
	<u>APPROVED BY:</u>  R. Bruyns Chairman: Nominations & Remuneration Committee	REM Policy No. REM 02
	 R. Frew Chairman: Board of Directors	Revision No. 01
Nominations and Remuneration Committee		Effective Date 5 June 2018

Board Nomination, Composition and Diversification Policy
Replaces the Gender Diversification Policy (R&N 01)

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Board Nomination, Composition and Diversification Policy

1 Executive summary

The Board Nomination, Composition and Diversification Policy (“**Policy**”) sets out the approach to the nomination, composition and diversity of the Board of Directors of MiX Telematics Limited (“**the Company**” or “**MiX**”).

2 Scope of application

This Policy deals with the Board of Directors of MiX Telematics Limited (“**the Board**”). It does not apply to diversity in relation to employees of the MiX Telematics Group.

3 Policy statement

- 3.1 The Board and its sub-Committees are committed to endeavoring to comply with the recommendations and principles of the King IV Report on Corporate Governance for South Africa, 2016 (“**King IV**”), including applicable and non-binding rules, codes and standards, as amended from time to time.
- 3.2 In accordance with paragraph 3.84(a) of the JSE Listings Requirements, the Board is required to adopt a formal nomination policy in respect of the appointment of Non-Executive Directors to the Board.
- 3.3 In accordance with paragraph 3.84(k) of the JSE Listings Requirements, the Board is required to adopt a formal policy on the promotion of gender and racial diversity at Board level.

4 Composition of the Board

- 4.1 The Board should be of a size and composition that is conducive to making appropriate decisions. It should not be so large that effective decision-making is hindered.
- 4.2 It should be large enough to incorporate a variety of perspectives and skills, and gender and racial diversity to represent the best interests of the Company as a whole, rather than of individual shareholders or interest groups.
- 4.3 No one Board member shall exercise unfettered power, and the Board shall always act as a collective.
- 4.4 Board members should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and their available time due to other commitments.
- 4.5 Non-Executive Directors should advise the Board before accepting any new appointments as directors.
- 4.6 The purpose of this Policy is to ensure that the Board consists of members with due regard to:
 - o diversity in respect of the Company’s transformation initiatives and appropriate gender representation;
 - o skills and qualities; and
 - o meeting its primary responsibility for promoting the success of the Company in a way that ensures

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that the interests of stakeholders are promoted and protected.

5 Procedure for the selection and nomination of Directors

The Nominations & Remuneration Committee (“**Committee**”) shall:

- 4.1 assess the overall composition of the Board;
- 4.2 assess the balance of skills, experience, expertise and background of Board members;
- 4.3 assess the Board’s aspirational targets in respect of gender and racial balance and diversity;
- 4.4 assess the needs of the Company currently, and going forward;
- 4.5 identify and recommend to the Board suitably qualified and experienced individuals for appointments to the Board;
- 4.6 advise the Board on succession planning for the offices of Chairperson of the Board, and executive directors; and
- 4.7 report to shareholders, by way of the annual report, on matters which fall within its mandate.

6 Principles to which the Nominations Committee must adhere

The formal procedures by the Nominations Committee to identify, consider and make recommendations to the Board on the appointments, must comply with the following:

- 5.1 the procedure must be fair;
- 5.2 the procedure must ensure that decisions and recommendations are not affected by the conflict of interest of any member of the Committee;
- 5.3 the members of the Committee must expressly consider, either at a meeting or by way of telephonic or written communication, the merits of any candidate proposed for membership of the Board;
- 5.4 when considering the merits of any proposed candidate, the Committee must consider all relevant factors, which could include:
 - o the candidate’s experience, skills, reputation and character; and
 - o any preference or requirement in respect of the existing and future composition of the Board;
- 5.5 the Committee must satisfy itself that the proposed candidate does not have existing interests which could conflict with the interests of the Company and that the candidate is not ineligible or disqualified from acting as a director in terms of the Companies Act, 71 of 2008 (“**Companies Act**”);
- 5.6 the relevant requirements of the JSE Listings Requirements, the Companies Act, and other applicable legislation (such as the Labour Relations Act, 66 of 1995), if any, are taken into account.
- 5.7 that the majority of directors on the Board are Non-Executive Directors, and the majority of the Non-Executive Directors are independent; and
- 5.8 take due regard in respect of the Company’s gender and diversity aspirations.

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7 Appointment to the Board

- 6.1 Non-Executive Directors shall not be appointed for specific terms and, instead, their appointment remains subject to the rotation policy of the Company, per the Memorandum of Incorporation (“MOI”).
- 6.2 The letter of appointment or Induction Pack should set out:
- o the rotation policy;
 - o duties attached to the position;
 - o circumstances in which an office of a director becomes vacant;
 - o expectations regarding involvement with Board Committee work;
 - o remuneration, including expenses;
 - o policy governing dealings in securities and related financial instruments by directors, including notification requirements;
 - o induction training and continuing education arrangements;
 - o policy on access to independent professional advice;
 - o indemnity and insurance arrangements;
 - o requirement to disclose directors’ interest and any matters which affect the directors’ independence;
 - o confidentiality and rights of access to corporate information;
 - o a copy of the Memorandum of Incorporation (“MOI”);
 - o organizational chart of the management structure; and
 - o orientation sessions with the executive management members.
- 6.3 Non-Executive Directors should undertake that they will have sufficient time to meet the requirements expected of them. Their other significant commitments should be disclosed to the Board before acceptance of their appointment, with a broad indication of the time involved, and the Board should be informed of any subsequent changes thereto.
- 6.4 The appointment shall be announced via SENS and a Form 6-K.
- 6.5 The appointment shall be ratified by the shareholders at the following annual general meeting.

8 Procedure for the re-appointment of Directors

- 7.1 The re-appointment of directors will not be automatic. The Board will endeavor to ensure planned and progressive refreshing of the Board.
- 7.2 One third of the directors shall rotate every year, in accordance with the MOI, Companies Act and JSE Listings Requirements.
- 7.3 The Committee will assess the current Board’s skills and qualities on a periodic basis to appropriately assess the needs of the Company currently, and going forward.

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9 Board diversity

- 8.1 This clause applies only to gender and racial diversity at Board level.
- 8.2 The Committee will seek to ensure that the Board comprises of gender and racially diverse directors, with skills, knowledge and experience to discharge the Board's responsibilities and independence.
- 8.3 The Committee will annually review the voluntary measurable objectives to achieve gender and racial diversity on the Board, and recommend adoption thereof to the Board.
- 8.4 The Board intends to ensure that 20% of the Board is made up of women by the end of the 2020 financial year.
- 8.5 The Board intends to ensure that 20% of the Board is made up of Black South African individuals by the end of the 2020 financial year.
- 8.6 The Committee will report annually, in the corporate governance section of the annual report, on how it has considered and applied this Policy in the nomination and appointment of directors.
- 8.7 The Board or the Committee will report in the annual report on progress achieved in respect of Board diversity.

10 Review of the Policy

The Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.