

## DLC NOMINATIONS AND DIRECTORS' AFFAIRS COMMITTEE REPORT

**Perry Crosthwaite**

Chair of DLC Nomdac

**Key achievements in 2020/21**

- Recommended the appointments of Stephen Koseff and Richard Wainwright to the board
- Monitored the progress of ongoing chair succession plans
- Considered the succession plans for the board and senior management
- Reviewed the skills, knowledge, experience, independence and diversity of the board
- Considered the board effectiveness review and training.

**Areas of focus in 2021/22**

- Consider the succession plans for the board and senior management
- Review the composition of the board and the principal board committees
- Review the skills, knowledge, experience and diversity of the board
- Coordinate the external facilitation of the board effectiveness review.

Members	Member since	Meetings attended	Eligible to attend
Perry Crosthwaite (Chair)	16 Apr 2017	6	6
Zarina Bassa	1 Apr 2017	6	6
David Friedland <sup>1</sup>	16 Sep 2014	5	6
Philip Hourquebie	15 May 2018	6	6
Lord Malloch-Brown	15 May 2018	6	6
Khumo Shuenyane	15 May 2018	6	6
Peter Thomas <sup>2</sup>	9 Sep 2010	3	3

1. Unable to attend due to another business commitment. Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair of the committee.
2. Peter Thomas was the representative of IBL. He stepped down from the committee on retiring from the IBL board on 6 August 2020.

**Introduction**

The role of the DLC Nomdac (the committee) centres on people matters, which ultimately determine the success or otherwise of every corporation. The work we undertake ensures that we have a strong leadership in place, with diverse and relevant operational experience, to enable the group to fulfil its purpose and execute its strategy.

**Role and responsibilities**

The role of the committee is to keep the board's composition, skills, experience, knowledge, independence and succession arrangements under review and to ensure that appropriate procedures are in place for nominating, training and evaluating directors. Due regard is given to the benefits of diverse senior leadership, including diversity of thought, gender, social background and ethnicity.

The committee reports to the board on how it discharges its responsibilities and makes appropriate recommendations to the board. The committee's terms of reference can be found at [www.investec.com](http://www.investec.com).

**Membership and attendance**

To ensure a broad representation of experienced and independent directors, membership of the committee currently comprises the Chair, the senior independent director (who is also the chair of the DLC Audit Committee), the chairs of each of the DLC BRCC, DLC Remuneration Committee and DLC SEC, and the Chair of the IBL board.

As IBL does not have an independent nominations and directors' affairs committee, it was agreed that a representative of IBL be a member of the committee. Peter Thomas previously acted as the IBL representative, until he stepped down from the IBL board in August 2020. Khumo Shuenyane, the chair of IBL, continues to serve on the committee as the IBL representative.

As announced in June 2021, following his appointment to the board, Brian Stevenson was appointed a member of the committee.

Details of individual attendance at the meetings held during the year are set out above. More information on the skills and experience of all committee members can be found on pages 80 to 82.

**Succession planning**

During the year, the committee continued to focus on succession planning, with consideration given to the planned board retirements and the impact of these on the membership of the board and its committees, including oversight of the planned transition. The committee's ongoing review of the structure, size and composition of the board and its committees helps ensure that the appropriate mix of knowledge, skills, experience and diversity is maintained.

As indicated in last year's report, Ciaran Whelan joined the board in April 2020, David van der Walt stepped down from the board in June 2020, and Ian Kantor stepped down from the board at the AGM in August 2020.

As announced in July 2020, Stephen Koseff joined the board in September 2020, as a non-independent non-executive director. Stephen brings extensive financial services experience, and his risk and strategic acumen will add to the board's capabilities.

As announced in June 2020, Richard Wainwright joined the board as an executive director in September 2020.

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As announced in March 2021, Charles Jacobs will step down from the board in June 2021, and Lord Malloch-Brown will not stand for re-election at the AGM in August 2021.

The committee remained committed to ensuring the board maintained an appropriate range of skills on the board, following their departure, with a specific focus on potential candidates with ESG experience and/or knowledge of regulatory standards. We undertook a full search of potential candidates, using this brief, in order to capture the clear benefits of diversity of background and opinion.

On the conclusion of this search, the committee is pleased to acknowledge the appointments of Nicky Newton-King, Jasandra Nyker and Brian Stevenson to the board, as independent non-executive directors. Nicky brings significant regulatory and business expertise given her background as the chief executive of the JSE Limited, and knowledge of ESG matters. Jasandra will also enhance the collective skills and knowledge of the board, with her extensive experience in the renewable energy sector. Whilst Brian provides substantial strategic, governance and financial services experience.

The committee also recommended the appointment of Khumo Shuenyane as chair of DLC SEC, in place of Lord Malloch-Brown when he steps down from the board, given his complementary skills and experience as an existing member of DLC SEC.

As announced in March 2021, I will also not stand for re-election as chair of the board at the AGM in August 2021.

This report summarises the work done to identify my successor as chair. I am not involved in the process, but I am confident that my successor will benefit from the work of an effective and impactful committee.

**Board diversity**

I believe that the committee's focus on inclusion and diversity sets the tone and direction for Investec to be an inclusive employer, with diverse teams delivering for the benefit of all of our stakeholders.

Further details on our Board Governance and Diversity Policy can be found on page 87.

**Board effectiveness and training**

The committee oversees the board effectiveness review, and assesses the feedback from the evaluation process. Full details of the board effectiveness review, including the evaluation of the committee's effectiveness, are provided on page 93.

The 2021 board effectiveness review is expected to be facilitated externally, in line with the recommended approach set out in the UK Corporate Governance Code.

The committee also oversees the training and development of the board, and of the directors of the group's principal subsidiaries.

**Conflicts of interest and independence**

Each director has a duty to disclose any actual or potential conflict of interest, as defined by law, for consideration and approval if appropriate by the board. This is supported by the committee's review of the register of directors' interests and its annual assessment of director independence.

Based on its assessment for the year, the committee is satisfied that, with the exception of Stephen Koseff who was appointed as a non-independent non-executive director, all the non-executive directors remained independent in character and judgement.

The committee, and the board, gave specific consideration to the continuing independence of myself, Philip Hourquebie, Charles Jacobs, Ian Kantor and Stephen Koseff as detailed on page 88.

In recommending directors for election and re-election at the AGM, the committee, through the board effectiveness review, has considered the performance of each of the directors and their ability to continue meeting the time commitments required. We have taken into consideration individual capabilities, skills and experience, and any potential conflicts of interest that have been disclosed. The external roles held by all directors were considered to be appropriate. Further details of our Conflicts of Interest Policy can be found on page 117.

**Governance**

As part of our broader governance responsibilities, the committee considered regular updates on developments in corporate governance, and also considered correspondence with shareholders.



**Perry Crosthwaite**  
Chair, DLC Nomdac  
22 June 2021

**Chair succession**

Following the announcement of Pery Crosthwaite's intention to step down from the board, the board initiated a search process to find his successor.

A sub-committee, comprising Charles Jacobs (chair), David Friedland, Lord Malloch-Brown and Khumo Shuenyane, was established to lead the process. All of the members of the sub-committee are independent non-executive directors, and free of any potential conflicts of interest.

Odgers Berndtson were appointed to assist the sub-committee in identifying a diverse list of potential candidates with the experience and personal qualities to become chair.

Odgers Berndtson do not have any connection to the group or any of the directors other than to assist with the searches for executive and non-executive talent.

Charles Jacobs kept the board and the committee informed on progress, with regular discussions held throughout.

A long list of candidates, including internal and external candidates, was considered and was narrowed down to a diverse short list.

The members of the sub-committee held interviews with the potential candidates, to assess their suitability for the role.

At the conclusion of these interviews, the sub-committee made a recommendation to the committee.

The committee considered the recommendation of Philip Hourquebie as the successor to the Chair, and prepared a recommendation to the board accordingly.

The board considered the proposal, and agreed that Philip be appointed as the Chair, when Pery steps down from the board. It was considered that Philip was the most suitable candidate for the role, given his knowledge, skills and experience, in particular, his knowledge of the group through his time on the board, his good working relationship with the executive, and his extensive experience of engaging with our stakeholders, through his role as Chair of the DLC Remuneration Committee.

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What we did in 2020/21

2020

May

- Reviewed the methodology for prescribed officers
- Considered the independence of the non-executive directors
- Recommended the establishment of a remuneration committee for IBL
- Reviewed the corporate governance report
- Considered the board composition of the group's principal operating subsidiaries.

June

- Reviewed the succession plan for the leadership team
- Recommended the appointment of Mark Currie as chief risk officer.

July

- Approved the appointments of Morris Mthombeni and Moni Mannings as members of the DLC SEC
- Reviewed the register of directors' interests
- Discussed the review by Internal Audit of the board's procedures in respect of related parties and conflicts of interest
- Considered the board composition of the group's principal operating subsidiaries.

September

- Recommended the appointment of Stephen Koseff as a non-executive director
- Recommended the appointment of Richard Wainwright as an executive director
- Considered the succession plan for the board
- Approved the appointment of Henrietta Baldock as a member of the DLC Remuneration Committee
- Approved the directors' Conflicts of Interest Policy
- Determined the process to be adopted for the internally facilitated annual effectiveness review.

2021

February

- Considered the composition of the board and board committees
- Considered the succession plan for the leadership team
- Discussed the results of the board effectiveness review
- Considered the board composition of the group's principal operating subsidiaries.

March

- Approved the Board Governance and Diversity Policy
- Discussed the succession plan for the Chair
- Considered the succession plan for the board
- Considered the composition of the board and board committees.