

the effective discharge of its duties. The Board has reserved certain matters for its exclusive mandate (as set out above) and has approved and delegated authority for specific matters to various committees, all of which have formal terms of reference. Through transparency, disclosure, review and regular reporting by the committees, the Board is able to receive assurance that, inter alia, key risk and opportunity areas, operational, financial and non-financial aspects relevant to the company's various businesses are monitored. The formal terms of reference and the delegated authority regarding each Board committee are set out in the Corporate Governance Manual, and are summarised below.

REMUNERATION COMMITTEE

The Remuneration Committee, which meets at least twice a year, is chaired by an independent non-executive director and comprises only non-executive directors. The current members are SG Pretorius (Chairman), CB Sibisi and N Mjoli-Mncube. PH Staude, as CEO, and relevant HR Executives, attend by invitation and MAC Mahlari is the secretary. The record of attendance is contained above.

The report of the Remuneration Committee, which outlines in detail the company's remuneration policy and implementation report as required by Principle 14 of King IV™ commences on page 76. The report also contains a summary of the responsibilities of the committee, as well as its key activities and focus areas for the period under review.

NOMINATION COMMITTEE

The Nomination Committee, which comprises only non-executive directors, meets as needed, and as required by the JSE Listings Requirements, is chaired by the Chairman of the Board. Its current members are CB Sibisi (Chairman), N Mjoli-Mncube and SG Pretorius. PH Staude, as CEO, attends by invitation and MAC Mahlari is the secretary. The committee's terms of reference are summarised as follows:

- Ensures that for Board appointments, a rigorous, fair and open nomination and appointment process is followed to provide a balance of appropriate skills, knowledge and experience in the boardroom and support strong corporate performance.
- Makes recommendations to the Board on the size, composition and demographics of the Board, particularly in relation to the balance between executive, non-executive and independent directors.
- Ensures that there is a diversity of experience, gender, race and backgrounds to create a cohesive, balanced and effective Board.
- Ensures that there is a diversity policy at Board level that covers gender and race diversity, among others, as required by the JSE Listings Requirements.
- Gives consideration to succession planning, and ensures that processes and plans are in place for orderly succession and for appointments to the Board and senior management.

During the period under review, one meeting was held where the Nomination Committee discussed the directors who would retire by rotation at the next AGM, and recommended the re-election of MH Munro, TA Salomão and CB Sibisi to the Board and AGM. The MOI states that a director who has reached the mandatory retirement age of seventy (70) is required to retire at the AGM and may be re-elected by shareholders for a specific term as determined by shareholders in a specific ordinary resolution.

This applies to the Chairman of the Remuneration Committee, SG Pretorius, who turned seventy (70) in 2018, and whose services, experience, knowledge, skills and wisdom the company wishes to retain for a further period of up to two (2) years.

The committee also recommended the election of the Audit and Compliance Committee until the next AGM, comprising of J John, SM Beesley, F Jakoet and RP Kupara. The Nomination Committee considered this in detail and made the appropriate recommendation to the Board. In making the recommendations to the Board and ultimately the AGM, the Nomination Committee considered the current skills set of the Board as a collective, the relevant experience and expertise, the rotating directors, ensuring that the current skills set was sufficient to increase the Board's effectiveness. In addition to skills and experience, the Nomination Committee also considered other demographic aspects of the Board, including nationality, race and gender. There were no external advisers or invitees to this meeting. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The committee also considered the JSE Listings Requirements in so far as they relate to race diversity. The committee considered and recommended for Board approval, a Diversity Policy at Board level that encompasses all forms of diversity, including in particular, race and gender diversity.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is constituted as a statutory committee in respect of its duties prescribed by the Companies Act, and as a committee of the Board in respect of all additional duties assigned to it by the Board. The members of the committee were elected by the shareholders at the last AGM and include three non-executive directors of the Board, all of whom are independent and possess the necessary skills, knowledge and expertise to direct the committee constructively in the execution of its responsibilities. The current members are J John (Chairman), SM Beesley, F Jakoet and RP Kupara. The CEO, PH Staude, the CFO, MH Munro, the Head of Internal Audit, DK Young and representatives of the internal and external auditors attend by invitation. The Company Secretary, MAC Mahlari, is the secretary for this committee. The committee meets at least three times (3) a year. The statutory report of the Audit and Compliance Committee is on page 100, and forms part of the annual financial statements.

The Audit and Compliance Committee's terms of reference were aligned with King IV™, approved by the Board, and include the following objectives and responsibilities:

- Assists the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and controls, the assessment of going concern status, ensuring that pertinent compliance and relevant risk management processes are in place, reviewing the work performed by the external auditors and the internal audit function, and to review interim financial information and annual financial statements which are provided to shareholders and other key stakeholders.
- The committee provides a forum through which the external and internal auditors report to the Board. It is responsible for the appointment and review of internal and independent external auditors, the maintenance of a professional relationship with them, reviewing accounting principles, policies and practices adopted in the preparation of public financial information and examining documentation relating to the interim and annual financial statements.