

TERMS OF REFERENCE

Document Title	: Pepkor Board Nominations Committee Terms of Reference	
Origination Date	: 2017/07/01	Effective Date : 2021/11/18
Applicable To	: All Pepkor divisions/businesses	Version 2021, Issue 1

PEPKOR HOLDINGS LIMITED

REGISTRATION NUMBER 2017/221869/06

(*"The Company" or "Pepkor"*)

NOMINATIONS COMMITTEE TERMS OF REFERENCE

1. Role

The role of the Nominations Committee (*"the Committee"*) is to assist the Board with the nomination, election and appointment of directors and ensure a transparent and accountable process to determine an optimally diverse Board and committee composition. The Committee ensures that there is appropriate succession planning for the board Chair and directors.

2. Membership

- 2.1 The Nominations Committee (*"the Committee"*) is constituted as a committee of the Pepkor Board (*"the Board"*).
- 2.2 The Committee shall be a standing Committee, with the composition and membership reviewed by the Board annually.
- 2.3 The Committee shall comprise at least three non-executive directors, the majority of whom shall be independent non-executive directors. All appointments to the committee shall be made by the board.
- 2.4 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as deemed appropriate. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not vote on resolutions or form part of the quorum for Committee meetings.
- 2.6 The Board shall appoint the Committee chair who should be either the chair of the Board or an independent non-executive director. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. Secretary

The Company secretary or his or her nominee shall act as the secretary of the committee.

Disclaimer:

The contents of this document should only be used for and by Pepkor Holdings Limited (Pepkor) and may not be distributed unlawfully. Older versions are not deemed official. Only the latest version is acceptable.

4. Meetings of the Committee

- 4.1 The Committee shall hold at least two scheduled meetings per annum and will hold ad hoc meetings as required.
- 4.2 The quorum necessary for the transaction of business shall be at least fifty percent of the appointed Committee members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Committee.
- 4.3 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.
- 4.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and to any other person required to attend.

5. Minutes of meetings

- 5.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless it would be inappropriate to do so.

6. Annual General Meeting

The Committee chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

7. Duties

The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. In undertaking its duties, the committee shall apply the relevant principles contained in the King Report on Corporate Governance for South Africa 2016 ("King IV"). The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The Committee shall:

- 7.1 Ensure that appointments to the Board are made through a formal and transparent process.
- 7.2 Review the structure, size and composition (including the skills, knowledge, experience, age, race and gender diversity) of the Board and its committees and make recommendations to the Board with regard to any changes.
- 7.2 Give consideration to succession planning for executive and non-executive directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the collective skills and expertise needed on the board in the future.
- 7.3 Be responsible for identifying and nominating for the approval of the Board, and subsequent approval of the shareholders, candidates to fill Board vacancies as and when they arise.
- 7.4 Ensure that the provisions of the Company's memorandum of incorporation relating to the staggered, annual rotation of directors are complied with and consider, where required, the introduction of new directors with fresh expertise and perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity on the Board.

Disclaimer:

The contents of this document should only be used for and by Pepkor Holdings Limited (Pepkor) and may not be distributed unlawfully. Older versions are not deemed official. Only the latest version is acceptable.

- 7.5 Prior to any nomination for election, ensure that all candidates' backgrounds are independently investigated and their qualifications verified.
- 7.6 Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board (including business, commercial and industry experience) and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.
- 7.7 Assist the board with promoting diversity in the board's composition. The committee shall ensure that the board has a policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Committee shall ensure that the company reports to shareholders in its annual report on how this policy has been applied in the nomination and appointment of directors and how the company is progressing in respect of agreed voluntary targets.
- 7.8 Prior to the appointment of a director, require the proposed appointee to disclose any current and future business interests that may result in a conflict of interest.
- 7.9 Review and assess whether directors' professional commitments enable them to commit enough time for discharging their responsibilities;
- 7.10 Review and recommend the appointment/or removal of the Group CEO and executives reporting directly to the Group CEO.
- 7.11 Review the performance of the Chair and the Lead Independent Director (if one is appointed);
- 7.12 Review the competency and independence of the Group Company Secretary on an annual basis and provide a recommendation to the Board and the removal of the Group Company Secretary if this becomes necessary.
- 7.13 Determine the process for Board and committee performance evaluations (including its own performance) bearing in mind the King IV™ Code recommendation that such process be conducted every second year. The Committee will review the results of the Board and committee performance evaluations as and when conducted and recommend remedial actions if necessary.

The Committee shall also make recommendations to the Board, as deemed appropriate concerning:

- 7.14 Induction and ongoing training, mentorship and development of directors.
- 7.15 Suitable candidates for the role of lead independent director (if required).
- 7.16 Membership of the audit, human resources and remuneration committees, investment committee and social and ethics committee (if required) , and any other Board committees as appropriate, in consultation with the chairs of those committees, so as to achieve effective collaboration through cross-membership between the committees and a balanced distribution of power across the committees .
- 7.17 The continuance in office, in an independent capacity, of any non-executive director having served on the Board for longer than nine years, having given due regard to their independence, performance and ability to exercise objective judgement and to continue to contribute to the Board and the group and to any interest, position, association or relationship which may cause bias in decision making by such director.
- 7.18 To regularly review the categorisation of non-executive directors as independent or otherwise, in accordance with the recommendations of King IV.
- 7.19 Any matter relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of the law and their service contract.
- 7.20 The appointment of any director to executive or other office.

Disclaimer:

The contents of this document should only be used for and by Pepkor Holdings Limited (Pepkor) and may not be distributed unlawfully. Older versions are not deemed official. Only the latest version is acceptable.

8. Reporting responsibilities

- 8.1 The Committee chair shall report to the board on its proceedings after each meeting on all matters within the Committee's duties and responsibilities.
- 8.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 A report shall be included in the Company's integrated report about the Committee's activities and the process used to make appointments.

9. Other matters

The Committee shall:

- 9.1 Have access to sufficient resources and information in order to carry out its duties, including access to the company secretariat for assistance as required.
- 9.2 Members of the Committee shall be paid such remuneration in respect of their appointment as recommended by the Board and approved by shareholders.
- 9.3 The Committee is authorised by the Board to obtain, at the Company's expense, subject to following a board approved process, independent legal or other professional advice on any matters within its terms of reference.

10. Review

These terms of reference shall be reviewed regularly, but at a minimum of every two years, to ensure that they remain consistent with the Board's objectives and responsibilities.

Disclaimer:

The contents of this document should only be used for and by Pepkor Holdings Limited (Pepkor) and may not be distributed unlawfully. Older versions are not deemed official. Only the latest version is acceptable.