



TUHF

TUHF HOLDINGS GROUP

DIRECTOR NOMINATIONS POLICY

INTRODUCTION

The Board of Directors (Board) of the TUHF Group of companies, (TUHF or the Group) adopted a Board Charter (the Charter) which documents the roles, responsibilities, membership requirements and procedural conduct as recommended in the King IV Report on Corporate Governance for South Africa, 2016 (King IV).

This Policy is subject to the Charter, the South African Companies Act, No. 71 of 2008, (the Companies Act), the JSE Limited Debt Listings Requirements (JSE DLR), TUHF Holdings memoranda of incorporation (collectively the MOIs), the Group Governance Framework, the King IV and any other applicable law, best practice, or regulatory provision, as deemed appropriate.

OBJECTIVES

Together with the Charter, this policy sets out the policies and practices of the Board in respect of matters such as the nomination, selection, screening, including the appointment of additional directors, replacement of Directors, and re-election of Directors.

It is not intended to replace or amend the MOIs in any way whatsoever, and should any principles contained herein conflict with the MOIs of the Group companies, the MOIs shall take precedence over the Charter.

POLICY STATEMENT

The Group recognises the importance of having a qualified and competent Board to achieve the Group corporate strategy as well as promote shareholder value.

It is fundamental for the Board to possess a balance of skill set, experience, expertise, and diversity of perspectives to enhance decision-making capability and the overall effectiveness of the Board. The Board is committed to ensuring that proper nomination and election processes are in place for the selection and nomination of Directors.

APPOINTMENT OF BOARD MEMBERS

TUHF Holdings Group directors are elected in terms of section 68 of the Act by the shareholders of the company.

Non-executive members of the Group Boards are appointed through a formal process facilitated by the Human Resources and Remuneration Committee (REMCO).

The appointment of all non-executive directors should be formalised in a letter of appointment by the company, which shall also be signed by the Chairperson of the Board. The letter of appointment should include, inter alia, the director's code of conduct to be complied with and the contribution that is expected from the candidate.

The Board shall take into consideration the benefits of a diversified Board when selecting Board candidates.

Where a TUHF Group company only has 1 (one) Shareholder, the election of directors shall take place in such manner as the Shareholder shall determine.

SHAREHOLDERS' RIGHT TO NOMINATE DIRECTORS

The shareholders are entitled to nominate one person for election to the Board for every ten percent or part thereof, subject to a minimum of five percent, of the issued shares held by such a shareholder. Each Nominating Shareholder shall be entitled, in regard to its nominee who has been elected to a Board and continues to serve as a Director, to nominate an alternate director to such nominee.

Shareholders shall exercise their respective voting rights at a meeting or in respect of a resolution submitted to them, so as to procure the election of the nominee of the nominating shareholder in question to the Board. If any shareholder fails to so exercise its voting rights, such shareholder irrevocably authorises the nominating shareholder in question to exercise all its voting rights as a shareholder so as to procure such nominee is elected to the Board.

BOARD SIZE

The size of the board will be periodically reviewed to ensure the presence of a wide range of skills without compromising common purpose, involvement, participation, and a sense of responsibility amongst the members necessary to the Group's objectives.

Both executive and non-executive directors carry full fiduciary responsibility and owe a duty of care and skill and a duty of loyalty to Group in terms of the Act and the TUHF's Code of Ethics and Business Conduct.

Procedures for appointments to the Board are formal and transparent and recommended to the shareholders for consideration and approval at each Annual General Meeting.

The Board must be large enough to:

- ensure a wide range of skills and knowledge, views, and experience, such that the common purpose, involvement, participation, harmony and sense of responsibility of Board members is not jeopardised;
- achieve the balance of skills, experience, professional and industry knowledge necessary to meet the company's strategic objectives;
- appoint a sufficient number of members that to serve on the different Board committees;
- secure a quorum and meet relevant regulatory requirements; and
- meet diversity targets relating to the composition of the Boards.

BOARD COMPOSITION

The board is structured to ensure an appropriate mix and balance of knowledge, skills, experience, and independence, appropriate to the strategic direction of the Group. Thus, the board composition will reflect the responsibilities that it is vested with and the duties it has to discharge and perform.

The Board will comprise a balance of executive and non-executive directors, the majority of which will be non-executive directors. The Group's overriding consideration is that the Board will be structured to enable it to fully discharge its duties.

The individual members shall contribute to the collective blend of knowledge, skills, objectivity and experience of the board.

In terms of the Board Charter and the MOI, the Board will consist of shareholder and Board appointed directors. The nominating shareholders will be encouraged to appoint directors who are independent from their operations and are not their employees.

The Chief Executive Officer ("CEO") and Chief Finance Officer ("CFO") are executive directors of the TUHF Group Board.

DELEGATION TO REMCO

The Board delegates the responsibility for the selection, where the Board selects a candidate, and vetting of the shareholder nominated candidates. The final appointment of Directors rests with the Board as a whole.

REMCO'S RESPONSIBILITIES

Where a candidate is nominated by the shareholders, REMCO will assist in the vetting of the nominated candidate.

When the need to select, nominate or re-elect directors arises, REMCO will assist the Board with the process of nominating and screening of suitable candidates.

In exercising these responsibilities, REMCO shall consider and have regard to the expertise, the skill set required for the new or replacement Director and the criteria outlined below.

REMCO key competencies considerations for Board membership (Board Membership Criteria)

- Financial literacy and a basic knowledge and understanding of the conduct of the business and of the laws and customs that govern the activities of a commercial institution, specifically, a director must obtain a knowledge and understanding of risks and related matters as prescribed by the Companies Act;
- The ability to make sensible and informed business decisions and recommendations and the ability to constructively collaborate as part of a team contributing towards the successful performance of the Group;
- The ability and willingness to devote the time needed to prepare for and participate in Board deliberations;
- An entrepreneurial talent for contributing to the creation of shareholder value;
- The ability to ask probing questions and communicate clearly;
- Organisational and strategic awareness;
- The ability to see the wider picture and have an unfettered perspective on issues;

- Integrity and strong sense of ethics in personal and business dealings;
- A knowledge of the duties and responsibilities of directors as prescribed by law and King IV;
- International experience (preferable, not a requisite) and awareness / knowledge of national / local dynamics; and
- Total commitment to furthering the interest of the shareholders and other stakeholders in order to achieve the company's goals.

In respect of determining adequate capacity, the REMCO shall assess and duly take into consideration every director's circumstances, and the nature, scale and complexity of other directorships held, in order to assess and ensure that directors are able to devote sufficient time to duly discharge their responsibilities as a director.

SELECTION CRITERIA

In the determination of the suitability of a candidate, REMCO shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity, and gender diversity.

REMCO shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board:

Attributes Complementary to the Board

The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversity profile and skills matrix of the Board and the needs of the Board.

Business Experience & Board Expertise and Skills

The candidate should have the ability to exercise sound business judgment and also possess proven achievement and experience in directorship including effective oversight of and guidance to management.

Availability

The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities.

Motivation

The candidate should be self-motivated and have a strong interest in the Company's businesses.

Integrity

The candidate should be a person of integrity, honesty, good repute and high professional standing.

Adherence to TUHF Values

TUHF values are;

- Grit: The tenacity to keep going, and going, and going;
- The enquiring mind: Looking beneath the surface to see what's real;
- Human connections: Authentic, enduring relationships; and
- Ground breakers: A healthy disregard for limitation

The above criteria are for reference only and are not meant to be exhaustive or decisive.

BOARD MEMBERS SELECTION

The Board, with the assistance of REMCO, will have a formal, transparent, and rigorous process for identifying, assessing members selected by the Board or the shareholders.

All Board appointments are subject to no objections being raised by the shareholder approval at the annual general meeting following the appointment.

The selection process will include reviewing whether the board candidate meets the above-Board criteria.

REMCO shall screen the candidates on the following checks/tests are conducted on the appointment of a director and/or thereafter on a frequent basis, but no less than annually;

- credit check;
- criminal check;
- CIPC external directorship check;
- anti-money laundering (AML) sanctions screening;
- prominent influential persons and politically exposed persons (PEP) screening;
- adverse media screening;
- qualification checks (on appointment only); and
- reference checks (on appointment only).

In the event of a domestic prominent influential person as defined in the Financial Intelligence Centre Act ("PIP") being considered for nomination as a director, REMCO will be required to decide whether the appointment of the PIP as a director presents a higher risk to the company from a reputational, corruption and anti-money laundering perspective. In the event of a positive determination, the Board must take further reasonable measures, which may include obtaining declarations and determining the source of the PIP's wealth (as well as their associates and family members). The Board notes that PIP's will be subject to greater scrutiny, but that the potential risks associated with appointing a PIP as a director justifies the application of more intrusive and stringent preventative measures.

The process is preventative in nature and should not be interpreted as stigmatising PIPs by suggesting that they are involved in illicit activities.

APPOINTMENT OF NEW AND REPLACEMENT DIRECTORS

If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors within the Group and external executive search firms.

Upon compilation and interview of the list of potential candidates, REMCO will shortlist candidates for consideration based on the selection criteria and such other factors that it deems necessary.

REMCO will recommend an appropriate candidate for appointment to the Board. It is recommended that each nomination / proposal of a candidate be accompanied by the candidate's consent to act as director to the company and detailed curriculum vitae outlining the candidate's relevant experience, current directorships, and qualifications.

Any appointment made by the Board is subject to ratification by shareholders at the subsequent Annual General Meeting. An abridged curriculum vitae of all candidates that are finally appointed by the Board should be made accessible to shareholders.

INDEPENDENCE OF DIRECTORS

All directors shall be required to be independent of mind and always act in the best interest of the Group. Conflicts of interest (whether actual or perceived) should be disclosed, effectively managed and or avoided where necessary.

Independent non-executive director ("INED") candidates must satisfy the independence requirements under the King IV and the Debt Listing Requirements. The INED candidate shall be independent in character and judgement and be able to represent and act in the best interests of all shareholders of the Company. A director shall be deemed not to be independent if the director, amongst other factors:

- is a substantial shareholder, i.e. a shareholder of more than 5% of the total nominal value or the total voting rights in respect of all the issued shares, of TUHF Holdings;
- has, within the last three years, been a principal of a material professional advisor or a material consultant to Group;
- is a significant provider of equity or other sources of capital or a material provider of funding to the Group;
- is the recipient of a form of remuneration other than directors' fees or directors' remuneration;
- is or has, within the last three years, been a significant or ongoing professional adviser to or an internal auditor of the Group;
- is a member of the immediate family of an individual who falls within any of the aforementioned categories;
- has been an executive director, the CEO, or an executive officer of the Group at any time during the preceding three years;
- has served as an independent non-executive director of the Group for a period of nine years (should a person who already has served as an independent non-executive director for a period of nine years or longer be reappointed, to remain a member of the board after the aforementioned nine-year period, that person's independence shall be evaluated annually);
- has been the designated external auditor directly or indirectly responsible for performing the statutory audit of THE Group; and
- has been the curator of the Group at any time during the preceding three years.

The Board members acknowledge that the shareholder relationship may appear to influence unduly or cause bias in decision making, however, measures have been put in place to ensure that the directors are independent in character and judgment. These measures include,

- the inclusion of specially protected matters in terms of the TUHF Holdings Memorandum of Incorporation;
- clearly articulating matters reserved for Board in the Board Charter;
- an effective management of conflict-of-interest process; and
- a Board evaluation process that focuses on the Board's effectiveness.

AMENDMENTS TO THE POLICY

The Policy should be reviewed from time to time, or when there is a change in the relevant governance practices.

Changes to this Director Nominations Policy or any deviations, together with the reasons thereof will be immediately announced on SENS in accordance with the JSE DLR.