principle 16, RP 11 & 16]*
- 3.4.14. the governance of remuneration by setting the direction for how remuneration should be approached and addressed on a Company-wide basis, through a remuneration policy with the assistance of the Company's Remuneration Committee; *[King IV, principle 14, RP 26 & 27]*

- 3.4.15. the Company's reporting, with the assistance of the Audit and Risk Committee, by setting the direction for how it should be approached and conducted [*King IV principle 5, RP 9*] and by ensuring that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance, and its short, medium and long-term prospects; [*King IV principle 1, RP 1(d), principle 5*]
- 3.4.16. assurance, by –
- 3.4.16.1. setting the direction concerning the arrangements for assurance services and functions;
- 3.4.16.2. delegating, to the Company's Audit and Risk Committee, the responsibility for overseeing that such arrangements are effective in achieving the objectives set out in King IV, principle 15, recommended practice 40(a) to (c); [*King IV, principle 15, RP 40*]
- 3.4.16.3. delegating, to the Company's Audit and Risk Committee, the responsibility for ensuring –
- 3.4.16.3.1. that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports; [*King IV, principle 15*]
- 3.4.16.3.2. that a combined assurance model is applied which (i) incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance; and [*King IV, principle 15, RP 41*] (ii) is effective and sufficiently robust for the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Company's external reports; [*King IV, principle 15, RP 46*] (iii) is designed and implemented to cover effectively the Company's significant risks and material matters through a combination of the assurance service providers and functions set out in King IV principle 15, RP 42 (a) to (f), as is appropriate for the Company; and [*King IV,*

*principle 15, RP 42]*

- 3.4.16.3.3. the integrity of external reports issued by the Company, by setting the direction for how assurance of these should be approached and addressed; *[King IV, principle 15, RP 47]*
- 3.4.17. setting the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes, which responsibility shall be delegated to the Company's Audit and Risk Committee *[King IV, principle 15, RP 48]*, which includes:
  - 3.4.17.1. the appointment of a Head of Internal Audit as well as ensuring that there is clarity on who fulfils the role of the Head of Internal Audit where internal audit services are co-sourced or outsourced; *[King IV, principle 15, RP 52 & 55]*
  - 3.4.17.2. approval of an internal audit charter; and *[King IV, principle 15, RP 49]*
  - 3.4.17.3. ensuring that internal audit provides an overall statement annually as to the effectiveness of the Company's governance, risk management and control processes; *[King IV, principle 15, RP 59]*
- 3.4.18. governing stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the Company through a stakeholder management policy, which responsibility shall be delegated to the Company's Social and Ethics Committee; *[King IV, principle 16, RP 1 & 2]*
- 3.4.19. the evaluation of its own performance and that of its committees, its chair and its individual members –
  - 3.4.19.1. as contemplated in paragraph 17; and
  - 3.4.19.2. in a manner that supports continued improvement in the Board's performance and effectiveness; *[King IV, principle 9]*
- 3.4.20. the Group's integrated annual report, with the assistance of the Audit and Risk and Social and Ethics Committees, ensuring that, in addition to the disclosures required by each of its committees as set out in the terms of reference of its committees, the following is disclosed –
  - 3.4.20.1. the arrangements by which Board members are being held to account

for ethical and effective leadership, including, not limited to, codes of conduct and performance evaluations of the Board and its members;  
*[King IV, principle 1, RP 3]*

3.4.20.2. in relation to the primary role and responsibilities of the Board --

3.4.20.2.1. the number of meetings held during the reporting period, and attendance at those meetings; and

3.4.20.2.2. whether the Board is satisfied that it has fulfilled its responsibilities in accordance with these Terms of Reference for the reporting period;

*[King IV, principle 6, RP 5]*

3.4.20.3. in relation to the evaluation of the performance of the Board –

3.4.20.3.1. a description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not;

3.4.20.3.2. an overview of the evaluation results and remedial actions taken; and

3.4.20.3.3. whether the Board is satisfied that the evaluation process is improving its performance and effectiveness;

*[King IV, principle 9, RP 75]*

3.4.20.4. in relation to the Chairman –

3.4.20.4.1. whether the chair is considered to be independent; and

3.4.20.4.2. whether or not an independent non-executive member of the governing body has been appointed as the Lead Independent Director, and the role and responsibilities assigned to the position.

*[King IV, principle 7, RP 38]*



3.4.20.5. in relation to the Chief Executive Officer -

3.4.20.5.1. the notice period stipulated in the Chief Executive Officer's employment contract and the contractual conditions related to termination;

3.4.20.5.2. other professional commitments of the Chief Executive Officer, including membership of the governing bodies outside the Company; and

3.4.20.5.3. whether succession planning is in place for the Chief Executive Officer position; and

*[King IV, principle 10, RP 83]*

3.4.20.6. the arrangements in place for accessing professional corporate governance services and a statement on whether the Board believes those arrangements are effective should be disclosed, with the assistance of the Audit and Risk Committee *[King IV, principle 10, RP 99]*.

#### **4. POWERS**

4.1. In addition to its statutory rights and powers, the Board and individual directors have the following specific powers -

4.1.1. the Board may delegate matters with the necessary written authority to management and Board committees. These matters should be monitored and evaluated on a regular basis;

4.1.2. the Board has unrestricted access to all Group information, including records, documents, property and personnel and must be provided with adequate resources in order to fulfil their responsibilities;

4.1.3. the Board should approve the protocol to be followed -

4.1.3.1. in the event that it or any of its members or committees need to obtain independent, external professional guidance and advice at the cost of the Company on matters within the scope of their duties (including in relation to corporate governance and the Board's legal duties); and *[King IV, principle 6, RP3 and principle 10 RP 90]*

4.1.3.2. by its non-executive members for requisitioning documentation from,

and setting up meetings with, management [*King IV, principle 6, RP 4*];

- 4.1.4. the Board may obtain independent, external professional guidance and advice at the cost of the Company on matters within the scope of their duties (including in relation to corporate governance and the Board's legal duties) in accordance with a protocol developed by the Board for this purpose; [*King IV, principle 6, RP3 and principle 10 RP 90*]
  - 4.1.5. the Board may secure the attendance at Board meetings of outsiders with the relevant experience and expertise where necessary at the Company's expense in accordance with a procedure developed by the Board for this purpose;
  - 4.1.6. the Board may investigate any activities within the scope of its responsibilities as set out in these Terms of Reference; and
  - 4.1.7. the Board may seek any information it requires from any employee, Company officers or the Company Secretary, within the scope of its responsibilities as set out in these Terms of Reference, and all these parties will be required to co-operate with any reasonable requests made by the Board to provide it with information or explanations necessary for the performance of its functions.
- 4.2. The business and affairs of the Company shall be managed under the direction of and shall vest with the Board, which has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the MOI or the Act provides otherwise. The Board is elected by the shareholders and is the ultimate decision making body of the Company, except in respect of matters reserved for shareholders.

## **5. COMPOSITION OF THE BOARD AND APPOINTMENT OF DIRECTORS**

- 5.1. In terms of the MOI, in addition to the minimum number of directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an Audit Committee and a Social and Ethics Committee, the Board must comprise at least 4 (four) directors. There shall be no restriction on the maximum number of directors that may be appointed to the Board unless otherwise determined by the Shareholders at any time, and from time to time, by way of ordinary resolution. [*MOI par 24.1 and JSE Listings Requirements, Schedule 10 par 10.16(a)*]
- 5.2. The Board has the power to appoint directors, on recommendation by the Nomination Committee, to fill a casual vacancy in the number of directors on the Board on a temporary basis, as set out in section 68(3) of the Act, provided that such appointment must be confirmed by the Shareholders, in accordance with the provisions of the MOI, at the next general

meeting, as required in terms of section 70(3)(b)(i) of the Act. In addition, either the Chairman or the Deputy Chairman of the Board shall be entitled, with the written consent of the remaining directors on the Board, to appoint any person as a director in terms of section 66(4)(a)(i) of the Act, provided that such appointment must be ratified by the Shareholders in accordance with the provisions of the MOI, at the next general meeting.

- 5.3. The Board should comprise the appropriate balance of knowledge, skills, experience, diversity (across a variety of attributes as contemplated in King IV, principle 7, RP 10, and focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience *JSE Listings Requirements, par 3.84(i)* and independence to discharge its governance role and responsibilities, objectively and effectively [*King IV, principle 7*] and the Board should therefore –

5.3.1. assume responsibility for its composition by setting the direction and approving the processes for it to attain, through the Nomination Committee, such balance, including approving a policy on the promotion of broader diversity at Board level focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience; [*King IV, principle 7, RP 6, principle 8, RP60(a); JSE Listings Requirements, par 3.84(i)*]

5.3.2. consider the appropriateness of prospective candidates recommended by the Nomination Committee for appointment to the Board. The Nomination Committee will follow a transparent and formal process, in selecting, nominating and in recommending suitable candidates for the Board's consideration; and [*JSE Listings Requirements, par 3.84(a), King IV, principle 8, RP60(a)*]

5.3.3. consider and approve targets for race and gender representation in its membership as recommended by the Nomination Committee. [*King IV, principle 7, RP 10*]

- 5.4. When determining the requisite number of members of the Board, in accordance with paragraph 5.1, the factors set out in King IV, principle 7, recommended practice 7 should be considered [*King IV, principle 7, RP 7*].

- 5.5. The Company shall have a unitary board, consisting of a mix of executive and non-executive directors. In this regard -

5.5.1. the majority of the Board members should be non-executive directors; [*King IV, principle 7, RP 8 and JSE Listings Requirements, par 3.84(b)*]

5.5.2. the majority of the non-executive directors should be independent, and when assessing the independence of a member of the Board for purposes of

categorisation, the Board should consider the indicators set out in King IV, principle 7, recommended practice 28, and other indicators holistically, and on a substance-over-form basis; *[King IV, principle 7, RP 8, principle 7, RP 28]*

5.5.3. the Board should have a minimum of two executive directors, being the Chief Executive Officer and Financial Director; *[King IV, principle 7, RP 9 and JSE Listings Requirements, par 3.84 (b) and (f)]*

5.5.4. following consideration of the Nomination Committee's recommendations, the Board should elect -

5.5.4.1. a Chairman who is a non-executive director and who shall not also fulfil the position of the Chief Executive Officer; *[King IV, principle 7, RP 31 and 34]*

5.5.4.2. a Deputy Chairman as contemplated in paragraph 9 below; and *[MOI, par 26.2]*

5.5.4.3. a Lead Independent Director as contemplated in paragraph 8 below; *[King IV, principle 7, RP 32]*

5.5.5. the Board should –

5.5.5.1. appoint and may terminate the services of the Chief Executive Officer; and *[King IV, principle 10, RP 76]*

5.5.5.2. set the direction and parameters for the powers which are to be reserved for itself, and those that are to be delegated to management via the Chief Executive Officer. *[King IV, principle 10, RP 84]*

5.6. The Board must ensure that at all times the roles of the Chairman and the Chief Executive Officer are strictly separate. *[JSE Listings Requirements, par 3.84(b) and King IV, principle 7, RP 34]*

5.7. The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. *[King IV, principle 10]*. Members of management can be Board members. However, management should understand that Board membership is neither necessary nor a prerequisite for any higher management position in the Company. Where management is appointed to the Board –

5.7.1. care must be taken to separate their managerial responsibilities from those as directors of the Company; and

5.7.2. executive directors should carefully manage the conflict between their

management responsibilities and their fiduciary duties as directors in good faith and in the best interests of the company [*King IV, principle 1, RP 1(a)(i)*].

## **6. THE CHAIRMAN OF THE BOARD**

The Chairman is responsible for -

- 6.1. setting the ethical tone for the Board and the Group; [*King IV, principle 1, RP1(a)(iv)*]
- 6.2. providing overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Board members;
- 6.3. with the assistance of the Nomination Committee, actively participating in –
  - 6.3.1. the selection of Board members;
  - 6.3.2. reviewing the independence of non-executive directors and make recommendations to the Board thereon on an annual basis; [*King IV, principle 7, RP 27*] and in doing so the indicators set out in King IV, principle 7, recommended practice 28 and other indicators should be considered holistically, and on a substance-over-form basis; and
  - 6.3.3. the periodic oversight of a succession plan (in respect of emergency situations and over the longer term) in respect of Board members, the Chief Executive Officer, executive/senior managers and persons in key positions so as to provide continuity of executive leadership [*King IV, principle 10, RP 81 and 88*];
- 6.4. formulating an annual work plan for the Board, working with the Chief Executive Officer and the Company Secretary in the setting of the agenda for Board meetings and ensuring that Board minutes properly reflect Board deliberations and decisions; [*King IV, principle 1, RP 1(c)(i), 1(d) and (f), principle 4, RP4*]
- 6.5. presiding over Board meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company; [*King IV, principle 1, RP1(c)(iv)*]
- 6.6. managing conflicts of interest in accordance with all applicable legal requirements; [*King IV, principle 1, RP 1(a)(ii)*]
- 6.7. developing an ongoing relationship with the Chief Executive Officer. As the major point of contact between the Chief Executive Officer and the Board, the Chairman should be kept fully informed of the day-to-day matters of interest to directors; [*King IV, principle 1, RP 1(b)(i)*]

- 6.8. being collegial with Board members and management while at the same time maintaining an arm's length relationship; *[King IV, principle 1, RP1(a)(iv)]*
- 6.9. ensuring that directors play a full and constructive role in the affairs of the Company and taking a lead role in the process for removing non-performing or unsuitable directors from the Board; *[King IV, principle 1, RP 1(b)(ii)]*
- 6.10. ensuring that complete, timely, relevant, accurate, honest and accessible information is placed before the Board to enable directors to reach an informed decision; *[King IV, principle 1, RP1(b)(ii)]*
- 6.11. ensuring the ongoing effectiveness, mentoring and development of the Board and individual directors, with the assistance of the Nomination Committee, to ensure they have sufficient working knowledge of the Company, the mining industry, the triple context in which it operates, the capitals it uses and affects as well as of the key laws, rules, codes and standards applicable to the Company; *[King IV, principle 1, RP1(b)(i)]*
- 6.12. with the assistance of the Nomination Committee, ensuring that all directors are appropriately made aware of their responsibilities through a tailored induction programme, and ensuring that a formal programme of continuing professional education is adopted at Board level; *[King IV, principle 1(b)(iii)]*
- 6.13. maintaining relations with the Company's major Shareholders and its strategic and/or material stakeholders in conjunction with the Chief Executive Officer and executive/senior managers, building and maintaining stakeholders' trust and confidence in the Company and presiding over Shareholders' meetings; *[King IV, principle 1, RP 1(e)(i), principle 16]*
- 6.14. upholding rigorous standards of preparation for meetings by for example, meeting with the Chief Executive Officer before meetings, studying of the meeting information packs distributed and devoting sufficient time and effort to prepare for meetings; *[King IV, principle 1, RP1(c)(iv)]*
- 6.15. ensuring that decisions by the Board are executed; and *[King IV, principle 6, RP1(c)]*
- 6.16. together with the Board, determining the number of outside professional positions that he/she is permitted to hold, taking into account the relative size and complexity of the organisations involved, in order to determine whether he/she is able to perform the duties of the office of Chairman effectively *[King IV, principle 7, RP 35]*.

## 7. THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is required to -

- 7.1. formulate and develop, through management, and then recommend to the Board, the Company's short, medium and long-term strategy and vision that will realise the Company's core purpose and values and generate satisfactory levels of Shareholder value; *[King IV principle 4, RP 1 and 2]*
- 7.2. be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and should serve as the link between management and the Board; *[King IV, principle 10, RP 77]*
- 7.3. formulate and develop through management, and then recommend to the Board annual operational plans (with budgets) and policies to implement such operational plans, that support and give effect to the company's approved strategy – such policies and operational plans should include the key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term; *[King IV, principle 4, RP 4]*
- 7.4. exercise ongoing oversight of the implementation and execution of strategy and operational plans by management against agreed performance measures and targets; *[King IV, principle 4, RP 5]*
- 7.5. strive to achieve financial and operational targets and ensure that the day-to-day business affairs of the Group are appropriately monitored and managed within the approved delegation of authority framework;
- 7.6. appoint the executive management and ensure proper performance evaluation to support continued improvement in the Company's performance and effectiveness;
- 7.7. establish an organisational structure for the Company which is necessary to enable the execution of approved strategy;
- 7.8. ensure that key management functions are (i) headed by an individual with the necessary competence and authority; and (ii) adequately resourced; *[King IV, principle 10, RP 87]*
- 7.9. in conjunction with the Nomination Committee, ensure proper succession planning (in respect of emergency situations and over the longer term) for executive / senior management and persons in key positions so as to provide continuity of executive leadership; *[King IV, principle 10, RP 88]*
- 7.10. be accountable to, monitor and report to the Board the performance of the Company and its

conformance with compliance imperatives; *[King IV, principle 10, RP 78]*

- 7.11. set the tone at management level in providing ethical leadership and creating an ethical environment and culture and maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees; *[King IV, principle 2, RP 9]*
- 7.12. with the assistance of management, ensure that the Company's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies; *[King IV, principle 3, RP 12]*
- 7.13. for recommendation to the Social and Ethics Committee, ensure the formulation and development of codes of conduct and ethics policies that articulate and give effect to the Board's direction on organisational ethics and comply with the recommendations in King IV, principle 2, recommended practice 6, for onward recommendation to the Board; *[King IV, principle 2, RP 5 and 6]*
- 7.14. ensure the implementation and execution of the Company's codes of conduct and ethics policies; and *[King IV, principle 2 RP 8]*
- 7.15. together with the Board, agree on whether the Chief Executive Officer takes up additional professional positions, including membership of other governing bodies outside the organisation. Time constraints and potential conflicts of interest should be considered and balanced against the opportunity for professional development. *[King IV, principle 10, RP 81]*

## **8. THE LEAD INDEPENDENT DIRECTOR**

- 8.1. Annually, the Board shall, in consultation with the Nomination Committee, appoint a non-executive independent director, who meets the requirements for an independent director under the Act and King IV, and any other criteria evidencing objectivity and independence established by the Board, to serve as the Lead Independent Director. *[King IV, principle 7, RP 32]*
- 8.2. The Lead Independent Director shall –
  - 8.2.1. provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has actual or perceived conflicts of interest; *[King IV, principle 7, RP 32(f)]*
  - 8.2.2. preside at all meetings of the Board at which the Chairman and, if applicable, Deputy Chairman has actual or perceived conflicts of interest; *[King IV, principle 7, RP 32(f)]*



- 8.2.3. perform all such functions that cannot be performed by the Chairman due to the existence of a conflict of interest, including chairing discussions and decision-making by the Board in such instances; *[King IV, principle 7, RP 32(f)]*
  - 8.2.4. lead the performance evaluation of the Chairman if an independent service provider is not used, as provided for in paragraph 17.3;
  - 8.2.5. liaise with major shareholders if requested by the Board in circumstances or transactions in which the Chairman is conflicted; *[King IV, principle 7, RP 32(f)]*
  - 8.2.6. strengthen the independence on the Board; and *[King IV, principle 7, RP 32(e)]*
  - 8.2.7. perform other duties that the Board of directors may from time to time delegate to the Lead Independent Director.
- 8.3. The Lead Independent Director should at all times be aware that his/her role is that of support to the Chairman and the Board.
- 8.4. In addition to what is set out in paragraph 19, the Lead Independent Director must disclose in writing any interests he/her has within or outside the Company and the Group that may interfere or conflict with the performance of his/her duties.

## **9. THE DEPUTY CHAIRMAN**

- 9.1. Annually, the Board of directors will, in consultation with the Nomination Committee, select a non-executive director to serve as the Deputy Chairman of the Board.
- 9.2. The Deputy Chairman shall:
- 9.2.1. provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman is not available; *[King IV, principle 7, RP 32(a)]*
  - 9.2.2. preside at all meetings of the Board which the Chairman is unable to attend;
  - 9.2.3. serve as a sounding board for the Chairman; *[King IV, principle 7, RP 32(b)]*
  - 9.2.4. act as an intermediary between the Chairman and other members of the Board, if necessary; *[King IV, principle 7, RP 32(c)]*
  - 9.2.5. deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns; *[King IV, principle 7, RP 32(d)]* or where contact through the normal channels is inappropriate; and *[King IV, principle 7, RP 32(d)]*

9.2.6. perform other duties that the Board of directors may from time to time delegate to the Deputy Chairman.

9.3. The Deputy Chairman should at all times be aware that his/her role is that of support to the Chairman and the Board.

## **10. THE COMPANY SECRETARY**

10.1. The Board will appoint a Company Secretary to provide professional corporate governance services to the Board, and should approve the Company Secretary's employment contract. *[King IV, principle 10, RP 90, 91, 92 and 94, JSE Listings Requirements, par 3.84(i) and sections 86 and 89 of the Act]*

10.2. The Board will be responsible for the removal of the Company Secretary. *[King IV, principle 10, RP 95]*

10.3. The Board must consider and satisfy itself, on an annual basis, on -

10.3.1. the competence, qualifications, experience, gravitas and objectivity of the Company Secretary to provide independent guidance and support at the highest level of decision making in the Company; and *[King IV, principle 10, RP 94 and JSE Listings Requirements, par 3.84(i)]*

10.3.2. the performance and independence of the Company Secretary with the assistance of the Nomination Committee. *[King IV, principle 10 RP 98]*

10.4. The Board should be aware of the Company Secretary's duties and should ensure that the office of the Company Secretary is empowered to fulfil those duties properly and that the position carries the necessary authority. *[King IV, principle 10, RP 93]*

10.5. The Company Secretary should have unfettered access to the Board but, for reasons of independence, should maintain an arms-length relationship with the Board and its directors. *[King IV, principle 10, RP 96 and JSE Listings Requirements, par 3.84(h)]*

10.6. The Company Secretary will not be a director of the Company. *[King IV, principle 10, RP 96]*

10.7. The Company Secretary shall comply with his/ her statutory duties and is responsible for –

10.7.1. assisting the Nomination Committee and ensuring that the procedure for the appointment of directors is properly carried out; *[King IV, principle 7, RP 15]*

10.7.2. assisting in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and

executive management in their fiduciary and other governance responsibilities;  
*[King IV, principle 1, RP 1(b)(i) and (iii)]*

- 10.7.3. ensuring that the Board and Board committee terms of references are reviewed and approved annually by the Board; *[King IV, principle 8, RP 42]*
- 10.7.4. ensuring the proper compilation and timely circulation of Board papers and for assisting the Chairman of the Board and Board committees with drafting of annual work plans; *[King IV, principle 1, RP 1(b)(ii) and 1(c)(iv)]*
- 10.7.5. obtaining appropriate responses and feedback to specific agenda items and matters arising from earlier meetings in Board and Board committee deliberations. The Company Secretary's role should also be to raise matters that may warrant the attention of the Board; *[King IV, principle 1, RP 1(f)]*
- 10.7.6. ensuring that the proceedings of Board, committee and shareholder meetings are properly recorded and that minutes of meetings are circulated to the directors in a timely manner, after the approval of the Chairman of the Board or relevant committee; *[King IV, principle 1, RP 1(f) and section 88(2)(d) of the Act]*
- 10.7.7. assisting the Nomination Committee with the annual evaluation of the Board, its committees and its individual directors; *[King IV, principle 8, RP 60]*
- 10.7.8. providing the directors collectively and individually with guidance as to their duties, responsibilities and powers as well as on matters of good governance; *[King IV, principle 1 and section 88(2)(a) of the Act]*
- 10.7.9. making the directors aware of any laws, non-binding rules, code and standards relevant to or affecting the Company; *[King IV, principle 13 and section 88(2)(b) of the Act]*
- 10.7.10. reporting to –
  - 10.7.10.1. the Board via the Chairman on all statutory duties and functions performed in connection with the Board; *[King IV, principle 10, RP 97]*
  - 10.7.10.2. such designated member of executive management on other duties and administrative matters; and *[King IV, principle 10, RP 97]*
  - 10.7.10.3. the Board any failure on the part of the Company or a director to comply with the MOI or rules of the Company or the Act; *[section 88(2)(c) of the Act]*
- 10.7.11. certifying in the Company's annual financial statements whether the Company

has filed required returns and notices in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date; [section 88(2)(e) of the Act]; and

10.7.12. ensuring that a copy of the Company's annual financial statements is sent, in accordance with the Act, to every person who is entitled to it. [section 88(2)(f) of the Act]

10.8. The Company Secretary must at all times maintain the Group's statutory records in accordance with the legal requirements.

## **11. PERIOD OF OFFICE**

11.1. The MOI will determine a director's period in office. In terms of the MOI at each annual general meeting of the Company, 1/3 (one third) of the non-executive directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a director is appointed as an executive director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the retirement of directors by rotation. [MOI par 24.7.1]

11.2. The non-executive directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. [MOI par 24.7.2]

11.3. A retiring director shall be eligible for re-election. [MOI par 24.7.3]

11.4. The underlying purpose of the periodic staggered rotation referred to in paragraphs 11.1 to 11.3 is to invigorate the Board's capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity. [King IV, principle 7, RP 12]

11.5. Should an executive director's employment with the Company be suspended for any reason whatsoever, such executive director shall, for so long as his employment is suspended, *ipso facto* be suspended from holding office as a director. [MOI par 28.2]

11.6. Termination of a director's service/employment contract will result in his or her resignation from the Board. [MOI par 28.3]

11.7. Executive directors are at liberty to accept 1 (one) other board appointment, so long as the appointment is not in conflict with the business of the Group and will not detrimentally affect

their contribution as members of the Board. All other board appointments on other company boards, for both executive and non-executive directors, must first be discussed with and sanctioned by the Board Chairman.

## **12. BOARD COMMITTEES AND DELEGATION OF AUTHORITY**

### **12.1. In terms of the MOI:**

- 12.1.1. the Board may appoint Board committees, with the assistance of the Nomination Committee, and delegate to any such committee any of the authority of the Board as contemplated in section 72(1) of the Act. Only directors of the Board are permitted to serve as Board committee members; *[MOI, par 31.1 and King IV, principle 8, RP 39]*
- 12.1.2. if and for as long as it is required to do so in terms of the Act or the Regulations and unless the Company is exempted from doing so by the Tribunal in terms of section 72(5) of the Act, the shareholders of the Company must appoint the Company's Social and Ethics Committee in the manner and for the purposes set out in section 72(9A) of the Act, having the powers and functions prescribed in terms of section 72 of the Act and the Regulations; *[MOI, par 31.3, King IV principle 8 RP 68]*
- 12.1.3. if and for as long as any of the Company's Securities are listed on the JSE, the Board shall appoint such Board committees as are required by the JSE Listings Requirements, having such functions and powers as are prescribed by or in terms of the JSE Listings Requirements; and *[MOI, par 31.4]*
- 12.1.4. the shareholders of the Company must further appoint the Company's Audit Committee in the manner and for the purposes set out in Part D of Chapter 3 of the Act. *[MOI, par 31.5, King IV principle 8 RP 51]*

### **12.2. The Board should -**

- 12.2.1. ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties; and *[King IV, principle 8]*
- 12.2.2. subject to paragraphs 12.1 and 12.3, determine if and when to delegate particular roles and responsibilities to an individual member or members of the Board, or to standing or ad hoc-committees, but without abdicating its own accountability. The exercise of judgement by the Board in this regard, is subject to legal requirements and should be guided by what is appropriate for the Company and achieving the

objectives of the delegation. *[King IV, principle 8, RP 39]*

- 12.3. Unless otherwise agreed by the Board, the Company will, as a minimum, continue to have an Audit and Risk Committee, Social and Ethics Committee, Investment Committee, Technical Committee, Remuneration Committee and a Nomination Committee. The Audit and Risk Committee and the Social and Ethics Committee shall (despite being statutory committees) constitute committees of the Board in respect of all duties assigned to them by the Board in addition to their statutory duties in terms of the Act. *[King IV, principle 8, RP 39]*
- 12.4. Authority will be delegated to each Board committee established by the Board in terms of a formal terms of reference to be approved for each committee by the Board and reviewed annually. *[King IV, principle 8, RP 42]*. Any delegation by the Board of its responsibilities to a Board committee will not by or of itself constitute a discharge of the Board's accountability. The Board should apply its collective mind to the information, opinions, recommendations, reports and statements presented to the Board by the Board committee. *[King IV, principle 8, RP 49]*
- 12.5. The Board will, subject to the Act and the JSE Listings Requirements and with the assistance of the Nomination Committee, appropriately constitute committees with due regard to the knowledge, skills, experience and capacity required by each committee. *[King IV, principle 8, RP 45]*
- 12.6. The Audit and Risk Committee and the Remuneration Committee will be chaired by independent non-executive directors. *[King IV, principle 8, RP 57 and RP 67]*
- 12.7. All members of the Board committees should be non-executive, and the majority should be independent non-executive directors unless otherwise regulated in the terms of reference of the committee, the Act and the JSE Listings Requirements. *[King IV, principle 8, RP 64 and 70]*
- 12.8. The Board may delegate authority to management, but any such delegation will not by or of itself constitute a discharge of the governing body's accountability.
- 12.9. In delegating authority to management, the Board should exercise ongoing oversight of the implementation and execution of strategy and operational plans by management against agreed performance measures and targets. *[King IV, principle 1, RP1(c)(i) and principle 4, RP 6]*
- 12.10. The Board -
  - 12.10.1. will approve a framework for the delegation of authority that articulates its set direction on reservation and delegation of power; *[King IV, principle 10, RP85]*

- 12.10.2. should ensure that such framework addresses the authority to appoint executives who will serve as *ex officio*-executive members of the Board and to make other executive appointments; and *[King IV, principle 10, RP 86]*
- 12.10.3. should disclose, by way of a statement, whether it is satisfied that such framework contributes to role clarity and the effective exercise of authority and responsibilities. *[King IV, principle 10, RP 89]*

## **13. MEETINGS**

### **13.1. Frequency**

- 13.1.1. The Board shall meet at least 4 (four) times a year, or more frequently as circumstances dictate and the number of Board meetings held during each reporting period should be disclosed. *[King IV, principle 1, RP(c)(iv), principle 6, RP 5(a)]*
- 13.1.2. The number of meetings held during a period should be sufficient to ensure that the Board meets its objectives and discharges all of its duties.
- 13.1.3. Any director shall at any time be entitled to call a meeting of the directors, through the Company Secretary. *[MOI, par 26.3]*

### **13.2. Notice and Agenda**

- 13.2.1. The Company Secretary shall, in consultation with the Chairman of the Board and the Chief Executive Officer, draft an agenda for the forthcoming Board meeting, which shall be circulated, with supporting documentation and a notice of the Board meeting, to the members of the Board (and where applicable to anyone invited to attend the meeting) at least five days prior to the forthcoming meeting, so as to provide members of the Board (and where applicable to anyone invited to attend the meeting) with reasonable notice of the meeting and of the business to be conducted at the meeting. The members of the Board shall be entitled to make such agenda proposals as they may consider necessary. *[King IV, principle 1, RP(c)(iv)]*
- 13.2.2. The notice period for the convening of any meeting of the Board will be at least 7 (seven) days unless the decision of the directors is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the Chairman of the Board, or failing the Chairman for any reason, the decision of any (two) directors as to whether a matter should be decided on an urgent basis, and the period of notice to be given,

shall be final and binding on the directors. *[MOI, par 26.4.3.1]*

### 13.3. Attendance

- 13.3.1. The Board may (via the Board Chairman) invite executive management and/or senior managers and/or assurance providers and/or professional advisors to be in attendance at Board meetings to provide pertinent information and insights in their areas of responsibility. Such persons, to the extent that they are not Board members, shall not be entitled to vote at Board meetings. *[King IV, Principle 8, RP 47]*
- 13.3.2. Members of the Board must –
- 13.3.2.1. attend all scheduled meetings of the Board, including meetings called on an *ad hoc* basis for special matters, unless they have, prior to the relevant meeting, submitted to the Board Chairman, or in the Chairman's absence, the Deputy Chairman, or in the Deputy Chairman's absence, the Company Secretary, an apology for their absence at the meeting, and the attendance at such Board meetings held during each reporting period should be disclosed; and *[King IV, principle 1, RP 1(c)(iv), principle 8, RP 50(e)]*
- 13.3.2.2. devote sufficient time sufficient time and effort to prepare for those meetings. *[King IV, principle 1, RP 1(c)(iv)]*
- 13.3.3. Where neither the Chairman of the Board nor the Deputy Chairman is present within 10 (ten) minutes of the time stipulated for a Board meeting, the Board members present at the meeting must elect 1 (one) of them to act as Chairman of that meeting. *[MOI, par 26.2]*
- 13.3.4. The Board may, if deemed fit, confer by telephone, closed circuit television, webinar or video conferencing ("**Conference**"). Notwithstanding that the members of the Board are not present together in 1 (one) place at the time of the Conference, a resolution passed by members constituting a quorum at such a Conference shall, provided such resolution is recorded in writing, be deemed to have been passed at a meeting of the Board held on the day on which and at the time at which the Conference was held. The provisions of these Terms of Reference relating to proceedings of the Board apply so far as they are capable of application *mutatis mutandis* to such Conferences.



### 13.4. Quorum

- 13.4.1. If all of the directors of the Company –
  - 13.4.1.1. acknowledge actual receipt of the notice convening a meeting; or
  - 13.4.1.2. are present at a meeting; or
  - 13.4.1.3. waive notice of a meeting, the meeting may proceed even if the Company failed to give the required notice of that meeting or there was a defect in the giving of the notice. [MOI, par 26.5.1]
- 13.4.2. A majority of the directors must be present at a meeting before a vote may be called at any meeting of the directors. [MOI, par 26.5.2]
- 13.4.3. Persons who are in attendance at Board meetings by invitation do not form part of the quorum for Board meetings. Such persons may, however, participate in discussions held at Board meetings.

### 13.5. Board Resolutions

- 13.5.1. Each director has 1 (one) vote on a matter before the Board. [MOI, par 26.5.3]
- 13.5.2. A majority of the votes cast in favour of a resolution is sufficient to approve that resolution. [MOI, par 26.5.4]
- 13.5.3. In the case of a tied vote the Chairman may cast a deciding vote in addition to any deliberative vote, provided that should the quorum be 2 (two) and should only 2 (two) directors be present at the meeting, the Chairman shall not have a casting vote. [MOI, par 26.5.5]
- 13.5.4. A resolution in writing ("**round robin resolution**") adopted by the written consent of a majority of the members of the Board at the time when such resolution is released, given in person or by Electronic Communication, shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Board, provided that each member of the Board shall have received notice of the matter to be decided and, thereby, have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates. [Section 74 of the Act and MOI, par 26.4.1]
- 13.5.5. Any round robin resolution:
  - 13.5.5.1. may be signed or accepted in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document; and

13.5.5.2. may, in signed or unsigned form, be conveyed or transmitted by telefax, e-mail or any other form of electronic means,

subject to any conditions decided upon by the Board.

13.5.6. The passing of round robin resolutions of the Board must not detract from the requirements for frequency of Board meetings as set out in these Terms of Reference.

13.5.7. All round robin resolutions should be tabled at the next Board meeting for noting.

#### **13.6. Minutes**

13.6.1. The Company Secretary shall attend and minute all Board meetings.

13.6.2. The minutes of the Board meetings shall be completed as soon as possible, but in any event within 14 (fourteen) days of such meeting, and shall be circulated to all members of the Board for their review thereof. The minutes must be formally approved by the Board at the next meeting thereof. *[King IV, principle 1, RP 1(f)]*

### **14. DIRECTOR INDUCTION AND TRAINING; CARE, SKILL AND DILIGENCE**

14.1. On their first appointment to the Board, incoming members will have the benefit of a formal induction programme established with the assistance of the Nomination Committee. The programme should meet the specific needs of both the Company and the individual Board members so that any new director may make the maximum contribution within the shortest time possible. The aim is to deepen their understanding of the Company, its operations, its industry, the triple context in which it operates, the capitals it uses and affects as well as the key laws, rules, codes and standards applicable to the Company, so that any new director may make the maximum contribution as quickly as possible. *[King IV, principle 1, RP 1(b)(i) and principle 7, RP 22, 23 and 24]*

14.2. New Board members with no or limited governance experience should be provided with mentorship, developed and receive education and training to inform them of their duties, including fiduciary duties, responsibilities, powers and potential liabilities as directors. *[King IV, principle 7, RP 23]*

14.3. As part of the induction programme, the members will receive a folder / board pack including copies of previous minutes of Board and Board committee meetings and relevant Company and Board information, will meet senior management, attend visits to the Company's operations and facilities and be advised of their respective duties and responsibilities.

- 14.4. The following will be addressed as part of the induction programme:
- 14.4.1. knowledge of the Company (ownership power, Board structure, membership and processes); *[King IV, principle 1, RP 1(b)(i)]*
  - 14.4.2. knowledge of the business (business processes, corporate strategies, organisation, management and people);
  - 14.4.3. knowledge of the industry in which the Company operates, the triple context in which it operates and the capitals it uses and affects; *[King IV, principle 1, RP 1(b)(i)]*
  - 14.4.4. knowledge of the key laws, rules, codes and standards applicable to the Company; *[King IV, principle 1, RP 1(b)(i)]*
  - 14.4.5. knowledge of the financials (annual accounts, directors' reports, trends of the key financial ratios and financial performance of the business); and
  - 14.4.6. expectations on appointment (discussions with Chairman as regards the role, why nominated, potential contributions, particular knowledge, etc.).
- 14.5. Directors will be provided with a programme of professional development and regular briefings on changes on legal and corporate governance developments and risks and changes in the external environment of the Company *[King IV, principle 7, RP 24.]* but will also be expected to develop their competence continuously and to keep abreast of developments in the business environment and markets that may have a material impact on the business of the Company and the Group and affecting the areas of responsibility of the Board, in order to enable them to lead effectively. *[King IV, principle 1, RP 1 (b)(iii)]*
- 14.6. Directors must act with due care, skill and diligence, and take reasonably diligent steps to become informed about matters for decision. *[King IV, principle 1, RP 1(b)(ii)]*

## 15. REMUNERATION

- 15.1. The Board should ensure that the Company remunerates fairly, responsibly and transparently so as promote the achievement of strategic objectives and positive outcomes in the short, medium and long term, through the Company's Remuneration Committee. *[King IV, principle 14]*
- 15.2. The Remuneration Committee of the Company shall recommend the remuneration to be paid to Board members who are non-executive directors of the Company for approval by the Board, and, as required by the Act, approval by shareholders of the Company by special resolution.

*[Section 66(9) of the Act and King IV, principle 14]*

15.3. The Board will, with the assistance of the Remuneration Committee, review the remuneration of Board members annually and submit same for the requisite shareholder approval.

15.4. Executive Board members will receive no fees but will be paid as employees of the Company in accordance with their individual contracts of employment.

15.5. The Board will, with the assistance of the Remuneration Committee, report to the shareholders on remuneration and this should be included in the Company's integrated annual report and financial statements and as required in terms of section 30 of the Act. *[King IV, principle 14, RP 32 to 34, 34(g)]*

## **16. BOARD EXPENSES**

All expenses reasonably incurred or to be incurred by the Board shall be paid by the Company.

## **17. BOARD EVALUATION**

17.1. A formal process, either externally facilitated or not in accordance with methodology approved by the Chairman of the Board and the Nomination Committee on behalf of the Board, should be followed for evaluating the performance of the Chief Executive Officer annually and the Board, its committees, its chair and its individual members annually. Every alternate year (i.e. the year in which there is no formal evaluation), the governing body should schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole. *[King IV, Principle 9, RP 73 and 74]*

17.2. The Chairman, through the Nomination Committee (with the assistance of the Company Secretary), will lead the overall performance evaluation of:

17.2.1. the Board and Board committees; *[King IV, principle 9, RP 71];*

17.2.2. individual directors (other than the Chairman and the Chief Executive Officer which is regulated under paragraphs 17.3 and 17.2.3, respectively) and Board committee chairmen; and *[King IV, principle 9, RP 71]*

17.2.3. the Chief Executive Officer, which performance evaluation must be against agreed performance measures and targets. *[King IV, principle 10, RP 82]*

17.3. Should an independent service provider not be used, the performance evaluation of the Chairman of the Board should be led by the Lead Independent Director and in his / her absence, the Deputy Chairman of the Board. *[King IV, principle 9, RP 72]*

- 17.4. After completing its evaluation, the Board should review the results so that appropriate action can be taken on any recommendations resulting from the review. *[King IV, principle 9, RP 71 - 75]*

## **18. DEALING IN SECURITIES OF THE COMPANY BY BOARD MEMBERS**

When dealing in securities of the Company, members must strictly observe the provisions of the MOI, the Listings Requirements, the Financial Markets Act, 2012, the Company's own internal rules and policies and all relevant legislative or regulatory procedures, and should follow any procedural recommendations prescribed and approved by the Board from time to time.

## **19. PERSONAL FINANCIAL INTERESTS AND CONFLICTS OF INTEREST**

- 19.1. Board members are obliged to disclose in writing, at least annually, or whenever there are changes, any personal financial interest in terms of section 75 of the Act and any other interests they have within or outside the Company and the Group that may be of interest to the Company or that may interfere or conflict with the performance of their duties. *[King IV, principle 1 (a)(ii); principle 7, RP 25]*
- 19.2. Board members should avoid conflicts of interest. Any possible conflict of interest shall at all times be declared (in the manner prescribed by law, if applicable, and in the MOI) as soon as a director becomes aware of the conflict (and in any event such conflict should be declared by no later than the beginning of any Board meeting in respect of a matter on the agenda to which the conflict relates but must be so declared prior to the consideration of the matter to which the conflict relates) and the director concerned shall not participate in a discussion or vote on the subject matter and will leave the meeting immediately after making the requisite disclosure. Any such conflicts should, subject to legal requirements, be pro-actively managed, as determined by the Board. *[King IV, principle 1, RP 1(1)(a)(ii) and principle 7, RP 26]*

## **20. BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND RELEVANT STAKEHOLDERS**

- 20.1. In the execution of its governance role and responsibilities, the Board should appreciate that stakeholders' perceptions affect the Company's reputation and should, with the assistance of the Social and Ethics Committee, adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time. *[King IV, principle 16]*
- 20.2. The Board must ensure that the minutes of all annual general meetings of the Company are made publicly available. *[King IV, principle 16, RP 10]*

## **21. GENERAL**

- 21.1. All Company and Group related information that becomes known to directors in the performance of their duties must at all times be kept confidential.
- 21.2. Except to the extent of legal or regulatory provisions to the contrary, Board members, being non-executive directors, are entitled to rely on the executives of the Company and those of other entities within the Group in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Board member is not aware of any reasonable grounds upon which reliance or assumption may be inappropriate.