

Board of directors

Corporate governance within Super Group is managed and monitored by a unitary Board, the Group Audit Committee and several subcommittees of the Board. The Board's responsibilities and terms of reference are detailed in the Board charter. This charter has been developed to enable the directors to maintain effective control over strategic, financial and compliance matters of Super Group. This charter is reviewed annually and has been updated when required to ensure compliance with the Companies Act, King IV and the JSE Listings Requirements.

BOARD RESPONSIBILITIES

The Board is accountable to the stakeholders for exercising leadership, integrity and judgement in directing Super Group to achieve profitability by ensuring the necessary balance between entrepreneurship and conformance with best business and corporate governance practices. The Board also acknowledges its responsibilities in accordance with the recommendations of King IV, specifically Principles 1,3 and 3 of the Code, vis-à-vis leading ethically and effectively, governing the ethics of Super Group in a way that supports the establishment of an ethical culture, and ensuring that the organisation is and is seen to be a responsible corporate citizen. The Board further acknowledges that it should serve as the focal point and custodian of the corporate governance in the organisation as outlined in Principle 6 of King IV.

The Board's primary functions include:

- Approving the strategic direction of Super Group.
- Confirming strategic objectives and key policies and ensuring communication of these to applicable management levels.
- Monitoring the implementation of management's plans and strategies.
- Reviewing and approving overall policies and processes to maintain the integrity of the Group's risk management and internal controls.
- Determining and defining investment and performance criteria.
- Reviewing and approving the annual business plan and budget and monitoring performance against budget.
- Identifying and continually reviewing key risks, as well as the mitigation thereof by management, against a background of economic, environmental and social issues.
- Monitoring of financial and internal control development.
- Continually rating the Group's own performance relative to budgets, competitors and prevailing economic conditions.
- Approving major capital expenditure programmes, significant acquisitions and disposals.
- Approving investment, divestment, refinancing and restructuring transactions.
- Reviewing and approving the Group's half year and full year results.
- Reviewing and approving the Integrated Report, including approving management's basis for determining materiality for deciding which information is included in the Report.
- Determining the arrangement for assurance with respect to the information included in the Report.
- Developing and implementing employment equity plans.
- Developing and implementing employee development and remuneration plans, including share scheme management.
- Approving the nomination of new candidates to the Board, as well as the process for nomination, election and appointment to the Board.
- Appointing the CEO and monitoring the succession plan.
- Evaluating the performance of all directors.
- Overseeing that the organisation's purpose and values, strategy and conduct are in keeping with it being a responsible citizen as follows:
 - Overseeing and monitoring how Super Group's activities and outputs affect its status as a good corporate citizen.
 - Reviewing and approving the Group's plan for community-based development, sponsorship and donations.
- Exercising oversight over the Group's stakeholder relationship management.
- Reviewing and approving Super Group's Code of Conduct and ethics policies.
- Reviewing and approving the Group's environmental and Occupational Health and Safety plans.
- Overseeing the assessment and response to any potential negative consequences of the Group's activities and outputs.
- Formally reviewing the adequacy and effectiveness of the organisation's technology and information function, ensuring it complies with certain disclosure requirements with respect to technology and information.
- Ensuring that technology and information in the Group is governed in a way that supports the organisation setting and achieving its strategic objectives. This includes the management, protection and oversight of technology and information, including the development of a "cyber security plan".

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COMPOSITION OF THE BOARD

A key aspect of the Group's governance philosophy is that no one individual has unfettered powers of decision-making. During the year under review, the Board comprised of six non-executive directors and two executive directors and was chaired by a non-executive Chairman. The non-executive directors exert significant influence at meetings. From time to time the non-executive directors meet without the executive directors' present. In considering the composition of the Board, competency in respect of the Group's affairs carries as much weight as independence. The roles of CEO and Chairman of the company are split.

The Board considers its composition including its chairmanship annually. During the year the Board adopted a Gender Policy as follows:

"The Board has voluntarily resolved that in the event that the size of the current Board is increased and/or any of the current non-executive directors of Super Group retires or steps down, preference will be given to women with the necessary skills, experience, independence and knowledge, taking into account Super Group's circumstances and needs. Super Group's ultimate aim is that at least 30% of the Board should comprise of women."

The Board has considered the chairmanship of Phillip Vallet and agrees that he may be regarded as an independent non-executive director and remains the best person to lead the company and the Board as the Group continues to implement its strategies. In determining the independence of Mr Vallet, the Board considered the fact that he was the acting CEO of Super Group some eight years ago, for a period of four months until the appointment of Peter Mountford in July 2009. The Board also considered the length of time that Mr Vallet has served on the Board. The Board has also had regard to the fact that legal fees paid by Super Group to Fluxmans Inc., are not material to either entity. In the result, the Board has concluded that Mr Vallet is an independent non-executive director. Fluxmans Attorneys, a director-related entity, continues to assist Super Group with corporate law advisory services in respect of various transactions and several other corporate and labour matters.

While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the executive directors' authority to run the day-to-day affairs of the Group. The executive directors are held accountable through regular reports to the Board and are measured against agreed performance criteria and objectives appropriate to the current stage in the business cycle and the prospects in each business unit. The executive directors meet and interface with senior executives regularly. The objective of these meetings is to assist the CEO in guiding and controlling the overall direction of the Group and to act as a medium of communication and coordination between operating divisions and the Board.

Each of the directors brings to the Board a wide range of expertise, commercial and technical experience and business acumen that allow them to exercise independent judgement in Board deliberations and decisions. Non-executive directors have unrestricted access to management.

BOARD MEETINGS

Board meetings are held at least quarterly and additional meetings are convened when necessary should a particular issue demand attention. Board meetings are convened by formal notice incorporating a detailed agenda supported by relevant written proposals and comprehensive reports. Management aims to disseminate meaningful, relevant and complete information in a timely manner prior to Board meetings. Where necessary, decisions are taken between Board meetings by written resolution as provided for in the company's Memorandum of Incorporation.

Details of attendance by directors of Board and committee meetings for the year under review are set out below:

	Board Committee	Group Audit Committee	Group Risk Committee	Remuneration Committee	Deal Committee	Group Social and Ethics Committee
Number of meetings during the year	5	5	2	2	4	1
E Banda	5	5	Nm	Nm	Nm	Nm
C Brown	5	Nm 5	1	Nm	4	1
M Cassim	5	5	2	Nm	Nm	Nm
V Chitalu	5	Nm	Nm	2	Nm	Nm
P Mountford	5	Nm 5	2	2	4	1
J Newbury	5	Nm 1	Nm	2	4	Nm
D Rose	5	5	2	Nm	Nm	1
P Vallet	5	Nm 5	Nm	2	4	Nm

Nm: Non-member, do attend committee meetings by invitation.

Members of the Board have unlimited access to the Group Company Secretary. Where appropriate, advice of independent professionals may be sought by any Board member, the cost of which is borne by the company.

BOARD APPOINTMENTS

The non-executive directors have no fixed terms of appointment as they are subject to reappointment by the shareholders every three years. Non-executive directors will retire from the Board at the age of 75. Where circumstances require the retiring director may be retained on the Board.

Peter Mountford, the CEO, has a written letter of appointment that endures indefinitely and is subject to termination on one month's notice. The CEO is a director of SG Fleet Group, the Group's subsidiary company listed on the Australian Stock Exchange. He is also a director of South Africa Day and sits on the board of the Road Freight Association. Colin Brown, the CFO, has a written letter of appointment that endures indefinitely and is subject to termination on two months' notice. There are no specific contractual terms in respect of the termination clauses for both executives. Both executives have change of control clauses in their letter of appointment.

One third of the non-executive Board members are required to retire by rotation every year and, if eligible, are considered for re-appointment at the AGM.

Any new appointment is considered by the Board sitting as a Nominations Committee. The experience and skills required for the position are agreed by the Board and a short list of candidates is prepared. The curriculum vitae's of the candidates are circulated to all Board members. The Board will nominate two or three of the Board members to interview the candidates. The outcome of the interviews is then reported to the Board sitting as a Nominations Committee. The Board will then select the successful candidate. Interim Board appointees are required to retire at the next AGM where they make themselves available for election by the shareholders.

There were no changes to the composition of the Board during the financial year.

EVALUATION OF THE BOARD

The Chairman of the company, assisted by the Group Company Secretary, carried out a comprehensive evaluation of the Board, its committees and directors. The contributions of the directors to both the Board and the Board committees were evaluated and the effectiveness of the Board and its committees in carrying out their mandates was also assessed. The Chairman and the Group Company Secretary concluded that the Board and its committees are operating effectively. Every two years the full Board will carry out an evaluation of the effectiveness of the Board and its committees.

All the directors have contributed their time and skills to the functioning of the Board. The Chairman of the company recommends all directors who are nominated for re-election at the AGM as competent and dedicated to serving the Group and looking after the interests of the stakeholders.