



Nomination Committee Charter

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1. Introduction

The Nomination Committee (the "Committee") of KAP Ltd (the "Company" or "KAP") operates as a committee of, and under a mandate from the board of directors of KAP (the "Board").

The duties and responsibilities of the members of the Committee, as set out in this charter, are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members with regard to their fiduciary duties and responsibilities, and both Committee and Board members must continue to exercise due care and judgment in accordance with their legal obligations.

The application of this charter is subject to the provisions of the Companies Act No 71 of 2008 (the "Companies Act"), the Company's memorandum of incorporation (the "MOI"), the listings requirements of the JSE Ltd (the "JSE") (the "JSE LRs"), and to any other applicable laws and regulations or codes of good practice, including but not limited to the fourth King Report on Corporate Governance for South Africa, 2016 ("King IV").

2. Composition of the Committee

The Committee shall consist of at least three members, all of whom shall be non-executive directors of the Company, and the majority of whom shall be independent directors of the Company. The Committee as a collective shall have the required knowledge, skills and experience in order to appropriately carry out all the duties of a nomination committee of a public, listed company. All appointments to the Committee shall be made by the Board.

The Committee shall be chaired by either the chairperson of the Board or an independent, non-executive director. The Board shall elect the chairperson of the Committee from the ranks of the Committee.

The chairperson of the Committee shall not take part in any debate or decision dealing with his/her own succession or performance assessment.

3. Fees

Fees payable to Committee members for service on the Committee shall be proposed by the Board, through the KAP human capital and remuneration committee, and shall be subject to the approval thereof by shareholders of the Company prior to the implementation of such proposals.

The chairperson of the Committee shall be entitled to an additional fee for services rendered as chairperson.

4. Role

The Committee has an independent role to make recommendations to the Board and/or shareholders for their consideration and final approval and to oversee the implementation thereof. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

5. Responsibilities

The Committee's key function is to ensure that the Board and its committees are appropriately structured and resourced and that appointments to the Board and its committees are made through a formal, comprehensive and transparent process. In undertaking its responsibilities, the Committee shall apply the relevant principles and/or provisions contained in this charter, the Company's policies (with specific reference to KAP's board diversity policy), the MOI, King IV, the JSE LRs and applicable laws and regulations. The Committee is responsible to oversee:

- the process of nominating, screening, electing and appointing members to serve on the Board and the Board committees;
- succession planning in respect of Board and Committee members; and

- evaluation of the performance of the Committee and the Board.

The primary duty of the Committee is to review the structure, size and composition of the Board and its key committees and to make recommendations to the Board with regard to any changes. In addition, it shall give consideration to succession planning for executive and non-executive directors.

Save where the requirements of applicable laws and regulations may govern the appointment of directors to the Board and/or to committees of the Board, all appointments to the Board and/or to Board committees shall be effected by the Board as a whole, taking due cognisance of the recommendations of the Committee.

In addition to its primary duties as set out above, the Committee shall:

- be responsible for identifying, screening and nominating, for approval by the Board and subsequently by the Company's shareholders (to the extent required), candidates to fill Board and Committee vacancies as and when they arise;
- ensure that the provisions of the MOI relating to the staggered, annual rotation of directors are complied with;
- consider, where required, the introduction of new directors with expertise and fresh perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity on the Board;
- prior to any nomination for election of new candidates, consider the composition and requirements of the Board and/or its committees and the eligibility, suitability, experience and qualifications of each person nominated to ensure enhancement of the overall effectiveness of the Board;
- where a candidate is not well-known to the Committee, appropriate screening shall be undertaken to determine whether the candidate is fit, eligible and suitable to become a director of the Board or a member of a Board committee by:
 - authenticating the candidate's qualifications, apparent integrity and ethical demeanour, disposition towards the Company and other personal qualities, including compatibility with the prescribed values and behaviours of the Company and potential conflicts of interest to ensure enhancement of the overall effectiveness of the Board;
 - ensuring, as a minimum, that each director shall complete a fit-and-proper declaration and assessment, and satisfy the criteria as set out in the JSE LRs; and
 - interrogating the Companies and Intellectual Property Commission's public register of persons who are disqualified from serving as a director, to ensure that the candidate is not ineligible or disqualified to serve as a director;
- in the event of the nomination for appointment of a prominent influential person, a domestic politically exposed person or a foreign politically exposed person (all as defined in the Financial Intelligence Centre Act No 38 of 2001), including any individual who holds, or has held, a prominent public function, including senior government officials and leaders of political parties, the Committee shall, in addition to the screening set out above, conduct appropriate background and media checks on the candidate and closely monitor the business affairs of the candidate in accordance with the prescripts of the Financial Intelligence Centre Act. No such person may be appointed to the Board before a cooling-off period of at least three years has passed since that person ceased actively holding such a position or function;
- before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, determine the role and capabilities required for a particular appointment; and
- prior to the appointment of a director, ensure that the proposed candidate is free of any material conflicts of interest between the duties he/she will owe to the Company and his/her personal financial interests.

The Committee shall furthermore make recommendations to the Board, as deemed appropriate, concerning:

- induction of new appointments to the Board and on-going training, mentorship and development of directors in accordance with the needs of each individual director;

- plans for succession for both executive and non-executive directors and in particular for the key roles of chairperson of the Board, the KAP chief executive officer (the “CEO”) and the KAP chief financial officer, and with respect to the latter two roles, the Committee shall take cognisance of the views of the KAP human capital and remuneration committee ;
- suitable candidates for the role of lead independent director;
- membership of the KAP audit and risk, human capital and remuneration, and social and ethics committees, and any other Board committee as appropriate, in consultation with the chairpersons of those committees, so as to achieve effective collaboration through cross-membership between the committees and a balanced distribution of power across the committees;
- the continuance in office, in an independent capacity, of any non-executive director having served on the Board for longer than nine years, having given due regard to such director’s independence, performance and ability to exercise objective judgement and ability to contribute to the Board, and to any interest, position, association or relationship which may cause bias in decision-making by such director;
- the continuance in office of any director who has reached the age of 71 years, to determine whether the director is still able to efficiently contribute to the Board;
- review the classification of directors and make recommendations to the Board concerning the categorisation of non-executive directors as independent or otherwise, in accordance with the requirements of the JSE and King IV;
- any matter relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of applicable law and the particular director’s employment contract; and
- the appointment of any director to an executive or other office.

To the extent required by the prescripts of applicable laws and regulations, all appointments/re-appointments to the Board and/or to the Board committees shall be subject to the approval/ratification, as may be appropriate, by the shareholders at a general or annual general meeting of the Company.

The Committee shall demonstrate the Company’s commitment to transformation at the highest decision-making level in the Company by complying with KAP’s board diversity policy.

In making recommendations for Board and/or committee appointments, all reasonable efforts shall be made to establish optimal diversity and balance as regard structure, size and composition, by:

- harnessing skills, experience, knowledge, diversity and independence in such a manner that the best interests of the Company are appropriately served; and
- creating a basis that will ensure and enhance effective succession planning.

The chairperson of the Committee shall report to the Board on its proceedings after each meeting on all matters regarding the Committee’s duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

A report shall be included in the Company’s integrated report and/or corporate governance report regarding the Committee’s activities and the process applied in making appointments.

The chairperson of the Committee should be present at all annual general meetings of the Company to answer any shareholder questions on the Committee’s activities.

6. Authority

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the KAP Secretariat for assistance as required.

The Committee has the right to obtain independent, outside, professional advice to assist with the execution of its duties, at the Company’s cost, subject to approval by the chairperson of the Board.

The Committee makes recommendations to the Board and/or shareholders for their consideration and final approval, and oversees the implementation thereof. Hence the Committee does not have decision-making powers, which remain the dominion of the Board.

The Committee has the authority and power to freely and without interference carry out its duties and responsibilities as set out in this charter, as well as any other duty/assignment that may be delegated to it by the Board from time to time.

7. Meeting and Procedures

7.1 Frequency of meetings and use of electronic media.

- The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in this charter, but subject to a minimum of one meeting per annum, and where appropriate, on an *ad hoc* basis at any other times when necessary.
- A meeting may be conducted by way of electronic media such as telephone or video conferencing, which shall enable all members participating to form a quorum.
- Informal consultation between members of the Committee and other relevant parties may occur as and when required.
- Meetings of the Committee shall be called by the secretary of the Committee at the request of the chairperson of the Committee or by a directive from the Board or at the request from the CEO.

7.2 Attendance

- Members of the Committee have the right to attend Committee meetings and to take part in decision-making.
- Any other member of the Board may attend a meeting of the Committee as an observer.
- No member of the Board shall be in attendance when a matter is discussed that pertains to that particular member.
- Other individuals and advisers may, in the discretion of the chairperson of the Committee, be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- The company secretary of the Company shall be the secretary to this Committee. In his/her absence, the Committee may appoint any person to act as scribe and fulfil the duties of the company secretary for the time being.
- If the nominated chairperson of the Committee is absent from a meeting, the members present may elect one of the members present, who would qualify under this charter to be appointed to that position, to act as chairperson for that meeting.

7.3 Agenda and minutes

- A detailed agenda, together with supporting documentation, must be circulated to the members of the Committee and to such invitees, as appropriate, prior to each meeting, so as to allow members and invitees adequate time for review and preparation for meetings.
- The minutes must be completed as soon as possible after each meeting and circulated to the Board members in attendance, for review. The final draft minutes must be circulated to all Committee members prior to the next scheduled meeting for formal approval by the Committee at that meeting.
- The draft minutes shall be included in the first subsequent Board pack. In the event that minutes of any meeting cannot be completed in time for report to the first subsequent Board meeting, the chairperson of the Committee shall report verbally to such meeting on the matters considered by the Committee.
- Once approved by members and signed by the chairperson of the Committee, the minutes of that meeting shall serve as proof of the correctness and accuracy of the proceedings that had taken place at that particular meeting.

7.4 Quorum

A representative quorum for meetings shall be two Committee members. Individuals in attendance at Committee meetings by invitation may participate in discussions but invitees and observers shall not form a part of the quorum for Committee meetings.

7.5 Decisions/voting

- Decisions will be made by a majority of votes.
- Invitees and observers shall not be entitled to vote or take part in decision making of the committee.
- Decisions may be taken by way of written resolutions, in accordance with the processes, procedures and requirements as set out in the Companies Act.

8. Performance Review

An evaluation of the effectiveness of the Committee shall be performed in accordance with the recommended practices of King IV. The results of such performance review shall be communicated to the Board and the Committee, and a high-level summary of the outcomes shall be disclosed in the Company's corporate governance report. The Committee shall attend to any shortcomings that may have been identified by the evaluation.

9. Approval of the Charter

This charter was approved on 21 November 2023.

Patrick Quarmby
Chairperson of the Board