



TERMS OF REFERENCE

GROUP NOMINATIONS & GOVERNANCE COMMITTEE

1. Introduction

- 1.1 The Group Nominations & Governance Committee (the “Committee”) is constituted as a standing committee of the Board of JSE Limited (“JSE”). 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.
- 1.2 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 legal obligations.
- 1.3 These terms of reference are subject to the provisions of the Companies Act, the JSE Memorandum of Incorporation, and any other applicable law or regulatory provision.

2. Purpose of the 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. Composition

- 3.1 The Committee shall comprise at least three non-executive directors of the JSE, a majority of whom must be independent non-executives, who are appointed by the Board.
- 3.2 No JSE executive, member of management or staff shall be a member of the Committee.
- 3.3 The Chairman of the Committee shall be the Chairman of the Board, who shall be an independent non-executive director of the JSE.
- 3.4 The Lead Independent Director of the Board shall be a member of the Committee.
- 3.5 All members of the Committee must be suitably skilled and experienced directors.
- 3.6 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 3.7 The Committee members must remain current with developments relating to Board governance, leadership and ethics.

4. Role

- 4.1 The Committee has an independent, oversight role with responsibility for all governance matters, which includes the setting of governance policies, for JSE Group.
- 4.2 The Committee is responsible for, *inter alia*, reviewing Board and Board Committee composition and renewal for JSE Limited and all Group companies and entities so as to ensure that these Boards and Committees are able to execute their duties effectively, and for the submission of recommendations in this regard to the Board.
- 4.2 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and other members of senior management.

5. Mandate

The Committee must perform all the functions necessary to fulfil its role as set out in these terms of reference, including but not limited to the following –

- 5.1 Ensure that succession plans for the Board are in place, including a formal process for the appointment of directors, including:
 - Identifying suitable individuals for appointment as members of the Board; and
 - Performing reference and background checks of candidates prior to nomination.
- 5.2 Oversee the development of a formal induction programme for new directors.
- 5.3 Oversee the development and implementation of continuing professional development programmes for directors.
- 5.4 Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the JSE operates.
- 5.5 Undertake a review on an annual basis of the effectiveness of the Board, as well as consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.
- 5.6 Find and recommend to the Board a replacement for the Chief Executive Officer as and when that becomes necessary.
- 5.7 Oversee all governance policies and practices for JSE Group.

6. Authority

- 6.1 The Committee acts in accordance with the delegated authority of the Board as recorded in this terms of reference. It has power to investigate any activity within the scope of its terms of reference.
- 6.2 The Committee, in fulfilment of its duties, may call upon the chairmen of other Board committees, any of the executive directors, officers or Group Company Secretary to provide it with information.
- 6.3 The Committee has reasonable access to the JSE's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to, sub-committees and may delegate authority to one or more designated members of the Committee, and to one or more members of the executive to perform certain tasks on its behalf.
- 6.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the JSE's cost, subject to compliance with JSE policies.
- 6.6 The Committee makes 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.
- 6.7 The Chairman of the Committee must be present at all annual general meetings.

7. Meeting Procedures

7.1 Frequency

- 7.1.1 The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of two meetings per year.
- 7.1.2 Meetings in addition to those scheduled may, with the approval of the Chairman, be held at the request of the Chief Executive Officer, the Director: Governance & Assurance / Group Company Secretary, or at the instance of the Board.
- 7.1.3 The Chairman of the Committee may meet with the Chief Executive Officer, the Director: Governance & Assurance and/or Group Company Secretary prior to the Committee meeting to discuss important issues and agree on the agenda.

7.2 Attendance

- 7.2.1 The Chief Executive Officer, the Director: Governance & Assurance, other relevant executives and senior management, and professional advisors may be in attendance at Committee meetings, but by invitation only and they may not vote.

- 7.2.2 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 Group Company Secretary.
- 7.2.3 The Group Company Secretary is the secretary to this Committee.
- 7.2.4 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 for that meeting.

7.3 Agenda and Minutes

- 7.3.1 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 agenda are to be determined in accordance with the annual plan.
- 7.3.2 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Board and other invitees.
- 7.3.3 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 7.3.4 The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

7.4 Quorum

- 7.4.1 A representative quorum for meetings is a majority of members present.
- 7.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

7.5 Evaluation

- 7.5.1 The Board must perform an evaluation of the effectiveness of the Committee every year.

8. Approval of Terms of Reference

- 8.1 The Committee shall review these terms of reference annually for continued relevance and applicability.

8.2 Record of review and approval of these terms of reference:

- Aligned to requirements of King IV
 - Reviewed and adopted by Committee on 16 November 2017
 - Approved by JSE Board 30 November 2017
 - Reviewed and updated by Committee on 13 November 2018
 - Reviewed and endorsed by the Committee on 10 February 2020
 - Reviewed and endorsed by the Committee on 11 February 2021
 - Reviewed and endorsed by the Committee on 14 November 2022
 - Reviewed and endorsed by the Committee on 13 November 2023 (for 2024 year)
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