

# ESG South Africa continued

## Governance

### Leadership and independence

The roles of the Chairperson and Chief Executive Officer are separate. Mr Nigel Payne, an independent non-executive director, occupies the office of Chairperson. Almost 90% of non-executive directors are independent which leads to a strong independent-minded board. There is a clear division of responsibilities to ensure that no one director has unfettered powers in decision making.

### Lead independent director

Dr Renosi Mokate has been appointed as the lead independent director. She maintains the effectiveness of

the board by providing leadership and advice when the Chairperson has a conflict of interest, and she plays a key role in supporting him.

### Chief Executive Officer

Mr Laurence Rapp is the CEO and has held that office since 1 August 2011. He is responsible for the effective management and the day-to-day running of the business in terms of the strategies and objectives approved by the board. He is the Chairperson of the internal investment committee and the executive committee.

assessed on an ongoing basis with specific focus annually on directors with service terms longer than nine years.

In line with the above and given her tenure of longer than nine years, the board has formally evaluated Dr Mokate's independence both in her capacity as lead independent director and a member of the audit and risk committee (which she chairs) and concluded that she remains independent.

In addition, all members of the audit and risk committee's independence were also formally evaluated and the board concluded that all members of the ARC, including Dr Mokate, are considered independent.

### Appointment, rotation and re-election of directors

In line with the provisions of the company's MOI, one-third of both non-executive and executive directors are required to retire annually at the company's AGM. In addition to this, all directors appointed by the board during the year are required to retire at the AGM. In both of the cases above, directors, being eligible, offer themselves for re-election.

The following directors will be retiring at the upcoming AGM, namely Mrs NP Dogwana, Mr JR Formby, Mrs LE Pottas, Mr JH Zehner, Mr IU Mothibeli, Dr RD Mokate, Mrs AMSS Mokgabudi.

Each committee Chairperson reports back to the board after every committee meeting in order to ensure transparent communication to the board regarding committee activities. The board is satisfied that the respective board committees are competent and that they effectively discharged their duties.

### Audit and risk committee

The committee comprises four independent non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act and King IV. As a collective, and having regard to the size and circumstances of the group, the committee was adequately skilled, and all members possessed the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

### Members and meeting attendance

Member	Scheduled meetings
RD Mokate (Chairperson)	3/3
JR Formby	2/2
AMSS Mokgabudi	3/3
B Ngonyama	1/1

### Board diversity

The board has adopted a formal board diversity policy. The current composition compared to our voluntary targets are presented below:

Diversity indicator	Voluntary target	Current composition
Race	50% black representation	60% black non-executive director (NED) representation
Gender	30% female representation	30% female NED representation
Skills, experience and industry	Skills targeted as per the current skills needs assessment	Refer to current skills matrix below
Age	Appropriate and diverse age distribution with a solid balance between new blood and institutional memory	Average NED age is 59 and average tenure is 5 years

### Board skills matrix

The current skills matrix of the board is set out below:

Director	Accounting	Finance	Capital markets	Business leadership	Property operations	Retail	ESG
NG Payne	■	■	■	■	■	■	■
RD Mokate		■	■	■			■
SF Booyesen	■	■	■	■	■		■
NP Dongwana	■	■	■	■			■
JR Formby	■	■	■	■		■	■
BM Kodisang	■	■		■			■
AMSS Mokgabudi	■	■		■		■	■
GS Moseneke		■		■	■	■	
IU Mothibeli		■		■	■	■	
H Ntene		■		■	■		
LE Pottas	■	■	■	■	■	■	■
LG Rapp		■	■	■	■	■	■
JH Zehner		■	■	■	■	■	■

### Board refresh and succession planning

In line with previous communication, the board has continued its board succession plan during the year with the appointment of three new independent non-executive directors in Jon Zehner, James Formby and Neo Dongwana. Following the retirement of Mervyn Serebro and Peter Moyanga within the past three years, Mr Hatla Ntene has now also indicated that he will not be available for re-election following his retirement at the upcoming AGM, having served on the board for 11 years.

Following Mr Ntene's resignation, the average tenure of non-executive directors serving on the board will be five years, which represents a good balance between long-serving members with lifecycle experience, strong corporate memory and in-depth business fused with our new members who bring new ideas and fresh perspectives.


In order to achieve the aforementioned balance of experience, it is naturally required that some members will have tenures in excess of the traditional nine-year service period. In line with our policy, director independence is

## COMMITTEES OF THE BOARD

### Principle 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of duties ✓

The Vukile governance structure and delegation of authority are designed to achieve independent judgement and the sound execution of strategy, and the utilisation of individual directors' unique skill sets. The board delegates authority to established board committees as well as to the CEO, with clearly defined mandates.

The board has established four board committees in order to effectively discharge its duties. The committees are appropriately constituted, and members are appointed by the board, with the exception of the audit committee whose members are nominated by the board and elected by shareholders. External advisors, executive directors and members of management attend committee meetings either by standing invitation or on an ad hoc basis to provide pertinent information and insights in their areas of responsibility. The responsibilities delegated to these committees are formally documented in the committee's terms of reference, which are approved by the board and reviewed periodically.


 A detailed report of the ARC's activities in FY24 are set out in the ARC report of pages 13 to 16 of the annual financial statements.

### Social, ethics and human resources committee

The committee comprises three independent non-executive directors. As a collective, and having regard to the size and circumstances of the company, the committee is adequately skilled and resourced. The terms of reference of the committee include oversight of the company's ESG strategy and execution thereof.

### Members and meeting attendance

Member	Scheduled meetings
SF Booyesen (Chairperson)	3/3
RD Mokate	3/3
NG Payne	3/3

 A detailed account of the SEHRC's activities for FY24 are set out in the SEHRC Chairperson's letter on pages 13 to 16 of the integrated annual report.

# ESG South Africa continued

## Governance continued

### Property and investment committee

The committee comprises four non-executive directors and two executive directors. As a collective, and having regard to the size and circumstances of the company, the committee is adequately skilled and resourced.

#### Members and meeting attendance

Member	Scheduled meetings
SF Booysen (Chairperson)	4/4
BM Kodisang	4/4
GS Moseneke	4/4
IU Mothibeli	4/4
H Ntene	4/4
LG Rapp	4/4

#### Key activities for FY24

- Oversight of property valuation process and recommendation of interim and final property values for approval by the board
- Oversight of the annual individual property underwriting process to determine key strategic actions per property
- Evaluation and oversight of the property portfolio performance during the year
- Approval and oversight of key property disposals during the year
- Oversight of key capital projects during the year.

The board's delegation to the relevant board and management committees are as follows:

#### Transaction authority matrix

The delegated authority thresholds in respect of acquisitions, disposals, redevelopments/refurbishments are as follows:

Transaction type	Board	Property and investment committee	Internal investment committee*
Acquisitions	≥R300 million per transaction	R150 – R300 million per transaction	≤R150 million per transaction
Disposal	≥R300 million per transaction	R150 – R300 million per transaction	≤R150 million per transaction
Redevelopments/refurbishment	≥R300 million per transaction	R150 – R300 million per transaction	≤R150 million per transaction

\* Management committee comprising three executive directors.

### Nominations committee

The committee comprises three independent non-executive directors and is chaired by the Chairperson of the board. As a collective, and having regard to the size and circumstances of the company, the committee is adequately skilled and resourced.

#### Members and meeting attendance

Member	Scheduled meetings
NG Payne (Chairperson)	3/3
SF Booysen	3/3
RD Mokate	3/3

The committee's primary activity for FY24 was the board refresh process and the sourcing of potential new additions to the board.

## EVALUATION OF THE PERFORMANCE OF THE BOARD

**Principle 9: The board ensures that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness ✓**

#### Board evaluation

The board assesses its performance and that of its individual directors, as well as their independence, on an ongoing basis. The Company Secretary facilitates a comprehensive board and committee evaluation biennially. Matters considered in the evaluation focused on the effectiveness of the board and its committees, including:

- Composition;
- Performance;
- Role of the Chairperson;
- Appropriateness of the board charter and its committees' terms of reference;
- Communication and interpersonal relationships;
- Board dynamics and leadership; and
- Independence considerations for all directors and specific consideration of directors with terms of service of more than nine years.

The most recent board and committee evaluations were conducted in July 2024.

## APPOINTMENT AND DELEGATION TO MANAGEMENT

**Principle 10: The board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities ✓**

#### CEO appointment and role

The CEO is responsible for leading the implementation and execution of Vukile's approved strategy and operational management. He serves as the main link between management and the board. The board formally evaluates his performance against previously agreed critical performances areas (CPAs) on an annual basis in May. The CEO does not currently sit on the boards of any other listed companies, other than Castellana Properties SOCIMI SA, which is a Vukile subsidiary listed on the BME Growth of the Madrid Stock Exchange.

#### Delegation to management

The board has delegated authority to executive management, through the CEO, to manage day-to-day business activities and affairs, subject to statutory limits and other limitations set out in our formal approval framework. The delegation is reviewed periodically to take account of changes to the business.

The effective implementation and compliance with the approval framework are monitored by the Company Secretary. The board considers the key talent pool within senior management as an important continuity of leadership, and younger talent is therefore regularly exposed to board practices and activities. Succession plans are reviewed periodically by the SEHRC and the formal emergency succession plan was reviewed and updated in 2024.

