

# TRANSCAPITAL INVESTMENTS LIMITED

REGISTRATION NO: 2016/130129/06

## **NOMINATIONS POLICY**

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### **INTRODUCTION**

The board of directors (the "Board") of TransCapital Investments Limited ("TransCap") wish to adopt this nominations policy which regulates the procedures for appointing directors to the Board.

This policy should be read together with the Transaction Capital Limited ("Transaction Capital") Board Charter which is applicable to TransCap, the terms of reference of the Nominations Committee of Transaction Capital which applies to the nomination of TransCap directors, the TransCap Memorandum of Incorporation (the "TransCap MOI"), the Companies Act No. 71 of 2008 (the "Companies Act"), the JSE Limited Debt Listings Requirements, the King IV Report on Corporate Governance for South Africa 2016 and any other applicable law, best practice or regulatory provisions as deemed applicable by the board in their sole discretion. In the event any principles contained herein conflict with the TransCap MOI, the TransCap MOI shall prevail.

### **NOMINATIONS COMMITTEE AND COMPOSITION THEREOF**

1. The Nominations Committee (the "Committee") is constituted as a Committee of the board of directors of Transaction Capital.
2. The Committee must comprise at least three non-executive directors, a majority of whom must be independent non-executive directors.
3. Members of this Committee are nominated by the board of Transaction Capital.
4. The chairman of the board of Transaction Capital will be the chairman of the Committee.
5. The members of the Committee must have sufficient experience, qualifications, knowledge and independence to fulfil their duties.

### **NOMINATIONS COMMITTEE ROLE AND RESPONSIBILITIES**

#### **Role**

1. The role of the Committee is to identify suitable candidates for appointment to the board of Transaction Capital and associated companies, including Transcap, and to assist the board in ensuring that:-
  - a. the board has the appropriate composition for it to execute its duties ethically and effectively;
  - b. the board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
  - c. the board has a policy on the promotion of diversity at board level, (specifically including gender and race diversity) and reports on the implementation thereof in the Transaction Capital annual report;
  - d. directors are appointed through a formal process;
  - e. there is induction and ongoing training and development of directors; and
  - f. there is a formal succession plan for the board, chief executive officer and senior management appointments.

#### **Responsibilities**

2. The Committee must perform all the functions necessary to fulfil its role as stated above, including, but not limited to the following:
  - a. ensure the establishment of a formal process for the appointment of directors, including:
    - i. identification of suitable members of the board;
    - ii. performance of reference and background checks of candidates prior to nomination;
  - and

- iii. formalising the appointment of directors through an agreement between Transaction Capital or TransCap (as applicable) and the director.
  - b. oversee the development of a formal induction programme for new directors;
  - c. ensure that inexperienced directors are developed through a mentorship programme;
  - d. oversee the development and implementation of continuing professional development programmes for directors;
  - e. ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Transaction Capital group of companies operates;
  - f. consider the performance of directors and take steps to remove directors who do not make an appropriate contribution;
  - g. find and recommend to the board a replacement for the chief executive officer when that becomes necessary;
  - h. ensure that formal succession plans for the Board, chief executive officer and senior management appointments are developed and implemented; and
  - i. nominate the re-election of eligible directors.
3. If the proposed candidate to the board is a “*Domestic Prominent Influential Person*”, as such term is defined in the Financial Intelligence Centre Act No 38 of 2001, the Committee shall perform all necessary background and media checks on the candidate, including our internal due diligence process in respect of PEP’s.

#### **NOMINATIONS COMMITTEE MEETINGS**

1. The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in herein but must have a minimum of two meetings per year.
2. Meetings in addition to those scheduled may be held at the request of the chief executive officer, head of human resources or other members of senior management or at the instance of the board.
3. 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.
4. If the nominated chairman of the Committee is absent from a meeting, the members present must elect 1 (one) of the members present to act as chairman.
5. Meetings may take place by way of electronic means.
6. The minutes of meetings must be completed as soon as possible after the meeting and circulated to the chairman and the Committee members for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.
7. A representative quorum for meetings is a majority of members present.
8. Each member of the Committee will have 1 (one) vote on any matter to be decided.
9. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.
10. Save as set out above, members of Committee may regulate Committee meetings as they deem fit.

#### **SELECTION CRITERIA AND CONSIDERATIONS**

In considering a candidate for appointment to the Board of Transcap, the Committee shall consider the skills, experience, knowledge and independence of the candidate including, but not limited to, –

1. the capacity of the candidate to discharge his/her duties as a director;
2. the integrity and reputation of the candidate;
3. the existence of any conflicts of interest relating to the candidate; and
4. any other relevant factors as may be determined by the Committee or the Board from time to time.

Enquiries:

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Debt Sponsor:

RAND MERCHANT BANK (A division of FirstRand Bank Limited)