

COMPANY POLICY	
Document title	Appointment of directors policy
Document owner	Company secretariat
Approved by	The board of directors, on the recommendation of the nomination and governance committee
Issue date	27 November 2020
Date last revised	27 November 2020
Document type	Policy

1. DEFINITIONS

- 1.1. For the purposes of this policy, the following terms shall carry the following meanings:
- 1.1.1. **“AGM”** means the annual general meeting of the company;
 - 1.1.2. **“Board”** means the board of directors of the company;
 - 1.1.3. **“Board committees”** means the committees of the board, the members of which do not hold any executive office within the company;
 - 1.1.4. **“Committee”** means the nomination and governance committee of the board;
 - 1.1.5. **“Companies Act”** means the Companies Act, No 71 of 2008, as amended;
 - 1.1.6. **“Company secretary”** means the company secretary of the board, and “company secretariat” shall bear a corresponding meaning;
 - 1.1.7. **“DLR”** means the debt listings requirements of the Johannesburg Stock Exchange, as amended from time to time;
 - 1.1.8. **“Director”** means a member of the board as contemplated in section 66 of the Companies Act 71 of 2008, as amended from time to time;
 - 1.1.9. **“JSE LR”** means the listings requirements of the Johannesburg Stock Exchange, as amended from time to time;
 - 1.1.10. **“King IV”** means the 2016 King IV Report on Corporate Governance; and

- 1.1.11. **“Redefine”** means Redefine Properties Limited (registration number 1999/018591/06) and “the company” shall bear a corresponding meaning.

2. INTRODUCTION

- 2.1. The board recognises the importance of ensuring that the processes relating to the appointment of directors are formal and transparent, and conducted under the guidance of an approved policy.
- 2.2. The purpose of this policy is to capture the board’s objectives and approach in relation to the selection, nomination and appointment of directors.
- 2.3. This policy has been prepared in accordance with provisions of King IV and the JSE LR and DLR respectively, and is intended to further align Redefine’s board governance practices to local and international best practice.

3. SCOPE

- 3.1. This policy applies to the board only. However, the committee make take its contents into consideration when nominating directors to subsidiary company boards, when necessary or relevant.
- 3.2. This policy should be read together with:
- 3.2.1. the Memorandum of Incorporation of the company (MOI);
 - 3.2.2. the board charter;
 - 3.2.3. the nomination and governance committee terms of reference; and
 - 3.2.4. the induction, development and evaluation of directors policy.

4. POLICY STATEMENT

- 4.1. The board is responsible for the appointment of directors which, at all times, are subject to the approval of shareholders. The selection and nomination of directors has been delegated to the committee, which recommends the appointment of new directors to the board. Director appointments are formal and transparent.
- 4.2. When reviewing the composition of the board and considering the appointment of new directors, the board is guided by, and will aim to comply with, the provisions of the company’s MOI, the principles of King IV and the regulations set out in the Companies Act, JSE LR and DLR.

5. BOARD APPOINTMENTS

- 5.1. All board nominations and appointments are made on merit, in the context of the skills, experience, independence and knowledge which the board requires to be effective. The board also ensures that there is a progressive and timely refreshing of its membership.
- 5.2. The board recognises the benefits of diversity, both in general and in respect of gender and race. In addition to the primary objectives and criteria described in clause 5.1 above, the board has due regard to the aims of the board diversity policy and accordingly, the diversity indicators of gender, race, age, culture, sexual orientation and gender identity are included in search and selection criteria for directors.

6. PROCEDURE FOR THE SELECTION AND NOMINATION OF DIRECTORS

- 6.1. On an annual basis, the board's skills, experience, independence and knowledge are assessed by the committee, in order to ensure that the board and the board committees can discharge their respective duties and responsibilities effectively and/or to identify the skills that would best increase board effectiveness. In discharging this duty, the committee considers the current and foreseeable future requirements of the business, in order to structure the board in a way that it:
 - 6.1.1. has a proper understanding of, and competence to deal with, the current and emerging issues of the business;
 - 6.1.2. exercises independent judgement;
 - 6.1.3. encourages enhanced performance of the company; and
 - 6.1.4. can effectively review and challenge the performance of executive management.
- 6.2. As part of the aforementioned assessment, due regard is given to, *inter alia*, the company's strategy, business model, operational requirements, opportunities and challenges, as well as the international activity.
- 6.3. Where a need is identified, the committee develops selection criteria for candidates, which are approved by the board, and commence a search process accordingly. The committee may use the services of an independent executive search firm to identify candidates, assess the appropriateness of candidates or to supplement a candidate list provided by the board.
- 6.4. The committee screens candidates to compile a shortlist and background, qualification and reference checks are performed by an independent third-party service provider. When shortlisting candidates, the following factors, amongst others, are considered:
 - 6.4.1 the skills, experience and knowledge of the candidate and his/her ability to add value to the board;
 - 6.4.2 that the candidate is not disqualified in terms of the Companies Act;
 - 6.4.3 the apparent ethical integrity and reputation of the candidate;
 - 6.4.4 the existence of actual or perceived conflicts of interest;

- 6.4.5 the capacity of the candidate to dedicate the necessary time to discharge duties, and
- 6.4.6 the diversity requirements set out in clause 5.2.

- 6.5. Shortlisted candidates are required to provide details of other professional commitments and a statement that confirms that they have sufficient time available to fulfill the responsibilities as a member of the board.
- 6.6. Shortlisted candidates are interviewed by the committee (and/or members thereof) and the chief executive officer and, thereafter, a final candidate/s is recommended to the board for consideration.

7. APPOINTMENT TO THE BOARD

- 7.1. The board measures the final candidate/s against the selection criteria referred to herein and determines interim appointments.
- 7.2. a formal appointment procedure is activated and attended to by the company Secretary. Same includes:
 - 7.2.1 the signature of a letter of appointment and consent to act form by the candidate;
 - 7.2.2 the submission of a schedule 13 declaration to the Johannesburg Stock Exchange; and
 - 7.2.3 the issue of required stock exchange news service (SENS) announcement and press releases.
- 7.3. Interim appointments are subject to shareholder approval at the next AGM of the company. A brief professional profile of each candidate standing for election at the AGM, including details of their existing professional commitments, accompany the AGM notice, together with a statement from the board confirming its support of the candidate's election.

8. DISCLOSURE AND REPORTING

- 8.1. This policy will be available on the company's website for access by all stakeholders.

9. REVIEW AND APPROVAL OF POLICY

- 9.1. The policy is owned by the company secretariat and approved by the board on the recommendation of the committee.
- 9.2. The committee will review the policy annually and recommend revisions, if necessary, to the board for approval. In the event that no revisions are made to the policy, same will be reviewed by the board every three years.

10. POLICY ADMINISTRATION

Version no	Date	Description of changes
1	27 Nov 2020	New policy

Frequency of review	Next review date
Annually by the nomination and governance committee	August 2021
Every three years by the board (or as required)	November 2023

Approved by	Designation	Signature	Date
SM Pityana	Chairman of the board		27 November 2020