

# BOARD APPOINTMENT PROCEDURES

## INTRODUCTION

1.1 HF Group Plc (hereinafter referred to as (“the Company”)) is responsible for the long-term success of the Company.

1.2 To be effective in its role, the Board must comprise of members with diverse skills and competencies.

1.3 Although the Shareholders appoint Directors, the Board has a role to play in the selection and recommendation of potential Board members.

1.4 The Board has delegated the role of identification and selection of potential Board members to the Group Nomination and Governance Committee (“the Committee”), which in turn makes its recommendations to the Board.

## 2. PURPOSE

2.1 The purpose of this document is to set out procedures to guide the Board in identifying suitable candidates for appointment or recommendation to shareholders for election to the Board.

## 3. POLICY STATEMENT

3.1 The Board recognises the importance of setting out a formal and transparent procedure for the selection and appointment of Board members.

3.2 The Board shall be guided by the needs of the Board in terms of skills, competencies and other diversity considerations in the identification and selection of potential Board members.

3.3 The Board shall therefore have due regard to its Diversity policy and the Board’s Skills Matrix in considering the selection and nomination of new Board members.

## 4. GUIDING PRINCIPLES

4.1 The Articles of Association of the Company set out the process for the appointment of Board members.

4.2 The Committee shall at least once annually satisfy itself that the Board is of the right size and composition and that it adheres to the principles set out in its Diversity Policy and the required skills and competencies identified in its Skills Matrix.

4.3 When a vacancy arises on the Board through natural attrition, resignation, rotation or in the event that an additional director is to be appointed, the Committee shall consider the Board's needs in terms of skills, competencies and other diversity considerations and with due regard to any on-going major projects and develop a profile of the required candidate.

4.4 The Committee shall invite Board members and other Stakeholders to submit to it profiles of interested potential Board members. The Committee may also, where deemed necessary, approach any external consultants and recruitment firms to identify any potential candidates.

4.5 The Committee shall consider the profiles received and select a minimum of three candidates whom it shall interview to gauge suitability for the position.

4.6 In selecting the potential candidates, the Committee shall consider the following;

- (a) The skills required on the Board at that particular time and going forward;
- (b) Any important diversity considerations;
- (c) The Candidate's professional competencies, skills and experience including Board experience and relevance for the Board;
- (d) The nature of existing positions and relationships including board positions that may impact the potential candidate's ability to exercise independent judgment or present any potential conflicts of interest;
- (e) The number of existing directorships held by the potential candidate, and in particular on the boards of listed companies, as well as other commitments that may demand the potential candidate's attention;
- (f) Personal and professional integrity

4.7 The selected candidates shall then be interviewed by the Committee with a view to identifying the right candidate for recommendation to the Board and ultimately to the shareholders.

4.8 In interviewing potential candidates, the Committee shall seek to establish among others;

- (a) Interest in joining the Board;
- (b) Personal and professional integrity;
- (c) Willingness and ability to make the time commitment required of a board member.
- (d) Communication skills;
- (e) Ability to work harmoniously and constructively with other directors and Management and contribute to the overall effectiveness of the Board;
- (f) Desired Knowledge, experience and competence in business including financial literacy.
- (g) Analytical skills, ability to think strategically and challenge constructively;
- (h) Nature and extent of other commitments and appointments;
- (i) Understanding of what is expected of a board member;
- (j) Industry knowledge and other experience or skill that the candidate possesses including relations with key stakeholders including Government, industry or professional organisations and other business contacts; and
- (k) General suitability of the candidate.

4.9 The Committee shall require the candidates to expressly disclose the nature and extent of other activities or appointments which may give rise to conflict of interests.

4.10 Following the interview, the Committee shall make its recommendations to the Board.

4.11 In the interim, before the next Shareholders meeting, the Board shall be at liberty to make the appointment of the director, and such director shall be required to resign and offer himself or herself for election by the shareholders at the next General meeting of the shareholders.

4.12 The Board shall avail sufficient information to enable the shareholders make an informed choice, therefore all candidates offering themselves for election shall submit an updated profile and present themselves personally or be represented at the General meeting of the shareholders.

## **5. APPOINTMENT TO THE BOARD**

5.1 Following appointment or election to the Board as the case maybe, a Director will be required to formally accept their appointment to the Board.

5.2 The Director shall also be required to submit a bio data form which shall include;

- (a) Contact details;
- (b) Residential address including LR. Number;
- (c) Other directorships;
- (d) Membership of professional bodies;
- (e) And any other particulars required by the Company and the law;

5.3 New Directors shall be issued with a letter or appointment that sets out the key terms of their appointment.

5.4 The new Directors shall execute and return to the Company a copy of such letter of appointment signifying their understanding of the terms and their acceptance of the same.

5.5 The new Directors shall undergo a formal Board Induction (in line with approved induction process of the Board) as soon as possible and preferably before their first Board meeting.

## **6. REVIEW OF PROCEDURE**

6.1 The Board will review this procedure regularly to ensure it remains consistent with the Board's objectives and responsibilities.

6.2 The Chairperson will sign the approved procedure.

**APPROVED BY THE HF GROUP BOARD 27<sup>TH</sup> FEBRUARY 2018**