

## **Group Nomination and Evaluation of Directors Policy**

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## 1. INTRODUCTION

- 1.1 Momentum Group Limited and Momentum Metropolitan Life Limited (“MML”) are Johannesburg Stock Exchange (“JSE”) listed entities, on the equity and debt listings boards, respectively and are herein together with their subsidiaries, collectively referred to as the “Momentum Group” or “the Group”.
- 1.2 The Momentum Group is committed to implementing and maintaining sound corporate governance practices. The Group Boards acknowledge that sound governance principles are the foundation upon which stakeholder trust is built and confidence instilled within the organization.
- 1.3 The Group implemented a Group Governance Framework, Board Charters and related governance practices subject to the provisions of the Insurance Act, Companies Act, the Memoranda of Incorporation (“MOIs”) of the Group entities, the JSE Listings Requirements, the JSE Debt and Specialist Securities Listings Requirements, King IV™, other relevant legislation, regulatory and supervisory prescripts, and applicable corporate governance principles, codes and best practices. This policy is drafted in that context.

## 2. PURPOSE

- 2.1 In accordance with governing laws and practices, the Board is required to adopt a formal nomination policy, in line with the guidelines contained in the Board Charter regarding the appointment of Non-Executive Directors (NEDs) to the Board. This policy establishes and sets out Momentum Group’s policy in relation to nomination, selection, screening and appointment of directors to the MM Group Boards.
- 2.2 The Board is further required to adopt a formal diversity policy for the promotion of broader diversity at Board level. This policy should ensure that the Board consists of members with due regard to diversity in respect of the Company’s transformation initiatives and appropriate gender representation, skills and qualities, as well as meeting its primary responsibility for promoting the success of the Company in a way that ensures that the interests of stakeholders are promoted and protected.

## 3. SCOPE

- 3.1 This policy deals with the Board of Directors of the Group entities. It does not apply to appointment, assessment, or diversity in relation to employees of the Group.

## 4. GOVERNANCE STRUCTURE

### 4.1. Board Composition

- 4.1.1 The Board and/or its nominated Board Committee (the Nominations Committee or NOMCO) should determine the size of the Board, subject to the provisions of the MOIs of the Group entities and recommended governance practices.
- 4.1.2 The Board should comprise of executive and NEDs, with a majority of NEDs being independent. A Chairman and Lead Independent Director (where applicable) should be appointed among the independent NEDs.
- 4.1.3 Succession planning and staggered rotation of directors form part of the Board’s responsibilities. This is necessary to introduce new directors who can contribute fresh ideas and perspectives, whilst retaining valuable skills and maintaining continuity of knowledge and experience

### 4.2. Board Diversity

- 4.2.1 NOMCO is tasked by the Board to assess the Group Boards' aspirational targets in respect of broader diversity. This is to ensure that the Board comprises of gender, as well as racially and culturally diverse directors, of a diverse age group, with skills, knowledge, and experience to discharge the Board's responsibilities and maintain its independence.
- 4.2.2 The voluntary measurable objectives to achieve gender and racial diversity on the Board should be reviewed annually, for adoption by the Board.
- 4.2.3 Currently, the Board intends to ensure that 30% of its directors are female, with 50% Black and majority independent.
- 4.2.4 The Board will annually report in the Group Integrated Report on how it has considered and applied this policy in the nomination and appointment of Directors. The Integrated Report will further indicate the progress achieved in respect of Board diversity.

### **4.3. Delegation to Board Committees**

- 4.3.1 The Board delegates certain functions to its Committees, without abdicating its responsibilities. In particular, the Board has delegated the following responsibilities to NOMCO as per the Board Charter, NOMCO Terms of Reference and Group Delegation of Authority framework:
  - a. Review the Boards and Board Committee sizes and compositions for recommendations to the Board.
  - b. Ensure that the process for nomination, election, and appointment of members to the Group Boards are formal and transparent.
  - c. Establish and maintain a Board diversity and continuity program.
  - d. Set targets for broader diversity, particularly race and gender representation in the Group Board membership.
  - e. Ensure that a candidate for election as a non-executive director provides details of his/her professional commitments accompanied by a statement from the candidate confirming that he/she has sufficient time available to fulfil the responsibilities of a Director on the Momentum Group Boards.
  - f. Ensuring that each new Director signs a letter of appointment containing the terms and conditions for serving as member of the Group Boards.
  - g. Making recommendations to the Board for the continuation (or not) of services of any independent NED who has reached the age of 70.
  - h. Evaluating and/or recommending Momentum Group Directors, based on their individual performance, who are retiring by rotation to be put forward for re-election.
  - i. Making recommendations regarding the appointment of key executive positions and the Group Company Secretary.
  - j. Ensuring that the necessary regulatory approval is obtained prior to the appointment of the directors and key executive positions (where applicable).

## **5. IDENTIFICATION, NOMINATION AND APPOINTMENT OF DIRECTORS**

### **5.1. The need for director appointment**

- 5.1.1 Should the minimum required number of Directors be in jeopardy NOMCO should immediately commence with the recruitment and nomination of suitable candidates.
- 5.1.2 NOMCO will also recruit NEDs to ensure that the required balance of skills, experience, expertise of the Board and its Committees, and the needs of the company going forward are met.
- 5.1.3 NOMCO should continuously seek out new pools of suitable candidates. NOMCO should also consider the candidates nominated for director appointment by the shareholders.

## 5.2. Principles to consider for selection and appointment of directors

- 5.2.1 The members must expressly consider, either at a meeting or by way of telephonic or written communication, the merits of any candidate proposed for membership of the Board. The formal procedures by the NOMCO members to identify, consider and make recommendations to the Board on the appointments, must comply with the following:
- a. A fair and transparent procedure.
  - b. Decisions and recommendations are not affected by the conflict of interest of any member of NOMCO.
  - c. All relevant factors should be considered, including the candidate's experience, skills, reputation and character, and any preference or requirement in respect of the existing and future composition of the Board.
  - d. Candidates should be compliant with the fit and proper requirements as per the Group Fit and Proper Policy and at all times be able to meet the objectives set out in the Code of Conduct for Directors annexed to the MMH Board Charter and required in terms of law.
  - e. The proposed candidate should not have existing interests which could conflict with the interests of the Company, otherwise, any such interest should be disclosed. The candidate should also not be ineligible or disqualified from acting as a director.
  - f. The interview panel is comprised of members of NOMCO.
  - g. Overall, the relevant requirements of the JSE Listings Requirements, the JSE Debt and Specialist Securities Listing Requirements, the Companies Act, and other applicable legislation and standards issued by Regulators (such as the Prudential Authority), if any, are considered.
  - h. The selection process will include reviewing whether the candidate:
    - Possesses the relevant knowledge, skills, experience and, particularly in respect of non-executive directors, independence of mind, given their responsibilities on the board and considering the Group's business and risk profile;
    - Has a record of integrity and good repute;
    - Has sufficient time to fully carry out their responsibilities; and
    - Has disclosed all conflicts of interest, where applicable.
  - i. The following checks/tests are conducted on the appointment of a director and/ or thereafter on a frequent basis:
    - Credit check
    - Criminal check
    - SARS Compliance
    - CIPC external directorship check
    - Anti-money laundering (AML) sanctions screening
    - Politically exposed persons (PEP) screening
    - Adverse media screening
    - Qualification checks (on appointment only)
    - Reference checks (on appointment only).

## 6. APPOINTMENT OF DIRECTORS TO THE BOARD

- 6.1 All appointments to the Board will be made through a formal and transparent process. NOMCO will identify suitable candidates for consideration by the Board. All Board appointments are subject to no objections being raised by the Prudential Authority and shareholder approval at the AGM following the appointment.
- 6.2 NEDs shall not be appointed for specific terms and, instead, their appointment is subject to rotation per the MOIs of the Group entities and in line with good governance principles.
- 6.3 Each appointed Director shall receive a letter of appointment and Induction Pack.

6.4 The appointment shall be announced via SENS.

## **7. INDEPENDENT NON-EXECUTIVE DIRECTORS' TENURE**

- 7.1 In line with good corporate governance, it is the Group's intention that the independent non-executive directors serve no more than nine (9) years on the Group boards.
- 7.2 In exceptional circumstances, and only where the Board has identified a scarcity of specialist skills and/or experience that is critical to the effective functioning of the Board, an independent non-executive director may continue to serve beyond the nine-year limit. Such extension will be carefully considered and recommended by the Nominations Committee.
- 7.3 In the event that the Group resolves that an independent non-executive director should continue to hold office beyond nine (9) years under exceptional circumstances where this is deemed necessary, such independent non-executive director shall be subject to an annual independence assessment by the Board, which must conclude that the director continues to exercise impartial and objective judgment and that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in the decision-making by the concerned director.
- 7.4 In addition, such a director shall be subject to an annual re-election by shareholders at the Annual General Meeting, to ensure that shareholders have the opportunity to endorse the Board process.

## **8. BOARD EVALUATION**

- 8.1.** NOMCO will assist the Board in relation to performance of the Board, Board Committees, and its members by:
- 8.1.1 Determining and evaluating the adequacy, efficiency, and appropriateness of the governance structures within the Group.
- 8.1.2 Assessing the categorisation of the NEDs as independent. NOMCO will establish a process to evaluate the NEDs through an annual assessment and ensure that independent NEDs serving for more than nine (9) years are subjected to a review of their independence, under co-ordination of the Chairman of the Board.
- 8.1.3 Overseeing the co-coordinating of the performance assessments of the Chairman, the Group Boards, individual Directors and the Board Committees.
- 8.1.4 Ensuring individual directors adhere to the directors' code of conduct.
- 8.1.5 Ensuring that the Group Boards annually appraise the performance of the Group CEO and Company Secretary.

### **8.2. Performance Evaluation process**

- 8.2.1 Directors will be assessed both individually, and collectively as a Board on a regular basis. The Board will be assessed at least annually.
- 8.2.2 A formal appraisal process will be followed. This process will either be internally or externally facilitated. However, it will be in accordance with a NOMCO approved methodology.
- 8.2.3 NOMCO must ensure that an independent NED, who has served in such capacity on the Board for nine (9) years, undergo an annual assessment to determine his/her independence.
- 8.2.4 The performance evaluation of the Board will be disclosed in the Integrated Report.

## **9. POLICY REVIEW**

The policy should be reviewed at least annually, or when there is a change in the relevant governance practices.

## 10. DEFINITIONS AND ABBREVIATIONS

<b>AGM</b>	Annual General Meeting
<b>Board</b>	Board of directors of the Momentum Group companies
<b>Companies Act</b>	Companies Act No.71 of 2008 and its regulations (as amended from time to time)
<b>Director</b>	A director includes an alternate director, a prescribed officer; and a person who is a member of a committee of the Board of the Group, irrespective of whether the person is also a member of the Momentum Group or its subsidiaries' Board.
<b>Fit and Proper Requirements</b>	Personal character qualities of honesty, integrity, and competence, including experience, offences, convictions, qualifications, and knowledge as may be prescribed by legislative and governance requirements.
<b>Ineligible or disqualified</b>	This means ineligible or disqualified as contemplated in the Companies Act, which applies not only to Directors and Alternate Directors but also to members of Board Committees, prescribed officers, and the Group Company Secretary.
<b>Insurance Act</b>	The Insurance Act, 18 of 2017
<b>JSE Debt and Specialist Securities Listings Requirements</b>	The Debt and Specialist Securities Listings Requirements, issued by the JSE, which govern new applications and continuing obligations applicable to issuers of debt securities
<b>JSE Listings Requirements</b>	Johannesburg Stock Exchange Listings Requirements (as amended from time to time)
<b>King IV™</b>	King IV Report on Corporate Governance for South Africa 2016
<b>Prudential Authority</b>	A juristic person operating within the administration of the South African Reserve Bank

## 11. DOCUMENT CONTROL

### 11.1. Key Document Summary

<b>Document Status and Version</b>	Approved – Momentum Group Board – June 2025
<b>Document Owner</b>	Group Company Secretary
<b>Document Location</b>	Momentum Group website