

APPOINTMENTS TO THE BOARD POLICY

1. Rationale

The Listings Requirements of the JSE Limited (“the Listings Requirements”) state in rule 3.84 (a) that *“There must be a policy detailing the procedures for appointments to the board.”*

The JSE further requires that the company disclose in its annual financial statements whether compliance with this specific requirement has been met.

2. Objective

In compliance with the Listings Requirements the AECI Board (“the Board”) has formalised a policy, which sets out the procedures for new appointments to the Board.

3. Procedure

- 3.1 The Board shall delegate its authority to the Nominations Committee to periodically assess the skills required to competently discharge the Board's duties, having regard to the strategic direction of the Group.
- 3.2 A report of the outcome of that assessment shall be provided to the Board.
- 3.3 All Board members are required to assist with the identification and nomination of potential candidates.
- 3.4 The Nominations Committee shall, as and when it considers appropriate, but in any event on each occasion which an existing director retires, assess the skills represented on the Board by the remaining non-executive directors and determine whether they meet the required skills identified, and if not determine how to rectify the situation.
- 3.5 The Nominations Committee, having regard to the skills required and the skills represented, shall implement a process for the identification of suitable candidates for appointment to the Board of directors.
- 3.6 The Nominations Committee screens the candidates. The company secretary will ensure that the candidates are not disqualified from acting as directors and that the proper checks, with the prior written consent of the candidates, are done on the candidates.
- 3.7 Successful candidates shall complete the appropriate “fit and proper” tests provided by the company secretary.
- 3.8 The Nominations Committee must ensure that the candidate is free of any conflict of interest between the duties he/she will owe to the company and his/her private interest. A report confirming this must be provided to the Board.

- 3.9 The Nominations Committee shall make recommendations to the Board on candidates it considers appropriate for appointment.
- 3.10 Once the Board has considered the proposals, interviews between nominated Board members and the candidate shall be arranged.
- 3.11 Once the candidate is appointed, a formal procedure is activated by the company secretary who ensures that:
- 3.12 Schedule 21 declaration(s) is completed and sent to the JSE within 14 days of effective date of appointment;
- 3.13 the appropriate SENS announcements is disseminated;
- 3.14 written notice of appointment of the new director is submitted to the JSE; and notice of appointment of the new director shall be included in the company's next publication of listing particulars, interim report or annual financial statements.
- 3.15 Induction programme takes place for the new director.

Approved and adopted by the Board on 26 November 2007