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| **MEETING DETAILS AND PAPER OWNERSHIP** | |
| Committee | Group ExCo |
| Meeting Date | 13 August 2020 |
| Agenda Reference No. | XX |
| Agenda Topic | Approval of appointment of directors (Internal Appointees) |
| ExCo Approval | Director nominations supported by Bongiwe Gangeni and Arrie Rautenbach |
| Paper Prepared By; Reviewed By; and Approved By | Prepared by Group Secretariat - Lourika Stander (Head of Secretarial Services)  Reviewed by Group Corporate Legal and Nadine Drutman (Group Secretariat) |
| Governance Process | Paper not required to be tabled at any committees prior to submission to ExCo |
| Total No. of Pages | Cover note: 4 |
| Tabled for: | APPROVAL |
| Papers are classified as: | INTERNAL ONLY |

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| 1. **Purpose** |
| * 1. ExCo is requested to approve the appointment of directors of subsidiaries and other legal entities in respect of internal appointees. |
| 1. **Summary** |
| * 1. The following nomination is tabled for approval:  |  |  | | --- | --- | | **Entity** | **Individuals** | | * MB Acquired Operations Limited | * Rita Sibanda | | * Payments Association of South Africa (PASA) Council | * Charl Smedley | |  | | |
| 1. **Discussion** |
| * 1. The minimum criteria against which potential appointees are considered include, inter alia:      1. where an executive directorship, specific knowledge of the business or aspects of the business of the entity to which the appointee is to be appointed or relevant experience with similar businesses;      2. where a non-executive director, general commercial skills and an ability to challenge, personal integrity, and capacity (time and ability) to influence the required outcomes.   2. Nominated directors must generally be P-level or MP-level. If at AVP / VP-level, the individual must have the specific approval of the ExCo member having regard to the individual’s suitability and the nature of the legal entity.   3. Potential appointees are required to complete a standard questionnaire that includes details on their relevant qualifications, skills, expertise and experience as well as a form in which they declare all their other directorships (internal and external). |
| 1. **Parties consulted and their views** |
| * 1. Group Corporate Legal and Group Secretariat are required to review the submission with regards to their eligibility to serve as a director and any potential conflicts.   2. The appointee’s line manager and the ExCo member responsible for the management of the relevant legal entity is also required to provide written support for the appointment. |
| 1. **Risks, implications and mitigating actions** |
| * 1. Risk arises where the appointee is not the appropriate person (regarding skill-set and understanding of fiduciary duties) and has potential conflicts. |
| 1. **Financial implications** |
| * 1. No immediate implications.   2. However, the wrong composition of a subsidiary board could lead to longer term financial risk for the entity concerned. |
| 1. **Personnel implications** |
| * 1. The line manager is required to provide written support for the appointment of the proposed director, considering the nominated individual’s capacity and skill set.   2. Diversity on boards should be considered. |
| 1. **Resolutions** |
| * 1. ExCo is requested to approve the directors nominated for appointment to the respective boards, whereafter the boards will pass formal resolutions. |

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| ExCo Sponsor | Bongiwe Gangeni |
| Request | Approval sought for the appointment of a director to a subsidiary board |
| Entity Name | MB Acquired Operations Limited |
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| 1. **Proposed appointment:**   This request pertains to the appointment of **Rita Sibanda** as an Executive director to the board of **MB Acquired Operations Limited (MB Acquired), formerly Meeg Bank Limited**. The entity is a wholly owned subsidiary of Absa Bank Limited.  Frans du Toit (Absa Financial Director until retirement from the Group on 31 December 2004) agreed to remain on the board as he was very involved in the business of the entity in the past. A PAYE matter remains outstanding and the Group Tax team is working closely with SARS to close out the matter but it is taking longer than initially anticipated and Frans expressed the desire to come off the board.  Rita has been identified as a suitable candidate to take on the role as she was previously involved in the activities of the entity.  Bongiwe Gangeni as ExCo sponsor for RBB Relationship Banking, has provided written support for the appointment.   1. **Entity background:**   Meeg Bank Limited was a registered regional commercial bank based in the Eastern Cape, which became a wholly owned subsidiary of Absa Bank with the operations being incorporated into Absa Bank. The banking licence was relinquished and the entity ceased trading in July 2009. Following these events, the entity name was changed to MB Acquired Operations. As mentioned above, the PAYE matter with SARS needs to be closed out in order to deregister the entity.   1. **Entity governance requirements:**   One director to close out the pending PAYE matter before the entity can be deregistered.   1. **Current board composition:**  * Frans du Toit – Non-Executive director *(to resign once Rita has been appointed)*  1. **Individual’s details:**   **Rita** (Corporate Grade P) is the Head of Integrated Banking Solutions (Digital), appointed to this role during October 2018. She joined Absa in July 2008 and has more than 12 years working experience in the financial services industry having held various positions in the Group - Finance, CEO office and RBB business, amongst others. Rita holds a B. Comm. Acc (hons) degree and CTA.  She has not held any directorships in the past and currently does not hold any external or internal directorships.  Rita is a registered member of the Institute of Directors (IoD) and attended the IoD “Becoming a director” training in 2019 through the Woman In Finance initiative. She is invited to attend the periodic training hosted by Group Secretariat in conjunction with the IoD.  Karin Mathebula, as her line manager, has provided written support for her appointment.   1. **Action required:**   The ExCo is requested to approve the appointment of **Rita Sabanda** as an Executive director to the **MB Acquired Operations Limited**.  The board will thereafter pass a formal resolution to effect the proposed appointment. | |

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| ExCo Sponsor | Arrie Rautenbach |
| Request | Approval sought for the appointment of an employee as representative on an industry body |
| Entity Name | Payments Association of South Africa (PASA) Council |
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| 1. **Proposed appointment:**   This request pertains to the appointment of **Charl Smedley** as the Principal Councilor for Absa on the **Payments Association of South Africa (PASA) Council**.  Charl has been identified as a suitable candidate to replace Hendrik Pelser who will be retiring from the Group at the end of August 2020. Charl’s nomination was approved through the Absa Payments Governance Framework, i.e. APRIF, which is mandated to nominate a candidate, with a submission of the candidate’s details to the next Payments Council meeting, scheduled for the end of August 2020.  Arrie Rautenbach as ExCo sponsor for RBB, has provided written support for the appointment.   1. **Entity background:**   PASA is the payment system management body recognised by the South African Reserve Bank (SARB), in terms of the National Payment System Act of 1998, to organise, manage and regulate the participation of its members in the payment system.   1. **Entity governance requirements:**   Representation at Council based on threshold of transaction volumes cleared in the interbank systems by individual banks. Number of members allowed are a minimum of 10 and a maximum of 14.   1. **Current board composition:**   Currently there are 11 members, including one (1) member representing SARB.  Absa’s representative is:   * Hendrik Pelser   Hendrik will remain the Absa representative until the end of August 2020.   1. **Individual’s details:**   **Charl** (Corporate Grade P) is the Head of Absa Payments (RBB), appointed in this role during August 2018. He joined Absa during August 2015 as the Head of Payment Innovation/Future Payments. He has over 30 years’ experience in the payments industry across various industries and markets (both local and global).  He holds a diploma in marketing management and strategic project management and has been a representative on a number of payment related forums in the past. Charl currently does not hold any internal or external director positions  Charl’s line manager, Cowyk Fox, is also in support of this appointment.   1. **Action required:**   The ExCo is requested to approve the nomination of **Charl Smedley** as the Principal Councilor for Absa on the **Payments Association of South Africa (PASA) Council** whereafter PASA will be notified of the appointment at the next PASA Council meeting at the end of August 2020. | |