

**Brait PLC: Nomination and evaluation of the Board**





## 1. Introduction

- 1.1. The Brait PLC (“**Brait**”, the “**Company**” or the “**Group**”) Board of Directors (the “**Board**”) has the highest commitment to, and seeks to comply with, the principles of best practice in corporate governance.
- 1.2. Brait is an investment holding company whose shares are primarily listed on the EURO MTF market of the Luxembourg Stock Exchange (“**LuxSE**”) with its secondary listing on the Johannesburg Stock Exchange (“**JSE**”). The Company also has issued convertible bonds which are listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

Brait is structured as a European style investment vehicle which is made up exclusively of Non-Executive Directors who are ultimately responsible for the strategic and investment functions of the Group. An Independent Non-Executive Chairman heads up the Board.

- 1.3. This policy is derived from Brait’s Corporate Governance Charter. Brait is required to comply with the National Code of Corporate Governance for Mauritius. Given Brait’s primary listing on the EURO MTF market of the LuxSE, the Company also strives to comply with the Fourth Edition – Revised Version of “The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange” (the “**Principles**”) as published in December 2017.

## 2. Policy framework

### 2.1. Board Composition

- Eligibility criteria

The Directors are elected by the General Meeting of Shareholders because of their abilities and the contribution they can make to the administration of the Company. All Members of the Board must be sufficiently able to perform their duties as Directors of the Company.

To qualify as a Board Member, a proposed candidate should have all or most of the following qualities:

- entrepreneurial flair;
- sufficient strategic, analytical, communication and knowledge competencies;
- an ability to appreciate the wider business picture and perspective;
- unquestioned honesty and integrity in personal and business dealings;
- a preparedness to objectively question, challenge and critique what is in the best interest of the Company;
- ability to devote sufficient time to carrying out their duties and responsibilities effectively;
- a willingness to commit to good governance; and
- no conflict of interests with the Company.

- Board decisions

Board meetings are preceded by board packs with supporting information on all key decisions to be made. All Directors engage in constructive and critical discussions of the strategy and key policies put forward by the Advisory Service Providers to ensure that no single Director or group of Directors dominate the Board’s decision-making process.

Matters reserved for the Board include:

- Approval of the Group’s overall strategy, forecasts and annual operating

budget.

- Approval of the Group's half-yearly and annual financial statements and changes in the Group's accounting policies or practices.
- Approval of statements and announcements released on the website of the Luxembourg Stock Exchange and on the Stock Exchange News Service ("SENS") of the JSE Limited.
- Regular reviews of the Group capital structure and efficiency. This includes approval of changes relating to the capital structure of the Group or its regulated status.
- Manage, supervise, implement and execute the Company's treasury and funding related matters.
- Approval of the appointment and removal of the Group's contracted investment advisor, including an annual review of performance and compliance with the advisory agreement.
- Approval of major changes in the nature of business operations or investment strategy.
- Approval of investments and divestments.
- Approval of portfolio company valuations at each reporting date as recommended by the Audit and Risk Committee.
- Regular reviews of the performance and plans for each portfolio company.
- Approval of share buyback program & bonus share issue/cash dividend policy and declarations.
- Review of the adequacy of internal control systems; and
- Appointments to the Board and determination of terms of appointment of directors.

## 2.2. Chairman of the Board of Directors

- The Board elects a Chairman of the Company from among its Non-Executive Members. In the absence of the Chairman, the Board will be chaired by a Director elected by the Directors present at the meeting.
- The Chairman's principal function is to preside over meetings of Directors and to ensure and facilitate the smooth functioning of the Board in the interests of optimal board decision making and good governance. To this end, the Chairman is required to:
  - actively participate in the appraisal and selection of Board Members proposed by the Nomination and Remuneration Committee, as well as overseeing Board Meetings;
  - arrange for new Directors appointed to the Board to be properly inducted and oriented, and monitor and evaluate Board and Director appraisals;
  - determine, with input from other directors, an annual plan for the Board against agreed objectives and goals, as well as play an active role in the decision-making process of the Board;
  - ensure that all Directors play a full and constructive role in the affairs of the Company and take a lead role in removing non-performing or unsuitable Directors from the Board; and
  - ensure that all the relevant information and facts are placed before the Board to enable the Directors to reach an informed decision.

## 2.3. Non-Executive Members of the Board of Directors

- The Board of Directors is composed entirely of Non-Executive Directors. A Non-Executive Director is any Member of the Board of Directors who does not carry out an executive function in a company within the Brait Group.
- An Independent Non-Executive Director is any director who meets the following

independence criteria set out in the Principles:

A Non-Executive Director:

- is not an Executive Director (or Manager) of the Company or an associated company, and has not been in such a position for the previous five years;
- is not an employee of the Company or an associated company, and has not been in such a position for the previous three years;
- is not and does not represent a strategic shareholder with a 10% or larger holding in any way;
- is not, and has not been within the last three years, a partner or employee of the present or former Statutory (External) Auditor of the Company or an associated company;
- Each Director shall, at least annually, perform a self-assessment of their independence based on the criteria set out in the Principles.

#### 2.4. Evaluation of the performance of the Board

- The Board regularly evaluates its performance.
- The Chairman of the Board is responsible for the Board self-evaluation process that happens at least once each year for the purpose of assessing the Board's and individual Director's performance. The Board also examines its composition, organisation and effectiveness as a collective body.
- A similar evaluation is carried out by each committee of the Board.
- The evaluation is performed through individual Members completing various forms with specific questions on Board performance which request them to rank each question and suggest recommended changes. The Chairman summarises these and tables the comprehensive report at the next Board meeting.
- In addition to the self-assessment process, the evaluation of the Audit and Risk Committee includes comments and assessments of the committee members' performance from BML and the Investment Advisor.

#### 2.5. Role of Nominations and Remuneration Committee ("**NomRemCo**")

- Responsibilities in terms of the Charter of the NomRemCo include, inter alia:
  - Recommendation of new Directors:
    - Seek out appropriate, qualified candidates to serve as Directors of Brait and encourage and receive recommendations for director candidates from all sources
    - Recommend to the Board candidates for nomination as Directors
    - Develop and recommend to the Board the appropriate skills and characteristics required of Directors, as well as any additional qualifications appropriate for any one or more Directors, based on the needs of Brait from time to time, and confer with the full Board as to the application of these criteria in connection with identifying new Board candidates
    - Monitor the Company's procedures for the receipt and consideration of Director nominations by shareholders and other persons
    - Interview and otherwise examine Director candidates and their credentials
    - Perform such other advisory functions with respect to the selection and nomination of Directors of Brait as are deemed appropriate by the member of NomRemCo



- Leadership and Board evaluations:
  - Review periodically the continued appropriateness of Board Membership for each Director, including upon a change in a Director's employment or other relevant circumstances
  - Prepare or review disclosure regarding NomRemCo's duties required to be included in Brait's annual report
  - Develop and implement director orientation and continuing education programs
  - Establish and monitor procedures by which the Board will conduct, at least annually, evaluations of its performance
  - Recommend to the Board the annual assignment of Directors to Board Committees and the nomination of committee chairpersons
  - Oversee an annual review by the Board on succession planning, including transitional leadership for unplanned vacancies at Board level
  - Review the independence self-assessments performed annually by each Director and report to the Board as appropriate