

NOMINATIONS COMMITTEE CHARTER



I. Document Information and History

I.2 Document Review History

Date	28 July 2022.
Version	1
Status	Approved
Reviewers	-
Action/Comment	-

I.3 Change Mechanism

- I.3.1 Any requirement for change or clarification should be addressed to the Document Owner, who will log the issue.
- I.3.2 These issues will usually be collected until the regular Charter review date, at which point they will be addressed, as part of the Charter review and update process.
- I.3.3 Urgent issues will be addressed as soon as possible, and where necessary, passed via the normal governance process, for acceptance, before being communicated.
- I.3.4 Any changes to this Charter must adhere to the Change Policy.

DEFINITIONS

“Act” means the Land and Agricultural Development Bank Act 15 of 2002 as amended

“Board” means the Board of directors of the Land Bank appointed in terms of the Act

“CEO” means the Chief Executive Officer of the Land Bank

“Committee” means the Nominations Committee of the Land Bank

“King IV” means the King Report on Corporate Governance for South Africa, 2016

“Land Bank” means the Land Bank whose continued existence is confirmed by the Act and “Bank” has an equivalent meaning

“Minister” means the Minister charged with the administration of the Land Bank Act from time to time, and is for the time being the Minister of Finance. **“MoF”** has a corresponding meaning

“PFMA” means the Public Finance Management Act 1 of 1999

“Regulations” means the March 2005 Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities issued in terms of the Public Finance Management Act, 1999

“Shareholder” means the Minister

1. CONSTITUTION

The Nominations Committee is a Committee of the Land and Agricultural Development Bank of South Africa constituted in terms of section 15 of the Land Bank and Agricultural Development Bank Act 15 of 2002 and Principle 8, Practices 39 to 50, 60, and 65 to 67 of (King IV).

2. PURPOSE OF CHARTER

- 2.1 The Board acknowledges the need for a Committee Charter as recommended in the King Report on Corporate Governance for South Africa.
- 2.2 The purpose of the Charter is to set out the mission, authority, responsibilities, composition, constitution of meetings, frequency of meetings, conduct of meetings, decision-making, record keeping, and reporting and communication by the Committee on its activities to the Board of directors of the Land Bank and to other relevant stakeholders as prescribed in section 15 and 16 of the Land Bank Act.
- 2.3 The Charter is subject to the provisions of the Land Bank Act, the PFMA, the National Treasury Regulations of 2007, and any other applicable law or regulatory provision.

3. OBJECTIVE OF COMMITTEE

The primary responsibility of the Committee is to manage the appointment, Committee placement, development, performance management, rotation, suspension and removal of members of the Board of directors of the Land Bank.

4. AUTHORITY OF COMMITTEE

- 4.1 The Committee shall act in accordance with the powers and functions delegated to it by the Board of directors as recorded in this Charter.
- 4.2 Subject to a Board approved process -
 - a. The Committee shall have the power to investigate any matter within the scope of this Charter or as directed by the Board.
 - b. The Committee may, in the fulfilment of its duties, call upon other directors, officers of the Land Bank, or assurance providers to furnish it with information.
 - c. The Committee shall have reasonable access to necessary records, facilities, employees and any other resources necessary to discharge its duties and responsibilities.
 - d. The Committee may form, and delegate authority to sub-committees, one or more designated members of the Committee and/or to one or more members of the executive in relation to an activity within the ambit of its powers and functions in terms of this Charter.
 - e. The Committee shall, at the expense of the Land Bank, have the right to obtain independent professional advice to assist with the execution of its duties.
 - f. The Committee shall not assume the functions of management, which remain the responsibility of the executive members, officers and other members of senior management.
- 4.3 The duties and responsibilities of the members of the Committee, as set out in this document, are in addition to those duties and responsibilities that they have as members of the Board.
- 4.4 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities. Committee members must continue to exercise due care and judgement in accordance with their legal obligations.

5. MEMBERSHIP

- 5.1 The Committee shall consist of non-executive members of the Board of directors only, and includes at a minimum the Chairman of the Board, the Deputy Chairman of the Board and the Chairman of the Human Resource Committee.
- 5.2 The Chairman of the Board presides over the proceedings of the Nominations Committee.
- 5.3 Committee members are appointed by the Board for a period of no more than 3 (three) years, and the term of office of a member shall fall within a member's tenure of office as a director of the Land Bank.
- 5.4 Committee members are eligible for reappointment.
- 5.5 The Committee may from time to time invite, permanently or otherwise, such persons as it considers may add value to the business of the Committee and of the Land Bank.
- 5.6 The remuneration of members shall be as determined by the Minister from time to time.
- 5.7 The Board may at any time and for whatever cause, terminate a person's membership of the Committee.
- 5.8 The Board may dissolve and reconstitute the Committee.
- 5.9 Vacancies on the Committee shall be filled within a reasonable period of time.
- 5.10 The members of the Committee shall collectively have sufficient qualifications and experience to fulfil their duties.
- 5.11 Committee members are required to keep up to date with developments impacting their relevant skill set as well as the subject areas relevant to the mandate of the Committee.

6. ACCOUNTABILITY OF COMMITTEE

The Committee is accountable to the Board of directors

7. DUTIES AND RESPONSIBILITIES

The Committee shall:

- 7.1 Regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 7.2 Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Bank, and what skills and expertise are therefore needed on the Board in the future;
- 7.3 Ensure that appropriate succession plans are established, formalised and implemented at Board level as well as at executive and management level;
- 7.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Bank and its subsidiaries, and the markets in which they operate;
- 7.5 Oversee the process for nominating, electing and appointing members of the Board including
 - a. Conducting independent reference, qualification, criminal and other background checks;
 - b. Requesting confirmation from candidates of any other professional commitments or directorships held and considering whether they have sufficient time available to fulfil the responsibilities required by the Board

- 7.6 Oversee the induction, training and continuing development of directors (which can include, inter alia, regular briefings on legal and corporate governance developments, risks and changes in the external environment of the Bank and its Subsidiaries);
- 7.7 Ensuring that inexperienced directors are developed through training or mentorship, where considered necessary
- 7.8 Be responsible for identifying, developing and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 7.9 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 deliver on its mandate and to compete effectively in the marketplace;
- 7.10 Ensure that each non-executive director receives 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;
- 7.11 Keep under review all legislative, regulatory and corporate governance developments that might affect the Bank's operations, striving to ensure that the Bank is at the forefront of best practice;
- 7.12 Ensure that the standards and disclosures required by the King Report on Corporate Governance for South Africa (2016) are observed and reflected in disclosures made in the Integrated Report;
- 7.13 Oversee the annual performance assessment of the Board, Board committees and individual non-executive members and making recommendations to the Board based on the results of these assessments;
- 7.14 Work and liaise as necessary with all other Board committees.

The Committee shall in particular make recommendations to the Board concerning:

- 7.15 Plans for succession for both executive and non-executive directors, including for the key roles of Chairman and Chief Executive Office;
- 7.16 Suitable candidates for the role of Senior Independent Director where required;
- 7.17 Membership of board committees in consultation with the chairpersons of those committees;
- 7.18 The re-appointment by the Shareholder of any director having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 7.19 Any matters 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 Bank subject to the provisions of the law and the executive director's contract of employment; and
- 7.20 The remuneration of Board members
- 7.21 The appointment of any employee of the Land Bank as an executive director.
- 7.22 The nomination of a member of the Board as director of an investee company of the Bank

8. MEETINGS OF THE COMMITTEE

8.1 *Work Plan*

The Chairman of the Committee in consultation with the Company Secretary and with inputs from the CEO, the CFO and other Executives shall formulate an annual Work Plan for the Committee against agreed objectives and goals.

8.2 **Convening Meetings**

Meetings of the Committee shall be convened by the Chairman of the Committee through the Office of the Company Secretary.

8.3 **Frequency of Meetings**

- a. The Committee will meet at least once a year and at such other additional times as may, at the direction of the Chairman of the Committee or upon request of a Committee member or Management, be considered necessary.
- b. All requests for special or ad hoc Committee meetings shall be directed to the Chairman of the Committee through the offices of the Company Secretary.

8.4 **Agenda**

- a. Each Committee meeting shall have a detailed Agenda based (in the case of scheduled meetings) on the Committee Work Plan, and in the case of special or ad hoc Committee meetings, on the specific matter for which the special or ad hoc Committee meeting was requested and approved.
- b. A detailed Agenda, together with supporting documents (if necessary) must be circulated to Committee members at least 5 days prior to each Committee meeting.

8.5 **Attendance**

One or more members of the Committee may participate in a meeting by electronic communication, so long as the electronic communication facility employed, ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

8.6 **Quorum**

- a. The quorum for any Committee meeting shall be a majority of the members of the Committee from time to time.
- b. No business of the Committee will be transacted at a meeting of the Committee unless the requisite quorum is present.
- c. Committee advisors and other invitees do not form part of the quorum of a Committee meeting.

8.7 **Presiding at meetings**

- a. The Chairman of the Committee shall preside at Committee meetings. If the Chairman is absent, the Deputy Chairman of the Board shall preside at Committee meetings.
- b. If neither is present, and provided the quorum requirements have been met, members present shall elect one of their number to preside at the meeting.

8.8 **Voting**

- a. Each member of the Committee has one vote on matters before the Committee and all decisions of the Committee must be taken by resolution of an ordinary majority of the members present at any meeting in person and by electronic means.
- b. A decision that could be voted on at a meeting of the Committee, may at the instance of the Chairman of the Committee, or at the request of a Committee member or Management to the Chairperson through the offices of the Company Secretary, instead be adopted by written consent of a majority of the Committee

members (written resolutions). A decision made by the Committee in this manner will be of the same effect as if the decision had been approved by voting at a meeting of the Committee. Such fact must be recorded in the minute book of the proceedings of the Committee.

- c. Committee advisors and other invitees are not entitled to vote at Committee meetings
- d. Committee advisors and other invitees are also not entitled to vote on written resolutions.

8.9 Reporting

- a. The Committee shall report on its activities at every Board meeting.
- b. The Chairman of the Committee is encouraged to submit such reports in writing.

8.10 Minutes

- a. Within ten (10) days of a Committee meeting, the Company Secretary shall prepare draft minutes, with resolutions and matters arising, of each Committee meeting and submit them for review to the Chairman of the Committee.
- b. The Chairman of the Committee shall within two (2) days of receipt of the draft minutes review same and approve them for circulation to all the members of the Committee.
- c. Members of the Committee have two (2) days to review the draft minutes as reviewed by the Chairman of the Committee. Having reviewed the minutes, Committee members will advise the Chairman of the Committee through the offices of the Company Secretary of their position with regard to the adoption of the minutes.
- d. The Chairman of the Committee or the Chairman of a meeting shall sign the minutes once adopted by Committee members and once agreed amendments and/or corrections, if any, have been effected to the minutes by the Company Secretary.

9. CONFIDENTIALITY AND CONFLICT OF INTERESTS

Committee members are bound by the law and by Land Bank Policy on Confidentiality and Conflict of Interest.

10. PERFORMANCE

The Committee shall review its own performance at least once a year to ensure that it is operating at maximum effectiveness

11. REVIEW OF CHARTER

This Charter shall be reviewed at least once a year.

12. ADOPTION OF CHARTER

This Charter was adopted by the Board on 28 July 2022.