



**DATATEC**

**NOMINATION COMMITTEE CHARTER**

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**(Terms of Reference)**

**October 2018**

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## **NOMINATION COMMITTEE CHARTER**

### **1. CONSTITUTION**

- 1.1 The Nominations Committee (the Committee) is constituted as a committee of the board of directors of Datatec Limited (the Company).
- 1.2 The duties and responsibilities of the members of the Committee are in addition to those as members of the board. 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 THESE TERMS OF REFERENCE**

- 2.1 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 no fewer than three non-executive directors appointed by the Board of Directors ("the Board"), a majority of whom shall be independent non-executive Directors.
- 3.2 The Board shall appoint members of this Committee and the Committee chairperson and determine the period for which he or she shall hold office.
- 3.3 The Chairperson of the Board is an *ex officio* member of the Committee and, if he or she is an independent non-executive director, may be eligible to be appointed as chairperson of the Committee.
- 3.4 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- 3.5 The company secretary will be the secretary of the Committee.
- 3.6 The constitution of the Committee and its chairmanship will be subject to annual review by the Board.

### **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 remain the responsibility of the executive directors, officers and other members of senior management.

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- 4.2 The role of the committee will be to assist the Board to ensure that:
- the Board has the appropriate composition for it to execute its duties effectively;
  - directors are appointed through a formal process;
  - induction and ongoing training and development of directors take place; and
  - formal succession plans for the board, chief executive officer and senior management appointments are in place.

## **5. RESPONSIBILITIES**

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

5.2 The Committee shall make recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the board generally and the balance between executive and non-executive directors appointed to the board.

5.3 Ensure the establishment of a formal process for the appointment of directors, including:

- identification of suitable members of the board;
- performance of reference and background checks of candidates prior to nomination; and
- formalising the appointment of directors through an agreement between the company and the director.

5.4 The committee shall regularly review the board structure, size and composition and make recommendations to the board with regards to any adjustments that are deemed necessary.

5.5 The committee shall ensure that a formal succession plans for the Board, Chief Executive Officer and senior management appointments are developed and implemented and be responsible for identifying and nominating candidates for the approval of the board to fill vacancies as and when they arise.

5.6 The Committee shall oversee the development of a formal induction programme for new directors and ensure that inexperienced directors are developed through a mentorship programme as well as overseeing the development and implementation of continuing professional development programmes for directors.

5.7 The committee shall make recommendations to the board for the continuation (or not) in services of any director that has reached the age of 70.

5.8 The Committee shall find and recommend to the board a replacement for the Chief Executive Officer when that becomes necessary.

5.9 The Committee shall consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.

5.10 The committee shall recommend directors that are retiring by rotation, for re-election.

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- 5.11 The Committee shall ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.
- 5.12 The committee will liaise with the board in relation to the preparation of the committee's report to shareowners as required and will consider each year (and minute its conclusions) whether the circumstances are such that the annual general meeting of the company should be invited to approve the remuneration policy as set out in the committee's report.

## **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 activity 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, subject to following 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, subcommittees and may delegate authority to one or more designated members of the Committee.
- 6.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at company's cost, subject to following a board approved process.
- 6.6 The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

## **7. MEETINGS**

- 7.1 Meetings of the Committee will be held as the committee deems to be appropriate; however, the committee should meet at least twice each year. Further meetings may be called by the chairperson of the Committee, by any member of the Committee, by the chief executive officer or at the instance of the board.
- 7.2 The chief executive officer, chief financial officer, head of human resources or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 7.3 The chairman of the Committee may meet with the head of human resources and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 7.4 The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under

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exceptional circumstances be forwarded to each member of the Committee prior to the date of the meeting.

- 7.5 The quorum for decisions of the Committee shall be any two members present who shall vote on the matter for decision.
- 7.6 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.
- 7.7 The committee shall normally invite the chairperson of the board (if he is not a member of the committee) and the chief executive to attend meetings to discuss the performance of other executive directors and to make proposals as necessary.
- 7.8 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or company secretary.
- 7.9 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.
- 7.10 The chairperson (or in his / her absence, an alternative member) of the Committee shall attend the annual general meeting and be prepared to answer questions concerning the appointment of executive and non-executive directors and maintain contact as required with the company's principle shareholders about the appointment of executive and non-executive directors in the same way as for other matters.

### **8. PROCEEDINGS**

- 8.1 Unless varied by these terms of reference, meetings and proceedings of the committee will be governed by the company's articles of association regulating the meetings and proceedings of directors and committees.
- 8.2 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. The annual plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be 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.
- 8.3 A detailed agenda, together with supporting documentation, must be circulated in good time to allow the committee members and other invitees in sufficient time to review the material.
- 8.4 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 8.5 The committee secretary shall take minutes of meetings. Any director may, provided that there is no conflict of interest and with the consent of the chairperson, obtain copies of the Committee's minutes.

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- 8.6 The minutes must be completed as soon as possible after the meeting and circulated to the chairman and the Committee members for review thereof.
- 8.7 The minutes must be formally approved by the Committee at its next scheduled meeting.
- 8.8 No Committee attendee shall participate in any discussion or decision in respect of a successor in his or her current role or position.

### **9. REMUNERATION**

- 9.1 Having regard to the functions performed by the members of the committee in addition to their functions as directors in relation to the activities of the committee, and pursuant to the specific power conferred upon the board by the articles of association of the Company, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board.
- 9.2 Such special remuneration shall be in addition to the annual fees payable to Directors.

### **10. GENERAL**

- 10.1 The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 10.2 The board will ensure that the Committee will have access to professional advice both inside and outside the company in order for it to perform its duties.
- 10.3 The Board must perform an evaluation of the effectiveness of the Committee every year.
- 10.4 These terms of reference may from time to time be amended, as required, subject to the approval of the board.

### **Approval**

These terms of reference were approved by the Chairman of the Board and Chairman of the Committee in October 2018.