

DIRECTORS AFFAIRS AND NOMINATION COMMITTEE

TERMS OF REFERENCE

1 INTRODUCTION

- 1.1 The Directors Affairs and Nomination Committee (the Committee) is constituted as a committee of the board of directors of Tongaat Hulett Limited Limited (“**the Company**”). The duties and responsibilities of the members of the Committee are in addition to those as members of the board.
- 1.2 The deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.
- 1.3 These terms of reference are subject to the provisions of the Companies Act, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision.

2 PURPOSE OF THE TERMS OF REFERENCE

The purpose of these terms of reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

3 MEMBERSHIP

- 3.1 The Committee shall consist of at least three non-executive directors of which the majority should be independent.
- 3.2 The Committee may from time to time require other persons with the requisite skills and expertise to attend the meetings of the Committee.
- 3.3 One of the non-executive directors shall be the chairman of the Committee.
- 3.4 The Company Secretary shall be appointed to act as secretary of the Committee.
- 3.5 The members of the Committee and its chairman are to be nominated by the board, and must have sufficient qualifications and experience to fulfil their duties.

4 ROLE

- 4.1 The Committee has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The Committee does not

assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

5 RESPONSIBILITIES

The Committee must perform all the functions necessary to fulfil its role as stated, including the following:

- 5.1 Monitor progress with implementation and achievement of the board's corporate governance objectives and determine and evaluate the adequacy, efficiency and appropriateness of the corporate governance structure and practices of the company;
- 5.2 Assist the board in ensuring that the company is in compliance with all applicable laws, regulations and codes of conduct and practices;
- 5.3 Establish and maintain a board directorship continuity programme entailing a review of the performance of and planning for successors to the executive directors;
- 5.4 be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise. In this regard, the Committee should not focus on personal contacts or friendships, as this tends to favour those with similar backgrounds to incumbent directors, but should consider the use of advertising, search consultants and external agencies for board appointments;
- 5.5 consider candidates from a wide range of backgrounds, looking beyond the usual narrow pool of candidates. The Committee should not consider previous listed company board experience as the main or only competence required of potential candidates, but should give due consideration to candidates with a broader mix of skills and experience;
- 5.6 before making an appointment, evaluate the balance of skills, knowledge and experience on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a appointment;
- 5.7 regularly review the structure, size, composition and demographics (including the skills, knowledge and experience) of the board, and make recommendations to the board about any changes
- 5.8 provide support on succession planning. The Committee should consider succession planning in the course of its work, taking into account the challenges and opportunities facing the company and what skills and expertise are needed on the board in the future. In this regard, the committee should satisfy itself that processes and plans are in place for orderly succession, for appointments to the board and to senior management; and handle the succession plans for the Chairman of the Board, lead independent director (where applicable), the CEO and Executive Directors;
- 5.9 Tongaat Hulett and its Board of Directors support the promotion of gender and race diversity within the organisation, and at Board level. Therefore, on an on-going basis, but at least once a year, the Committee shall review the board structure, its demographics, including gender, age, race and size composition, to ensure that the board is sufficiently diverse, and in particular

gender and race diverse, and has the necessary skills to competently discharge its duties having regard to the strategic direction of the company. In the instances where the Board determines that there is insufficient diversity with respect to race and gender, the Board shall set voluntary targets to meet the objective of race and gender diversity at Board level;

- 5.10 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 5.11 ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- 5.12 review annually the time required from a non-executive director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfill their duties.
- 5.13 make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the committee, number of committee meetings and attendance of members over the course of the year;
- 5.14 make publicly available its terms of reference explaining clearly its role and the authority delegated to it by the board;
- 5.15 make recommendations to the board:
 - 5.15.1 as regards plans for succession for both executive and non-executive directors;
 - 5.15.2 as regards the appointment of the Audit Committee annually at the AGM
 - 5.15.3 as regards the re-appointment of any non-executive director at the conclusion of their specified term of office;
 - 5.15.4 concerning any matters relating to the continuation in office of any director at any time; and
 - 5.15.5 concerning the appointment of any director to executive office other than to the positions of chairman and chief executive, the recommendation for which would be considered at a meeting of the board.

6 **AUTHORITY**

- 6.1 The Committee acts in terms of the delegated authority of the board as recorded in these terms of reference. It has the power to investigate any activities within the scope of its terms of reference.

- 6.2 The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, officers or company secretary to provide it with information, in accordance with a board approved process.
- 6.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to, sub-committees or to one or more designated members of the Committee.
- 6.5 The Committee has the right to obtain independent professional advice to assist with the execution of its duties, at the Company's cost, in accordance with a board approved process.
- 6.6 The Committee should make such recommendations to the board as it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

7 MEETINGS AND REPORTING

7.1 Frequency

Meetings of the Committee should be held at such times as the Committee deems appropriate, but it should meet at least twice a year. Further meetings may be called by the chairman of the Committee or any other member of the Committee. Meetings should be arranged so that attendance is maximised.

7.2 Attendance

- 7.2.1 Members of senior management may be invited to attend meetings of the Committee from time to time, as may be appropriate.
- 7.2.2 The chairman of the Committee may meet with the Chief Executive Officer, the Chief Financial Officer and and/or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 7.2.3 If the nominated chairman of the Committee is absent from a meeting, one of the members present shall be elected by the Committee to act as chairman at such meeting.

7.3 Agenda and minutes

- 7.3.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year, each of which shall be annexed to, and shall be deemed to be incorporated in these Terms of Reference.
- 7.3.2 The annual work plan must ensure proper coverage of the matters laid out in these terms of reference. The plan should ensure that more critical matters are attended to each year, while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

- 7.3.3 The notice of each meeting of the Committee, confirming the venue, date and time and enclosing an agenda of items to be discussed, should be forwarded to each member of the Committee at least four working days prior to the date of meeting.
- 7.3.4 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters for discussion.
- 7.3.5 Minutes of meetings shall be taken by the Committee secretary, and shall be circulated to all the members of the Committee. The minutes must be formally approved by the Committee at its next scheduled meeting.
- 7.3.6 A report on pertinent matters dealt with by the Committee shall be submitted to the board twice a year.
- 7.3.7 Any non-executive director may have access to the Committee's records.
- 7.4 Declaration of interests
- 7.4.1 At the commencement of each meeting, all Committee members should declare whether they have any conflict of interest in respect of any matter on the agenda.
- 7.4.2 Such conflict should be recorded in the minutes and conflict of interest register (where applicable).
- 7.4.3 The Committee should discuss the conflict and decide upon its severity, impact and the determine the appropriate management of such.
- 7.4.4 Depending on the outcome of Clause 7.4.1, when that agenda item arises the member should be recused from the meeting for the duration of that matter being discussed.
- 7.5 **Quorum**
- 7.5.1 The quorum for decisions of the Committee shall be three members present, of whom one member shall be an independent non-executive director. Each committee member shall have 1 (one) vote.

8 EVALUATION

The board should perform an evaluation of the effectiveness of the Committee every year and may arrange an independent review from time to time.

9 APPROVAL

These terms of reference were approved by the Committee on 16 March 2021 and will be reviewed annually.