

**NOMINATIONS COMMITTEE CHARTER  
TERMS OF REFERENCE**



## 1 Definitions

Unless the context indicates otherwise, the following words or terms of expressions shall have the meanings subscribed to them hereunder:

- 1.1 **“Board”** means the Board of Directors of the Company;
- 1.2 **“Chairman”** means the chairman of the Nominations Committee appointed by the Board;
- 1.3 **“Committee”** means the Nominations Committee of the Company;
- 1.4 **“Companies Act”** means the Companies Act No 71 of 2008, as amended from time to time;
- 1.5 **“Company”** means Metrofile Holdings Limited, Registration Number 1983/012697/06), including its subsidiaries;
- 1.6 **“Directors”** means Directors of the Company;
- 1.7 **“King IV™”** means the King Report on Governance for South Africa 2016;
- 1.8 **“Members”** means the initial persons appointed as members of the Committee as well as any persons succeeding them in terms of these Terms of Reference;
- 1.9 **“MOI”** means Memorandum of Incorporation of the Company;
- 1.10 **“Prescribed officers”** means prescribed officers of the Company as so determined by the Board of the Company;
- 1.11 **“Regulations”** means the Regulations published under GN R351 in GG 34239 of 26 April 2011 in terms of the Companies Act, as amended from time to time.

## 2 Composition

The Committee has been appointed by the Board as a sub-committee of the Board to monitor the Company's activities in respect of the matters described more fully below.

## 3 Membership

- 3.1 The Committee shall be constituted to ensure its independence and objectivity.
- 3.2 The members of the Committee shall be appointed by the Board and shall comply with the following membership composition guidelines:
  - 3.2.1 The Committee shall comprise of at least three Directors appointed by the Board;
  - 3.2.2 The members of the Committee shall be non-executive Directors and the majority shall be independent; and
  - 3.2.3 The Committee shall be chaired by the Chairman of the Board or the Lead Independent Director of the Board if the Board is chaired by a non-independent director.
- 3.3 The Board shall appoint the Committee Chairman and determine the period for which he/she shall hold office.

- 3.4 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the Directors of the Company.
- 3.5 The members of the Committee must have sufficient qualifications and experience to fulfil their duties.
- 3.6 The Company Secretary will be the secretary of the Committee.
- 3.7 The constitution of the Committee and its chairmanship will be subject to annual review by the Board.
- 3.8 Members of the Committee shall be appointed for such period as the Board determines.
- 3.9 The Board may terminate membership of any person serving on the Committee on recommendation of the Committee.
- 3.10 A vacancy which occurs at any time, must be filled by the Board from among the other qualified directors of the Company.
- 3.11 The Committee shall assist the Board in determining whether the employment of any Director should be terminated.

#### 4 Purpose and role

The primary purpose of the Committee is to identify individuals qualified to become members of the Board, to recommend such individuals to the Board for appointment in terms of the Company's MOI and to ensure that the selection of individuals for such recommendation are correct and transparent.

#### 5 Mandate

##### 5.1 Board and Board Committees

The Committee will:

- 5.1.1 consider, at least annually, new benchmarks of Board and sub-committee fees and shall make recommendations to the Board in line with the Company's limits and delegations of authority;
- 5.1.2 make recommendations to the Board as to the composition of the Board generally, on the balance between executive and non-executive Directors and the nomination of new Directors and ensure that the process for nomination, election and appointment is done through a formal and transparent process;
- 5.1.3 review the collective knowledge, mix of skills, experience and diversity of the Directors in order to assess the effectiveness of the Board as a whole, its committees and the contribution of each director;
- 5.1.4 review the independence of non-executive Directors annually, considering all applicable corporate governance requirements, making recommendations to the Board, if necessary, that non-executive Directors may continue to serve as Directors and members of committees, in an independent capacity, for longer than nine years if, upon an annual assessment after nine years, it is concluded that the Director exercises objective judgement and has no interest, position, association or relationship which, when judged from a third parties' perspective, is likely to influence unduly or cause bias in decision-making;
- 5.1.5 from time to time review the Board structure, size, and composition, taking into consideration the Board's succession plans, and make recommendations to the Board with regards to any adjustments that are deemed necessary;

- 5.1.6 identify and nominate candidates for approval by the Board to fill Board and Committee vacancies as and when they arise, as well as putting in place succession plans, in particular for the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and senior management;
- 5.1.7 the background of each new nominated candidate, prior to their election, shall be independently investigated and their qualifications verified;
- 5.1.8 request new nominated candidates to provide details of his/ her other professional commitments and a statement confirming that he/ she has sufficient time available to fulfil his/ her responsibilities as a member of the Board and its committees;
- 5.1.9 recommend for re-election Directors who are retiring by rotation, or who retire or will retire in terms of the MOI, taking cognisance of the Director's performance and attendance at meetings;
- 5.1.10 annually review the number, structure and terms of reference and composition of Board Committees and make recommendations to the Board in this regard;
- 5.1.11 establish the retirement age for executive- and non-executive Directors. The policy of the Board dictates the retirement age for an executive Director as sixty-five years of age and for a non-executive Director, seventy years of age, subject to review at the discretion of the Board.
- 5.1.12 assist the Chairman and the Board in evaluating the performance of the Board, its Committees, and individual Directors (including the Chairman of the Board and the Chief Executive Officer);
- 5.1.13 ensure and oversee the continuous professional development of Directors and, where necessary, the implementation of mentorship programs;
- 5.1.14 oversee the induction programme for new members of the Board to ensure their understanding of the business environment and market in which the Company operates. Such programme will include the provision of background material, meetings with senior management, visits to the Company's operations and facilities and will seek to provide the new Director with:
  - a. an overview of the Company (ownership, powers, rules, regulations and company law, Board structure, membership and processes);
  - b. an overview of the business (business processes, corporate strategies, organisation, management and staff); and
  - c. an understanding of what is expected from the Director on appointment (discussion with the Chairman with regard to the new Director's expertise and experience, why the new Director was nominated, and his potential contribution in the light of his particular knowledge and expertise).
- 5.1.15 annually consider and approve the dates for the Company's Board and Board Committee meetings.
- 5.1.16 perform such other functions as may be stipulated in future resolutions of the Board.

## 5.2 Legal compliance

The Committee will be responsible for:

- 5.2.1 monitoring and ensuring compliance with the requirements of the Companies Act;
- 5.2.2 monitoring and ensuring compliance with the requirements of the MOI of the Company;

- 5.2.3 monitoring and ensuring compliance with the legal requirements of the JSE Listings Requirements;
- 5.2.4 monitoring and ensuring compliance with the policies of the Company in respect of insider trading; and
- 5.2.5 monitoring and ensuring compliance with King IV™;
- 5.2.6 reviewing declarations of interests of Directors;
- 5.2.7 considering and making recommendations on any existing or potential conflict of interest or questionable situations of a material nature;
- 5.2.8 reviewing and, where necessary, make recommendations to the Board on all legal and regulatory matters including legal compliance frameworks and processes;
- 5.2.9 informing the Audit, Governance, and Risk- and Social, Ethics and Transformation Committee of legal and regulatory matters which may have an impact on the financial statements; and
- 5.2.10 retain a copy of the current Charter of the Committee at the registered office of the Company and provide shareholders with a copy of same, if requested.

## 6 Powers

- 6.1 The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment.
- 6.2 The Board has an oversight responsibility and the Committee assists the Board in fulfilling this responsibility.
- 6.3 The Committee has unrestricted access to all information, including records, property and personnel of the Company and must be provided with adequate resources in order to fulfil its responsibilities.
- 6.4 The Committee is authorised by the Board to:
  - 6.4.1 Investigate any activities within the scope of responsibilities set out in this Charter.
  - 6.4.2 Seek outside legal or other independent professional advice, at the Company's expense, in accordance with a procedure developed by the Board for this purpose.
  - 6.4.3 Secure the attendance 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.
  - 6.4.4 Seek any information it requires from any employee within the scope of responsibilities set out in this Charter, and all employees will be required to co-operate with any reasonable requests made by the Committee.
  - 6.4.5 Have access to management and may meet separately with management, without the attendance of executive directors.

## 7 Meetings

- 7.1 Meetings of the Committee will be held as the Committee deems appropriate. However, the Committee shall meet at least twice each year. Meetings should be organised so that attendance is maximised.
- 7.2 The Chairman of the Committee, any member of the Committee or the Chief Executive Officer may call a meeting at any other time.

- 7.3 The notice of each meeting of the Committee, confirming the venue, time, date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than five business days prior to the date of the meeting.
- 7.4 The meetings of the Committee may be held in person, by telephone, or other form of long distance conference facility as circumstances may require (such person shall be deemed as being present at the meeting), provided that the required quorum is met. Notwithstanding that the members of the Committee are not present together in one place at the time of the meeting, a resolution passed by members constituting a quorum at such meeting shall, provided such resolution is recorded in writing and confirmed at the next meeting of the Committee, be deemed to have been passed at a meeting of the Committee held on the day on which, and at the time at which the meeting was held. The provisions of this Charter relating to proceedings of the Committee apply so far as they are capable of application mutatis mutandis to such meeting.
- 7.5 The quorum for decisions of the Committee shall be a majority of independent non-executive Directors present throughout the meeting. A decision shall be deemed as passed if a majority vote on the matter for decision is passed by the members present at the Committee.
- 7.6 A decision that could be voted on at a meeting of the Committee may instead be adopted by written consent of a quorum of members, given in person, or by electronic means, provided that each member received notice of the matter to be decided and each member shall have been afforded a reasonable opportunity to express an opinion on the matter to which the resolution relates. A decision made in such round robin manner has the same effect as if it had been approved at a meeting.
- 7.7 Where decisions are required by way of written resolution, a quorum shall constitute a majority of independent non-executive Directors, one of whom shall be the Committee Chairman.
- 7.8 The Chief Executive Officer and any other person identified by the Committee will attend Committee meetings as and when required by the Committee.
- 7.9 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agenda of the meetings planned for the year. The annual work plan must ensure proper coverage of the matters referred to in this charter.
- 7.10 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters to be discussed.

## **8 Proceedings**

- 8.1 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's MOI regulating the meetings and proceedings of Directors and Committees.
- 8.2 The Company Secretary shall take minutes of meetings. The minutes of the Committee meetings shall be completed within ten working days of such meeting. Minutes of all meetings shall be circulated to all the members of the Committee, and may also, if the Chairman of the Committee so decides, be circulated to other members of the Board. Any Director may, if there is no conflict of interest and with the agreement of the Chairman, obtain copies of the Committee's minutes.

## **9 Reporting and accountability**

- 9.1 The Chairman of the Committee shall report to the Board on its activities; and
- 9.2 The Chairman (or, in his absence, another member) of the Committee shall attend the annual general meeting to report to shareholders on how it has fulfilled its statutory duties in terms of the Companies Act.

## 10 Remuneration

Members of the Committee will be paid such additional remuneration for their service as members of the Committee as may be determined by the Board and approved by shareholders.

## 11 Self-assessment

- 11.1 The Committee shall assess and evaluate it and its members' effectiveness at least every two years and every alternate year, the Board shall schedule an opportunity to consider, reflect and discuss its performance;
- 11.2 The Committee Chairman shall assess the performance of individual Committee members and the Board shall evaluate the Committee's Chairman, based on several factors. These include:
- expertise;
  - inquiring attitude, objectivity, and independence;
  - judgement;
  - understanding of the Group's business;
  - understanding of and commitment to the Committee's duties and responsibilities;
  - willingness to devote the time needed to prepare for and participate in Committee deliberations;
  - timely responses; and
  - attendance at meetings.
- 11.3 After completing its assessment and evaluation, the Committee shall review the results with the Board of Directors, so that appropriate action can be taken on any recommendations resulting from the review.

## 12 General

- 12.1 These Terms of Reference shall be reviewed annually and amended, subject to the approval of the Board.
- 12.2 The Committee members are obliged to disclose in writing any interests they have within or outside the Company and the Group that may interfere or conflict with the performance of their duties.
- 12.3 All Company related information that becomes known to Directors in the performance of their duties must at all times be kept confidential.
- 12.4 These Terms of Reference may be amended as required, subject to the approval of the Board.

## 13 Repeal of previous terms of reference

- 13.1 These Terms of Reference shall revoke and supersede the current Terms of Reference in its totality from the date of its approval of the Committee.
- 13.2 These Terms of Reference were reviewed and approved by the Committee on 29 November 2017 for recommendation to the Board. The Board approved these Terms of Reference on 8 March 2018.

