



**MULTI CHOICE**  
ENRICHING LIVES

## Appointment, induction and development of directors' policy

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## TABLE OF CONTENTS

1. Introduction	3
2. Appointment process	3
3. Induction	4
4. Ongoing development	8
5. Document Properties	2

## 1. Introduction

The MultiChoice Group Limited (MCG) and MultiChoice South Africa Holdings (Pty) Ltd (MCSAH) boards are responsible for the appointment of directors to their respective boards, subject to shareholder approval. The process for board appointments is formal and transparent, and has been delegated by MCG and MCSAH to the MCG nomination committee. The MCG company secretary assists with much of the administrative work as instructed by the chair of the nomination committee. The nomination committee makes recommendations for the appointment of new directors to the relevant board.

The MCG company secretary is responsible for the administrative work related to the induction process as detailed herein.

## 2. Appointment process

- 2.1. The nomination committee annually reviews the composition of the MCG and MCSAH boards in respect of required expertise and diversity of the relevant board. Interim requirements are addressed as and when appropriate.
- 2.2. Board members are expected to assist with the identification and nomination of potential candidates.
- 2.3. The nomination committee screens candidates to compile a shortlist. Background and reference checks (a “fit and proper” clearance) are performed by an independent third-party service provider appointed by either MCG or MCSAH and independent of the candidate.
- 2.4. In preparing a short-list of candidates, the following factors, amongst others, are considered:
  - 2.4.1. candidate is not disqualified in terms of the Companies Act 71 of 2008 (the Act);
  - 2.4.2. qualifications;
  - 2.4.3. number of existing directorships;
  - 2.4.4. expertise and ability to add value to the board;
  - 2.4.5. track record which exhibits integrity and independence;
  - 2.4.6. collective knowledge, skills and experience required by the board;
  - 2.4.7. diversity of the board as a whole; and
  - 2.4.8. whether the candidate meets the appropriate fit and proper criteria.
- 2.5. Interviews are conducted with the chair of the board and chief executive officer.

- 2.6.** Short-listed candidates must:
- 2.6.1.** provide details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as a member of the relevant board(s);
  - 2.6.2.** not hold more than four (4) active directorships on companies (including MCG) listed on any local or foreign regulated exchange such as the JSE; and
  - 2.6.3.** demonstrate that they understand what is expected of them and confirm that they are willing to make the necessary commitments, and will have available the time required to discharge their responsibilities.
- 2.7.** The board considers the proposal and determines interim appointments. Interim appointments are subject to shareholder approval at the next annual general meeting (AGM). A brief professional profile of each candidate standing for election at the AGM, including details of existing professional commitments, should accompany the notice of the AGM, together with a statement from the board confirming whether it supports the candidate's election.
- 2.8.** The MCG company secretary arranges Schedule 13 declarations in terms of the JSE Limited's (JSE) Listings Requirements and the "fit and proper" clearance. Final feedback is given to the nomination committee to confirm the appointment(s).
- 2.9.** A formal appointment procedure is activated and attended to by the company secretary:
- 2.9.1.** Letter of appointment and consent to act are signed
  - 2.9.2.** Schedule 13 declarations to the JSE are made, and
  - 2.9.3.** Stock exchange announcements and press releases are issued.

## 3. Induction

- 3.1.** The purpose of the induction programme is to enable incoming directors to make the maximum contribution within the shortest time possible.
- 3.2.** The chair and the chief executive officer will have a discussion with the new director to explain the nature of the MultiChoice Group's business and answer any questions the new director may have.

- 3.3. A tour of facilities will be provided to the new director as the chief executive deems relevant.
- 3.4. The director will meet with management to understand the nature of the various business units and governance structures in place.
- 3.5. The MCG company secretary shall issue the following documents to the new director upon his/her appointment to the board:
  - 3.5.1. A guidance note on duties and responsibilities of directors, in terms of the Act;
  - 3.5.2. Code of ethics and conduct;
  - 3.5.3. Legal structure of the MCG or MCSAH group (as applicable);
  - 3.5.4. List of major shareholders of MCG and/or MCSAH (as applicable);
  - 3.5.5. Copies of the latest integrated annual report and preliminary report/interim report (as appropriate);
  - 3.5.6. Copies of the meeting packs of the previous two board meetings;
  - 3.5.7. Copies of the most recently board-approved business plan and the budget;
  - 3.5.8. The most recently distributed progress and financial reports;
  - 3.5.9. Copy of the MCG pre-listing statement;
  - 3.5.10. Meeting schedule; and
  - 3.5.11. Access to MCG directors' governance portal, which includes, among other information: history and overview of the MultiChoice Group's businesses, group structure, board and management team details, board and committee charters, memorandum of incorporation, board policies, summaries of relevant legislation and regulations, directors' and officers' insurance, ongoing obligations in terms of the JSE Listings Requirements.
- 3.6. For directors who are newly appointed to a committee the following documents (as appropriate for the relevant committee) will be issued to the director:
  - 3.6.1. **Audit committee**
    - 3.6.1.1. Copies of the meeting packs of the last two committee meetings.
    - 3.6.1.2. A copy of the latest external and internal audit plans (if not included in the meeting packs referred to above).
    - 3.6.1.3. A copy of the latest external audit and internal audit reports (if not included in the meeting packs referred to above).
    - 3.6.1.4. A copy of the committee charter.

- 3.6.1.5.** The most recent committee charter compliance assessment.
- 3.6.1.6.** An overview of principal accounting policies used by MCG and MCSAH.
- 3.6.1.7.** An overview of the group's risk management procedures, including a copy of the latest risk report outlining key risks identified.
- 3.6.1.8.** Guidelines on the application of International Financial Reporting Standards.
- 3.6.1.9.** The most recent JSE compliance checklist signed off by the MCG JSE sponsor.
- 3.6.1.10.** Meeting schedule.

The MCG chief financial officer and head of internal audit will meet with a new committee member to explain the nature, structure and framework of the group's financial and internal audit functions and to answer any questions that he/she may have.

## **3.6.2. Nomination committee**

- 3.6.2.1.** Copies of the meeting packs of the last two committee meetings.
- 3.6.2.2.** A copy of the committee charter.
- 3.6.2.3.** A copy of the most recent committee charter assessment.
- 3.6.2.4.** A copy of the board diversity policy.
- 3.6.2.5.** A copy of the most recent succession plans for the chair of the board and most senior executives of MCG and MCSAH.
- 3.6.2.6.** Schedule of board and committee members of MCG and MCSAH and MultiChoice South Africa Proprietary Limited.
- 3.6.2.7.** Meeting schedule.

The new committee member will be given the opportunity to meet with the committee chair and the company secretary to ask questions or obtain any background information on the functioning of the committee, the matters currently being dealt with, board and committee structures and the board diversity policy.

## **3.6.3. Remuneration committee**

- 3.6.3.1.** Copies of the meeting packs of the last two committee meetings.
- 3.6.3.2.** A copy of the committee charter.

- 3.6.3.3.** A copy of the most recent committee charter compliance assessment.
- 3.6.3.4.** A copy of the most recent remuneration report published to shareholders.
- 3.6.3.5.** A copy of the most recent director and senior executive's remuneration policy.
- 3.6.3.6.** A list of MCG's share-based incentive plans detailing the trustees and compliance officers.
- 3.6.3.7.** Details and outcome of remuneration-related shareholder resolutions.
- 3.6.3.8.** Meeting schedule.

The chief people's officer will meet with the new committee member to explain the nature, structure and framework of the group's remuneration philosophies, policies, structures and functions and to answer any questions that he/she may have.

#### **3.6.4. Risk committee**

- 3.6.4.1.** Copies of the meeting packs of the last two committee meetings.
- 3.6.4.2.** A copy of the committee charter.
- 3.6.4.3.** A copy of the most recent committee charter compliance assessment.
- 3.6.4.4.** An overview of the group's risk management procedures including the risk management plan and budget and a copy of the latest risk report outlining key risks identified (if not already included in the agenda packs referred to above).
- 3.6.4.5.** An overview of the group's compliance programme, including a listing of key statutory and regulatory requirements with which the group must comply, summaries of which are on the directors' governance portal.
- 3.6.4.6.** Meeting schedule.

The executive directors, the chief general counsel, the head of legal compliance and group risk manager(s) will meet with a new committee member to explain the nature of the group's risk function and processes and to answer any questions that he/she may have.

## 3.6.5. Social and ethics committee

- 3.6.5.1. Copies of the meeting packs of the last two committee meetings.
- 3.6.5.2. A copy of the committee charter.
- 3.6.5.3. A copy of the most recent committee charter compliance assessment.
- 3.6.5.4. An overview of the group's sustainability strategy.
- 3.6.5.5. An overview of the group's corporate citizenship policies and programmes, such as corporate social investment, broad-based black economic empowerment, ethics, labour relations, stakeholder engagement, etc.
- 3.6.5.6. Meeting schedule.

The executive directors, the group ethics officer, the group corporate affairs executive and the group governance partner will meet with a new committee member to explain the nature of the group's corporate citizenship and ethics frameworks and to answer any questions that he/she may have.

- 3.7. The new director may at any stage approach the company secretary to explain or expand upon any of the documents distributed to him/her.
- 3.8. Should the new director require any relevant specific training to assist him/her in performing his/her duties as a director or committee member of the company, the company secretary, after consultation with the chair of the relevant board and relevant committee chair, will arrange such training at the relevant company's expense after having received a request from the new director.


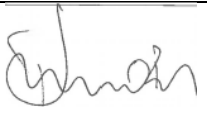
## 4. Ongoing development

- 4.1. Board and committee members will be exposed to continuous development and training to enable them to remain acquainted with significant changes in the MultiChoice Group, including developments in accounting and financial reporting and matters relating to their responsibilities. Ongoing development and training activities may form part of regular committee meetings, to be scheduled as such on the agenda. Individual committee members may also attend external programmes and may subsequently share the information obtained with other committee members.



- 4.2. Handouts/publications on the functioning of a committee, financial reporting standards, etc., may also be used to provide ongoing information to committee members.

## 5. Document Properties

MultiChoice Group		<i>Document Number</i>	
		MCG-GRP-BOARD-009	
Appointment induction and development of directors policy		<i>Effective Date</i>	
		03/04/2020	
<i>Originated By:</i>		<i>Reviewed By:</i>	
Carmen Miller		Tim Jacobs	
Governance partner		Group chief financial officer	
			
		Approved By:	
		MCG	
		Board of directors	
		2 April 2020, minutes	
<i>Rev. No.</i>	<i>Rev. Date</i>	<i>Section/s</i>	<i>Description of Change</i>
1	10 Dec 2018	n/a	New policy
2	2 April 2020	2	Combining various policies
2	2 April 2020	3	Refining induction process including an ongoing development provision and ensuring that the policy applies to both MCG and MCSA directors.