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## SASFIN HOLDINGS LIMITED BOARD CHARTER

VERSION	APPROVAL	DATE
1/2018	Group Company Secretary	13/06/2018
1/2018	Directors' Affairs Committee	20/06/2018
1/2018	Board	20/06/2018

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## INTRODUCTION

The Board of Directors (the Board) of Sasfin Holdings Limited, “SHL”, or where the context requires, “the Group” subscribes to good corporate governance. It has developed a Board Charter in accordance with the recommendations of the King IV Report on Corporate Governance (King IV).

Whilst embracing the King IV principles of good governance, summarised in Annexure 1 attached, and the Basel Committee on Banking Supervision (Basel Committee) corporate governance principles for banks, summarised in Annexure 2 attached, the Board and SHL are required to be compliant with South African legislation (including the South African Constitution) and, in particular, the Banks Act, 1990, as amended, the Companies Act, 2008, as amended, and the JSE Listings Requirements.

This Board Charter is complementary to SHL’s Memorandum of Incorporation (“Mol”). It is not intended to amend or replace the Mol in any way whatsoever.

## 1. PURPOSE OF THE CHARTER

This Charter sets out:

- The roles, functions, obligations, responsibilities and authority of the Board; and
- The policies and procedures of the Board in respect to its duties, functions and responsibilities.

## 2. COMPOSITION OF THE BOARD

### 2.1 MEMBERSHIP OF THE BOARD

- 2.1.1 In terms of SHL’s Mol, the maximum number of directors of the Board is 20 (twenty) and the minimum 5 (five) with a majority of Non-Executive Directors and a majority of Non-Executive Directors being independent.
- 2.1.2 The office of the Chair of the Board and the Chief Executive Officer (CEO) shall be separate with a clearly defined division of responsibilities to ensure a balance of authority and power.
- 2.1.3 The CEO shall bear ultimate executive responsibility and shall be accountable to the Board.
- 2.1.4 All directors carry full fiduciary responsibility and shall perform their functions with diligence and care and with such a degree of competence as can reasonably be expected from persons with their knowledge and experience.
- 2.1.5 The Board should consider gender and race diversity targets relating to the composition of the Board:
- 2.1.5.1 The current percentage target for female representation on the Board is 35%.
- 2.1.5.2 The current percentage target for black representation on the Board is 35%.
- 2.1.5.3 These targets are to be reviewed annually.

- 2.1.6 The Board must hold an appropriate mix of persons from diverse cultural backgrounds, different ages and knowledge, skills and experience, including, but not limited to business, commercial and industry experience needed to govern the Group and objectively discharge its governance role and responsibilities.

## **2.2. DIRECTOR APPOINTMENTS AND SUCCESSION PLANNING**

- 2.2.1 The appointment of directors shall take effect upon compliance with the requirements of the Banks Act, the Companies Act, the JSE Listings Requirements and other relevant legislation. The Board has the following powers with regards to appointment:

- the appointment of the Chair;
- the appointment of the Lead Independent Director (or Deputy Chair);
- the appointments of the Chair and Lead Independent Director shall be made as and when vacancies in those positions occur and re-appointments for both positions shall take place annually after the annual general meeting;
- the appointment of the CEO;
- appointments to and removals from the Board of Executive or Non-Executive Directors;
- the appointment, removal or replacement of the Group Company Secretary, and the external auditors; and
- the appointment, removal or replacement of members to such Committees of the Board as may be established.

- 2.2.2 The Board is responsible for ensuring that the Group has developed a succession plan for its Chair, Lead Independent Director, Executive Directors and Senior Management.

- 2.2.3 In addition, the Board shall ensure regular review of the succession of Non-Executive Directors.

## **2.3 ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS**

- 2.3.1 The Company's Mol requires that at every annual general meeting, one third of the Non-Executive Directors or, if their number is not a multiple of three, then the number nearest to, but not less than one third, shall retire from office.

- 2.3.2 Therefore, if at the date of any annual general meeting any Non-Executive or alternate director will have held office for a period of 3 (three) years since his/her last election or appointment, he/she shall retire at such meeting and, if

he/she qualifies and so wishes, may make himself/herself available for re-election at that meeting.

- 2.3.3 Election of directors and alternate directors, general powers and duties and cessation of office of directors, are subject to the provisions of the Mol; the Banks Act, the Companies Act and the JSE Listings Requirements.

### **3. DIRECTOR ORIENTATION, INDUCTION AND TRAINING**

- 3.1 On appointment, new directors will undergo an induction programme aimed at facilitating their understanding of the Group, their responsibilities as directors and the business environment and markets in which the Group operates. The induction programme will cover the following areas:

- background on the Group;
- guidance on the business of the Group;
- instruction in the key financial statements;
- a clear identification of reciprocal expectations on appointment;
- familiarisation with the Group's operations, Senior Management and its business environment, and
- induction on their fiduciary duties and responsibilities.

- 3.2 The Board will also continually evaluate the training needs of directors with respect to the business of the Group as well as their fiduciary duties and responsibilities as directors and ensure that directors receive appropriate instruction to enable them to effectively carry out their functions as directors of the Group.

### **4. ROLE OF THE BOARD**

The Board's primary governance role and responsibilities are to steer and set strategic direction, approve policy and planning, oversee and monitor, to ensure accountability and transparency, and to create value for its stakeholders. In the application of the Banks Act, the Companies Act, the recommended principles of King IV, summarised in Annexure 1 attached, the Basel Committee's corporate governance principles for banks, summarised in Annexure 2 attached, and the establishment of practices to support and give effect to the said principles, the Board endeavours to achieve good governance through an ethical culture, good performance, effective control and legitimacy.

- 4.1 The Board shall commit itself to always lead ethically, to act in good faith and in the best interests of the Group, its stakeholders and the country/ies in which it operates.
- 4.2 The Board shall oversee SHL's values and ethics and ensure an appropriate code of ethics is in place.
- 4.3 The Board must appoint a CEO and an Executive Financial Director.

- 4.4 The Board should appoint an Independent Non-Executive Director as Lead Independent Director to lead in the absence of the Chair.
- 4.5 The Board shall annually re-evaluate the independence of the Non-Executive Directors.
- 4.6 The Board shall oversee, approve, monitor and review SHL's strategy, policies, systems, annual budgets and business plans.
- 4.7 The Board shall consider and approve the annual and half-yearly financial statements, statutory reports, shareholder, and public announcements.
- 4.8 The Board shall consider, and if appropriate, declare the payment of dividends, subject to passing the required solvency and liquidity tests in each case.
- 4.9 The Board shall assume ultimate accountability and responsibility for the performance and affairs of SHL and shall in so doing effectively represent and promote the legitimate interests of SHL and its shareholders.
- 4.10 The Board shall, at all times, retain full and effective control over SHL and shall direct and supervise the business and affairs of SHL and, in addition, has a broader responsibility to all stakeholders.
- 4.11 The Board shall set performance indicators to enable it to measure Management's performance and SHL's progress in achieving set goals and targets.
- 4.12 The Board shall delegate authority in writing and shall review same on a regular basis.
- 4.13 The Board shall manage conflicts of interest of Board members, Management, shareholders and wider stakeholders.
- 4.14 The Board shall monitor, receive feedback from and communicate with the Boards of its subsidiary companies which have responsibility for particular business areas of the SHL Group, in order to ensure that corporate governance and the strategic initiatives of the SHL Group are being consistently and adequately complied with.
- 4.15 The Board shall oversee IT Governance which shall include the technology information and systems used in the organisation for it to run the business competitively through the efficient use of its resources.
- 4.16 The Board shall manage and protect SHL's financial position with the aid of the Group Audit and Compliance Committee and in so doing ensure that:
  - The financial statements are true and correct and contain the required disclosures to conform to legislation;
  - The appropriate internal controls and regulatory compliance policies and processes are in place; and
  - Non-financial aspects relevant to the business are identified and monitored.
  - Assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and of SHL's external reports.
- 4.17 The Board shall ensure that an effective Group-wide risk management framework is in place and that key risk areas and key performance indicators are identified and monitored.
- 4.18 In accordance with the Risk Data Aggregation and Risk Reporting (RDARR) recommended internal audit testing procedures, issued by the Banking Association of

South Africa, the Board shall ensure that reporting policies, risk management policies and Committee mandates outline the differing information needs of the Board, Senior Management and other levels of the organisation and includes the following information, in particular:

- The risk type (credit risk, operational risk, market risk, including interest rate risk in the banking book, equity risk in the banking book and liquidity risk;
- The key metrics per risk type;
- Level of aggregation per risk type (i.e. Group-wide, business line and /or legal entity levels);
- Risk limits (i.e. categorisation of limits into different levels, thresholds and ownership), depending on their relative importance and impact to the overall risk exposure to SHL); and
- The frequency / timelines for the submission of reports.

4.19 The Board shall ensure that a sound communication policy is in place to inform and communicate with shareholders and all relevant stakeholders openly and promptly.

4.20 The Board shall have unrestricted access to all Company information, records, documents and property. The Group Company Secretary will assist the Board in that regard.

## **5. BOARD PROCEDURES**

### **5.1 BOARD COMMITTEES**

5.1.1 The Board may appoint any number of Board Committees and delegate to such Committees any authority of the Board without abdicating responsibility, provided that such Board Committees perform in terms of Charters or Terms of Reference which have been adopted and approved by the Board and align to the legislative and regulatory requirements, and which sets out its mandate, scope, membership requirements and working procedures for the respective Board Committees.

5.1.2 The Board shall ensure that its reporting requirements have been established during both normal and stressed conditions, and in so doing, ensure that:

- The Board is structured in terms of its responsibilities for risk tolerance / appetite, risk governance, risk coverage, and decision making through the use of its various Committees so as to effectively carry out its oversight role;
- The risk reporting requirements (i.e. the information on SHL's current risk profile, utilisation against the established risk tolerance / appetite and risk metrics, limit breaches and mitigation plans are clearly articulated and documented in the charters of the respective Board Committees in order for them to execute on their mandates.

5.1.3 The Board shall ensure effective collaboration through cross-membership between Committees while considering the avoidance of duplication or fragmented functioning and a balanced distribution of power in respect of Committee membership.

5.1.4 The Board should ensure that each Committee, as a whole, has the necessary knowledge, skills and experience to execute its duties effectively.



5.1.5 A director may be appointed to more than one Committee.

5.1.6 The Board shall appoint the following Group Committees:

Group Audit and Compliance Committee

- This Committee is constituted in terms of section 64 of the Banks Act and in terms of section 94 of the Companies Act.
- The Committee provides independent oversight of the SHL Group's assurance and compliance functions, including external audit, internal audit and the finance function as well as oversight of the integrity of the Group's annual and half-yearly financial statements, statutory reports, shareholder, and public announcements.
- Membership of the Committee shall comprise at least three independent Non-Executive Directors.
- The Committee shall be chaired by an independent Non-Executive Director.
- Members of the Committee should, as a whole, have the necessary financial literacy, skills and experience to execute their duties effectively.

Group Risk and Capital Management Committee

- This Committee is constituted in terms of section 64A of the Banks Act.
- The Committee provides independent oversight of the SHL Group's risk management policies and procedures and its compliance thereof in accordance with the approved risk management framework of the Board. The Committee is also responsible for the Group's capital management policy and capital planning initiatives.
- Membership of the Committee shall comprise at least three independent Non-Executive Directors.
- Membership of the Committee may also comprise Executive Directors.
- The Committee shall be chaired by an Independent Non-Executive Director.
- The Board Chair may be a member of the Committee but shall not be appointed as the Chair of the Committee.

Group Directors' Affairs and Nominations Committee

- This Committee is constituted in terms of section 64B of the Banks Act.
- The Committee is responsible for corporate governance and monitoring directors' responsibilities and matters in their respective fiduciary capacities and also acts as the directors' Nomination Committee.
- Membership of the Committee shall comprise Non-Executive Directors only.
- The Committee shall be chaired by the Chair of the Board, or in his / her absence, by the Lead Independent Director, or if both the Chair of the Board and the Lead Independent Director are absent, by another independent Non-Executive Director.

#### Group Human Resources and Remuneration Committee

- This Committee is constituted in terms of section 64C of the Banks Act.
- The Committee assists the Board and Management with guidance on the adequacy and efficiency of remuneration and HR policies, procedures and practices which are applied within the Group.
- Membership of the Committee shall comprise Non-Executive Directors only.
- An independent Non-Executive Director shall chair the Committee.
- The Board Chair may be a member of the Committee but may not be the Chair of the Committee.

#### Group Social and Ethics Committee

- This Committee is constituted in terms of section 72 and regulation 43 of the Companies Act.
- The Committee assists the Board and Management with oversight and reporting on social and economic development, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, environmental, health and safety matters, consumer relationships, and labour and employment matters, as well as transformation initiatives and compliance thereof in terms of the Financial Sector Charter and the BBBEE codes of good practice.
- Membership of the Committee shall consist of Executive and Non-Executive Directors, with a majority of Non-Executive Directors.
- The office of the Chair of the Committee and the Board Chair shall be separate with a clearly defined division of responsibilities to ensure a balance of authority and power.
- The Chair must be a Non-Executive Director.

#### Group Credit and Large Exposure Committee

- This Committee is constituted in terms of section 73 of the Banks Act.
- The Committee has a mandate to approve Large Exposures between 10% and 25% of Net Qualifying Capital of each relevant entity or closely related group of entities within the Sasfin Group and is responsible for the credit and investment risk management policy and procedures of the Group. The Committee recommends policy to the Board, sets guidelines and reviews compliance with the approved policies of the Group.
- Membership of the Committee shall consist of at least three independent Non-Executive Directors, the CEO, Financial Director, Chief Risk Officer and the Head of Credit;
- The Committee shall be chaired by an independent Non-Executive Director.

### Group Information Technology Committee

- This Committee assists the Board and Management with oversight and reporting on Information Technology governance, risks, projects and compliance initiatives;
- Membership of the Committee shall comprise at least two independent Non-Executive Directors;
- Membership of the Committee may also comprise Executive Directors and subject matter specialists;
- The Committee shall be chaired by an independent Non-Executive Director.

### Group Asset and Liability Committee

- This Committee is established in terms of regulation 26 of the Banks Act.
- The Committee assists the Board and Management with the development and maintenance of a risk management policy for liquidity, interest rate, foreign exchange and market risks, as well as the monitoring of asset and liability model inputs, outputs and sensitivities;
- Membership of the Committee shall comprise at least three independent Non-Executive Directors;
- Membership of the Committee may also comprise Executive Directors;
- The Committee shall be chaired by an independent Non-Executive Director.

## **5.2 BOARD MEETINGS:**

### **5.2.1. MEETING FREQUENCY**

The Board will meet quarterly. Additional meetings may be held at the request of the Chair or any one of the Directors after consultation with the Chair.

### **5.2.2. ATTENDANCE**

5.2.2.1 In the absence of the Chair, the meeting shall be chaired by the Lead Independent Director.

5.2.2.2 In the absence of both the Chair and the Lead Independent Director, the remaining directors present shall elect one of the Non-Executive Directors to chair the meeting.

5.2.2.3 Directors may invite any person to attend specific meetings or part of a meeting, with the prior approval of the Chair.

5.2.2.4 Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their knowledge, skill and experience to the Board.

5.2.2.5 Directors must attend all scheduled meetings of the Board, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chair and/or Group Company Secretary.

5.2.2.6 A meeting may be conducted by Electronic Communication so long as the Electronic Communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

### **5.2.3. NOTICE AND QUORUM**

5.2.3.1 The notice of each meeting of the Board, confirming the venue, time and date, and enclosing an agenda of items to be discussed will, unless otherwise agreed by all concerned, be forwarded to each director and any other person required to attend, not less than seven days prior to the meeting.

5.2.3.2 The quorum for a Board meeting shall be one-half of the number of directors, or, if the number of directors shall be an odd number, the majority in number of the directors, provided that at least two of the directors present shall be Non-Executive Directors.

### **5.2.4. VOTING BY THE BOARD**

5.2.4.1 Each director shall have one vote on a matter before the Board and a majority of the votes cast on a resolution is sufficient to approve that resolution.

5.2.4.2 An alternate director shall have one vote on a matter before the Board only if the director to whom he / she is the alternate is not present at the meeting.

### **5.2.5. WRITTEN RESOLUTIONS**

Decisions taken by written (round robin) resolutions other than at a meeting are valid decisions of the Board if signed by a majority of directors.

## **5.3. MATTERS RESERVED FOR DECISION MAKING BY THE BOARD**

5.3.1 The Board shall define levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to Management.

5.3.2 The Board shall decide on the basis of recommendation made by the relevant Committees and/or Management on strategic issues as follows:

- Approval of strategy, business plans, annual budgets, and any material changes in strategic direction or deviations in the business plans;
- Evaluation of key assumptions and business indicators on which the strategic objectives and policies are based and any material deviation or re-alignment of the businesses in which the Group operates;
- Consideration and approval of any major transactions including any corporate actions with third parties;
- Oversight of all-important policies regulating SHL's relations with its primary stakeholders and issues arising therefrom;
- Financial matters with guidance from the Group Audit and Compliance Committee;

- Approval of the Board Risk Appetite in respect of the various risk categories with guidance from the Asset and Liability and Group Risk and Capital Management Committees
- Statutory and administrative decisions with the guidance of the relevant Board Committee;
- Amendments to the Memorandum of Incorporation;
- Approval of the rules and amendments to the pension and/or provident funds which may have a material effect on the actuarial liabilities of those funds;
- Granting of signing authority in terms of the Schedule of Delegated Authority, and
- Variation or rights attaching to shares where such powers are vested in the directors.

#### **5.4. ANNUAL WORK PLAN AND AGENDA**

- 5.4.1 The Board shall establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year
- 5.4.2 The number, timing and length of meetings as well as the agendas are to be determined in accordance with the annual plan.
- 5.4.3 The CEO and the Group Company Secretary shall, in consultation with the Chair, draw up the agendas for the respective meetings.
- 5.4.4 A detailed agenda, together with supporting documentation, shall be circularised at least seven days prior to each meeting.
- 5.4.5 Directors must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

#### **5.5. PERFORMANCE ASSESSMENTS**

- 5.5.1 The Board shall annually assess its performance and effectiveness as a whole, and that of individual directors, including the CEO, the Chair and the Group Company Secretary.
- 5.5.2 Every third year, the Board shall engage the services of an external service provider to perform an independent Board effectiveness review of the Board as a whole.
- 5.5.3 The Lead Independent Director should lead the performance appraisal of the Chair.
- 5.5.4 The Board shall oversee the performance of the Board Committees as a whole, and that of the individual Board Committee members.

## **6. ROLE OF THE CHAIR**

- 6.1 The Chair shall at all times be an Independent Non-Executive Director and shall be appointed by the Board every year after carefully monitoring his/her performance and independence and factors that may impair his/her independence.
- 6.2 The Chair is responsible for ensuring the integrity and effectiveness of the Board and its Committees.
- 6.3 The Chair is required to:
- Exercise independent judgement, act objectively and ensure that relevant matters are placed on the agenda and prioritised correctly;
  - Provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions;
  - Ensure that all Board members are fully involved and informed of any business issue on which a decision has to be taken;
  - Ensure that Executive members play an effective Management role and participate fully in the operation and governance of SHL;
  - Avail himself to the CEO between Board meetings to provide counsel and advice; and
  - Ensure that the performance of the CEO is evaluated regularly.

## **7. ROLE OF THE LEAD INDEPENDENT DIRECTOR**

- 7.1 The Board may appoint a Lead Independent Director (or Deputy Chair) to assist the Chair in the execution of his/her duties and such other functions as the Board may wish to delegate to the Lead Independent Director.
- 7.2 The Lead Independent Director shall at all times be an Independent Non-Executive Director.
- 7.3 The Lead Independent Director is appointed to:
- Perform the duties of the Chair when the Chair is absent or when the Chair is conflicted;
  - Preside at all meetings of the Board at which the Chair is not present or where the Chair is conflicted, including any sessions of the independent directors;
  - Assist the Board to deal with any actual or perceived conflicts of interest that arise on the part of the Chair;
  - Serve as intermediary between the other directors and the Chair;
  - Deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where contact is inappropriate.
  - Lead the performance appraisal of the Chair.

## **8. DUTIES OF INDIVIDUAL BOARD MEMBERS AND DISCLOSURE OF INTEREST**

- 8.1 Board members act jointly when discharging their duties and no Board member has authority to act on behalf of SHL unless specifically authorised or requested by the Board.
- 8.2 Board members are jointly and severally liable and accountable for Board decisions and actions.
- 8.3 A Board member who has a real or prospective interest in any of the business of the Group shall declare such interest at a Board meeting as soon as the Board member becomes aware of such specific interest.
- 8.4 Where an actual or potential conflict does arise, the provisions of section 75(5) of the Companies Act will apply in that a director must disclose the interest, its general nature, and material information, observations or pertinent insights relating to the matter, before the matter is considered at the meeting, and once these disclosures have been made, is expected to recuse himself/herself from the meeting.
- 8.5 All Board members shall, in good faith, disclose to the Board any business or other interest that is likely to create a potential conflict of interest including:
- All business interests, direct or indirect in any other bank, partnership or business venture;
  - Membership of trade, business or other economic organisations;
  - Shareholdings, share options and/or other interests in the Group;
  - Any direct or indirect interest in any transaction with the Group;
  - Any gifts, monies commissions, benefits or other favours extended or received from any party in respect of or in relation to any business dealing with the Group;
  - Any conflicts of interests in the Board and Board Committee meeting agendas.
- 8.6 A register of declarations of interest shall be kept by the Group Company Secretary and be tabled at each Board meeting for inspection by any director and for directors to review and update their declarations of interests if necessary.
- 8.7 Directors shall, at all times, observe the provisions of all relevant rules, legislative or regulatory procedures and internal Company policy when dealing in Sasfin securities.

## **9. RELATIONSHIP WITH STAKEHOLDERS**

The Board shall evaluate economic, political, social, legal, regulatory and technology issues on a regular basis, as well as any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders and, if appropriate, obtain independent expert advice.

## **10. CORPORATE GOVERNANCE**

- 10.1 The Board shall be responsible for ensuring that an adequate and effective process of corporate governance is established and maintained and that it complies with the requirements of Regulation 39 of the Banks Act, the King IV recommendations and principles and the Basel Committee guidelines, as summarised in Annexures 1 and 2 attached, with particular reference to compliance, assurance of the control environment, stakeholder engagement and corporate citizenship, (principles 3, 13, 15 and 16 of the King IV recommendations and principles 7, 9, 10 and 12 of the Basel Committee guidelines), but without derogating in any way from the importance of all the principles summarised in the said Annexures.
- 10.2 The Board shall include a full and transparent report on corporate governance annually in the integrated annual report.

## **11. REMUNERATION**

- 11.1 The Board shall determine the appropriate criteria for remuneration paid to Executive Directors on the recommendation of the Group Human Resources and Remuneration Committee.
- 11.2 Non-Executive Director remuneration will be determined by Management according to best practice and benchmarking, and will be approved by shareholders by a non-binding special resolution at each annual general meeting.
- 11.3 The Board, in motivating Management and employees effectively and productively, shall promote a culture that supports enterprise and innovation with appropriate short- and long-term performance-related rewards that are fair and achievable.

## **12. THE GROUP COMPANY SECRETARY**

- 12.1 The Group Company Secretary is accountable to the Board for:
- Ensuring that Board procedures are followed and reviewed regularly and that applicable rules and regulations for the conduct of the affairs of the Board are complied with;
  - Guiding the Board as to how their responsibilities should be properly discharged in the best interests of the Group;
  - Remaining well informed on current and new developments regarding corporate governance which would affect the Board; and
  - Maintaining statutory records in terms of legal requirements.
- 12.2 The Group Company Secretary shall keep appropriate records of all meetings of the Board and the Board Committees, which Minutes shall record the proceedings of the meetings and all decisions made.
- 12.3 The Minutes shall be completed within fourteen business days of such meetings and shall be circularised to all Board members and all respective Board Committee members.



- 12.4 The Minutes of the meetings shall be formally approved by the Board and the respective Board Committees at the next scheduled meetings.
- 12.5 All Board members shall have access to Senior Management and the Group Company Secretary for advice about the operations or governance of the organisation and Board procedures.

### **13. GENERAL**

- 13.1 Any member of the Board, Senior Management, Senior Partner of the external auditors, or any Board Committee member may bring to the notice of the Board or its Chair, the CEO or the Financial Director any material matter he/she deems appropriate.
- 13.2 If any part of this Charter conflicts with the MoI, the MoI shall take precedence.

### **14. REVIEW**

This Board Charter shall be reviewed as and when necessary to ensure that it remains relevant to the business objectives of the Group. The review shall be conducted by the Group Company Secretary in consultation with the Chair of the Board.

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## **ANNEXURE 1**

### **KING IV REPORT ON CORPORATE GOVERNANCE – RECOMMENDED PRINCIPLES**

1. The governing body should lead ethically and effectively.
2. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.
3. The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
4. The governing body should appreciate that the organisation's core purpose, the risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
5. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long term prospects.
6. The governing body should serve as the focal point and custodian of corporate governance in the organization.
7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.
9. The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
10. The governing body should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities.
11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
13. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
14. The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

15. The governing body should ensure that assurance services and functions enable the effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.
16. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.
17. The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organization to promote the good governance and the creation of value by the companies in which it invests.

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## **ANNEXURE 2**

### **BASEL COMMITTEE ON BANKING SUPERVISION – CORPORATE GOVERNANCE PRINCIPLES FOR BANKS**

1. **Board's overall responsibilities**  
The board has overall responsibility for the bank, including approving and overseeing Management's implementation of the bank's strategic objectives, governance framework and corporate culture.
2. **Board qualifications and composition**  
Board members should be and remain qualified, individually and collectively, for their positions. They should understand their oversight and corporate governance role and be able to exercise sound, objective judgment about the affairs of the bank.
3. **Board's own structure and practices**  
The board should define appropriate governance structures and practices for its own work, and put in place the means for such practices to be followed and periodically reviewed for ongoing effectiveness.
4. **Senior management**  
Under the direction and oversight of the board, senior management should carry out and manage the bank's activities in a manner consistent with the business strategy, risk appetite, remuneration and other policies approved by the board.
5. **Governance of group structure**  
In a group structure, the board of the parent company has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities. The board and senior management should know and understand the bank group's organisational structure and the risks that it poses.
6. **Risk management function**  
Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources and access to the board.
7. **Risk identification, monitoring and controlling**  
Risks should be identified, monitored and controlled on an ongoing Bank-wide and individual entity basis. The sophistication of the bank's risk management and internal control infrastructure should keep pace with changes to the bank's risk profile, to the external risk landscape and in industry practice.
8. **Risk communication**  
An effective risk governance framework requires robust communication within the bank about risk, both across the organisation and through reporting to the board and senior management.

9. Compliance

The bank's board of directors is responsible for overseeing the management of the bank's compliance risk. The board should establish a compliance function and approve the bank's policies and processes for identifying, assessing, monitoring and reporting and advising on compliance risk.

10. Internal audit

The internal audit function should provide independent assurance to the board and should support board and senior management in promoting an effective governance process and the long-term soundness of the bank.

11. Compensation

The bank's remuneration structure should support sound corporate governance and risk management.

12. Disclosure and transparency

The governance of the bank should be adequately transparent to its shareholders, depositors, other relevant stakeholders and market participants.

13. The role of supervisors

Supervisors should provide guidance for and supervise corporate governance at banks, including through comprehensive evaluations and regular interaction with boards and senior management, should require improvement and remedial action as necessary and should share information on corporate governance with other supervisors.

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