

# Organisational overview continued

## Governance

### Protecting value creation through good governance

This year, Omnia saw its 200th board meeting and the 67th year of business. The year was navigated by a board of directors tasked to protect value creation in a time that was by all measures challenging. The board is cognisant of its overall responsibility to achieve the four good governance outcomes embodied in King IV, namely an ethical culture; sustainable value creation; effective control; and trust, stakeholder relations and legitimacy. We are comfortable that we have them in mind as an outcome in everything that we do but recognise that it is an ongoing task and discipline to continue improving.

The board is satisfied that the Group is compliant with the JSE Listings Requirements and has achieved the outcomes of the King IV principles by implementing appropriate practices to support those principles.

*For more information on the King IV application and combined assurance, refer to page 36 and page 52 of this report.*

Appropriate governance structures and processes are in place to ensure that the business is well managed and controlled. The annual strategy review considers the risks and opportunities connected to the broader context in which the Group operates, and the governance processes are designed to ensure that the Group delivers against this strategy to create long-term value for all material stakeholders.

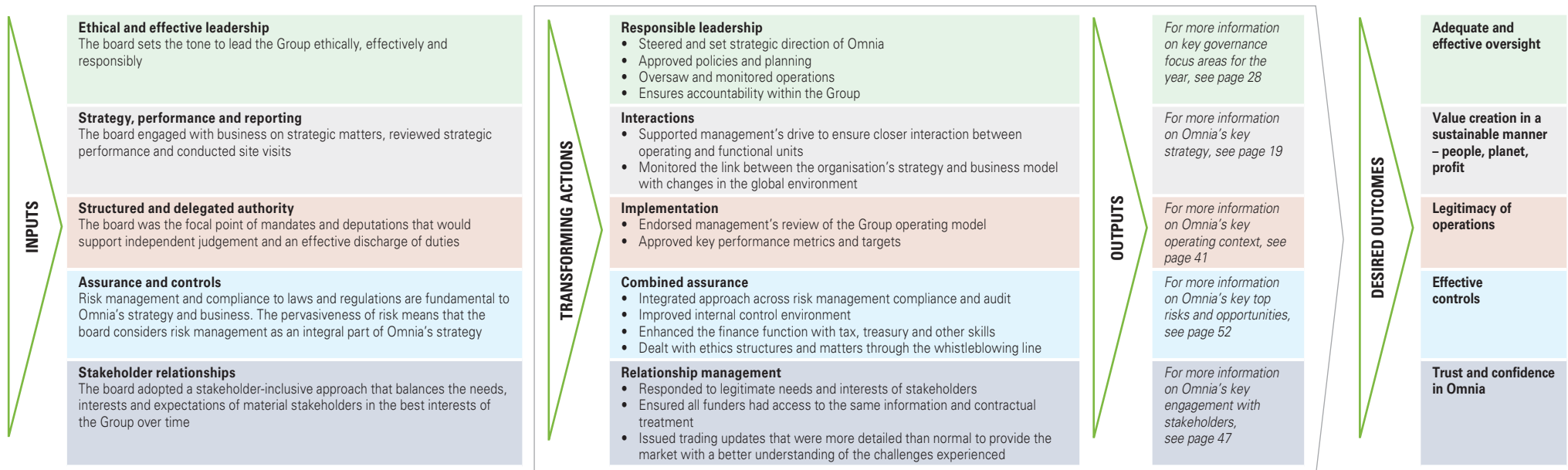
**The board is the focal point of governance in Omnia.**

### Company secretary

The company secretary, Michelle Nana, ensures that the board is aware of its fiduciary duties and responsibilities and is kept informed of relevant changes in legislation and governance best practice. She facilitates the induction of new directors and the ongoing training of directors, in addition to acting as secretary to the board and its committees. The board and every director have unfettered access to the services of the company secretary.

The board assessed the company secretarial function for the year under review, as required by the JSE Listings Requirements, and confirms that Ms Nana continues to demonstrate the requisite level of knowledge and experience to carry out her duties and is independent from management and the Group to appropriately support the board and execute her role.

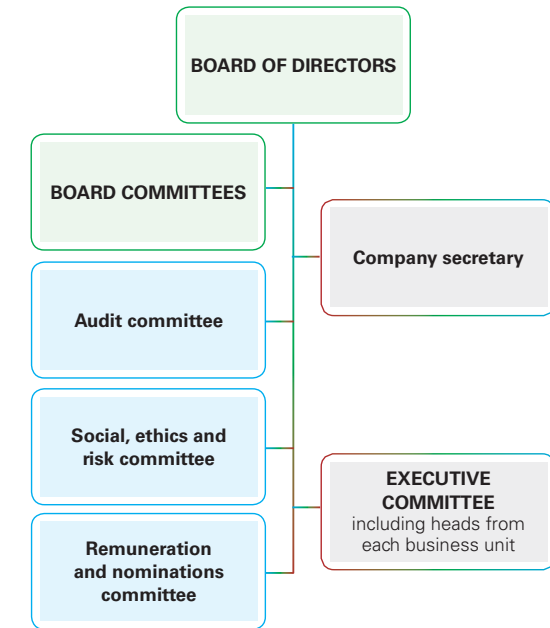
### How governance contributes to value creation



# Organisational overview continued

## Board governance structure

The board governance structure involves delegation and accountability under the direction of the board. The structure enables the board to maintain effective oversight while cascading authority through the committees and executive team. The executive committee includes the managing directors from each of the operational divisions and Group functional executives. The managing directors and executives, in turn, delegate through the ranks of management.



### Key governance policies and procedures

- Group overarching policy
- Board and committee charters
- Code of ethics and conduct
- Declaration of interest
- Delegation of authority
- Whistleblowing facility with tip-offs anonymous reporting
- Stakeholder engagement framework
- Trading in securities policy
- Financial risk policy
- Information technology (IT) and associated security policies
- Disciplinary code and procedures
- Remuneration policy
- Signatory to the Responsible Care® global charter
- Safety, health, environment, risk and quality (SHERQ) policy
- Group climate change policy
- Diversity policy
- Group business continuity management policy and charter

### Committee mandates in brief

Committee	Mandate	Composition requirements
<b>AUDIT COMMITTEE</b>	This statutory committee: <ul style="list-style-type: none"> <li>• Ensures the quality and integrity of annual financial statements</li> <li>• Ensures audit quality and the independence of the external auditor</li> <li>• Provides independent oversight over internal financial controls and the internal audit function</li> <li>• Provides oversight over technology and information management</li> </ul>	At least three directors, all of whom shall be independent non-executive directors approved by shareholders at the AGM  The chair of the board shall not be a member of the committee
<b>SOCIAL, ETHICS AND RISK COMMITTEE</b>	This statutory committee: <ul style="list-style-type: none"> <li>• Oversees the establishment of an ethical culture and good corporate citizenship</li> <li>• Responds to the opportunities and challenges of the triple context and six capitals in which Omnia operates</li> <li>• Reviews transformation initiatives, including setting targets</li> <li>• Supports the board in the governance of risk</li> <li>• Monitors the governance of compliance</li> </ul>	No less than three members appointed on recommendation of the remuneration and nominations committee  Majority should be non-executive directors  At least one executive director
<b>REMUNERATION AND NOMINATIONS COMMITTEE</b>	This committee oversees board composition and strategic remuneration matters. As recommended by King IV, this committee: <ul style="list-style-type: none"> <li>• Ensures that the board is properly composed in terms of independence, size, skills and diversity</li> <li>• Evaluates the independence of non-executive directors</li> <li>• Considers the composition of the various board committees</li> <li>• Develops and annually reviews a remuneration policy that ensures fair and responsible remuneration that attracts, rewards and retains human capital</li> <li>• Implements an adequate and formal executive succession plan and framework</li> <li>• Considers the board composition, nomination and appointment of directors</li> </ul>	At least three non-executive directors, the majority of whom shall be independent  The committee shall include the chair of the board, however, the chair of the board shall not chair the committee

# Organisational overview continued

## Board and committee focus areas in the year

The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties. All the committees report to the board.

### The board confirmed it is satisfied that it has fulfilled its responsibilities in accordance with the board charter.

#### What kept the board busy in the year?

- Immediate and long-term corporate business and strategic plans for Omnia
- Rights issue and debt restructure
- Sustainability strategy and targets
- Stakeholder engagement strategies
- Monitoring the operating environment, especially in the context of the impact of COVID-19
- Leadership succession

#### Planned focus areas for FY2021

- Ensure management focus on returning to higher profitability in SADC businesses
- Ensuring that Omnia maintains the flexibility it requires to respond rapidly to changes in market conditions
- Assessing the longer-term operational impact of COVID-19
- Refining the proposed operating model and implementing immediate shifts in focus
- Considering core competencies required to action the strategic shift
- Change segmental reporting to match the new operating model

#### What kept the audit committee busy in the year?

- Strengthening the internal controls environment
- Enhancing the general finance, tax and treasury skills within the finance function
- Ethics reporting structures and matters
- Ensuring the accuracy of reporting and implementation of all new IFRS requirements, with specific reference to hyperinflation (which became relevant due to the hyperinflationary environment in Zimbabwe) and IFRS 16 in respect of leases

#### Planned focus areas for FY2021

- Improving all aspects of information and technology governance in a top-down and holistic manner
- Continuous internal control environment improvements through enhanced risk processes, including maturing the effectiveness of the combined assurance framework
- Further skills development and creating of capacity in the finance team
- Simplifying and cleaning out the business structures, number of legal entities, activities between different businesses within the Group and Group governance arrangements
- Continue to focus on tax and treasury matters
- Internal and external rotation

#### What kept the social, ethics and risk committee busy in the year?

- Ensuring policies are aligned with King IV
- Implementing policy-related system and process changes
- Further embedding the contract management process and its supply chain electronic system at the divisions
- Implementing combined assurance in a more integrated manner in order for risk, compliance and internal audit to enhance assurance
- Ensuring that the risk management framework and culture are further embedded, with a specific focus on international operations
- Embedding the Group's governance structure for legal and compliance functions across the Group
- Continued review and oversight of:
  - o Serious and major incidents
  - o Leading indicator reporting
  - o Process safety management
  - o Business continuity management

#### Planned focus area for FY2021

- Monitoring of changes in environmental and sustainability legislation
- Embedding sustainability in the business
- Ensuring ongoing ethics awareness and training
- Moving the Group forward on our sustainability strategy and monitoring sustainability performance
- Continuing oversight of safety, health and wellness performance
- Monitoring the implementation of process safety standards across the Group

#### What kept the remuneration and nominations committee busy in the year?

- Shareholder engagement regarding the remuneration policy
- Considered the appointment of two non-executive directors and two executive directors (CEO and FD)
- Reviewed remuneration practices
- Reviewed executive incentives
















#### Planned focus areas for FY2021


- Ongoing engagement with shareholders on implementation of remuneration policy
- Implementing performance management system and grading
- Refining targets and short-term incentive schemes
- Evaluating the human capital implications of COVID-19


 Each of the committees is comfortable that it fulfilled its mandate and that it meets the composition requirements of its terms of reference. Committee charters are available on the Omnia website.


# Organisational overview continued

## Leadership

Board of directors, committee memberships and attendance		BOARD COMMITTEES				
Director	Skills and expertise	Attendance				
		OHL	AC	SERC	RNC	AHC
 <b>RALPH HAVENSTEIN (63)</b> Independent non-executive chair <i>BCom, MSc (Chem Eng)</i>	Engineering, governance, risk management, strategy, chemicals and mining industry					
Date of appointment: 6 November 2007	<b>Significant directorships:</b> Northam Platinum Limited, Murray & Roberts Holdings Limited	10/10		2/2	6/6	3/3
 <b>RONALD BOWEN (68)</b> Independent non-executive <i>BSc (Hons)</i>	Business management, strategy, global and local governance, finance and chemicals industry					
Date of appointment: 28 September 2011	<b>Significant directorships:</b> None	10/10	4/4			
 <b>PROF NICK BINEDELL (66)</b> Independent non-executive <i>BCom, MBA, PhD</i>	Business management, strategy, governance and finance					
Date of appointment: 24 February 2017	<b>Significant directorships:</b> None	8/10				3/3
 <b>FRANK BUTLER (67)</b> Independent non-executive <i>BSc (Chem Eng), MBA</i>	Risk management, strategy and chemicals industry		 <small>(as SERC chair)</small>			
Date of appointment: 27 September 2002	<b>Significant directorships:</b> None	9/10	3/4	2/2		

  
Chair of board or sub-committee

  
Member of board or sub-committee

  
By invitation




- OHL** Omnia Holdings Limited board
- AC** Audit committee
- SERC** Social, ethics and risk committee
- RNC** Remuneration and nominations committee
- AHC** Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

Refer to Omnia's website at [www.omnia.co.za](http://www.omnia.co.za) for an abridged curriculum vitae (CV) of each director.

# Organisational overview continued

## Leadership continued

### Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES				
		Attendance				
		OHL	AC	SERC	RNC	AHC
 <p><b>GEORGE CAVALEROS (64)</b> <b>Independent non-executive</b> <i>CA(SA), CFA, ACIS, CIA, CISA, MCom</i> <i>(Applied Risk Management)</i></p>	External and internal audit, finance and accounting, risk management, controls and corporate governance					
	Date of appointment: 5 August 2019	<b>Significant directorships:</b> Accelerate Property Fund Limited, Sygnia Limited	5/5	2/2 (appointed 5 August 2019)		2/2 (appointed 16 October 2019)
 <p><b>LINDA DE BEER (51)</b> <b>Independent non-executive</b> <i>CD(SA), CA(SA), MCom (Tax)</i></p>	Finance, corporate governance, internal and external audit, IFRS, JSE Listings Requirements, IT governance, risk and strategy			 (as AC chair)		
	Date of appointment: 30 November 2017	<b>Significant directorships:</b> Aspen Holdings Limited, Aspen Finance Proprietary Limited, Momentum Metropolitan Holdings Limited, Tongaat Hulett Limited	10/10	4/4	2/2	
 <p><b>TINA EBOKA (61)</b> <b>Independent non-executive</b> <i>BSc (Industrial Eng, Textile Eng), MBA</i></p>	Business management, strategy, engineering, corporate and social affairs					
	Date of appointment: 25 February 2016	<b>Significant directorships:</b> NTP Radioisotopes (SOC) Limited	10/10	3/4		

  
Chair of board or  
sub-committee

  
Member of board or  
sub-committee

  
By invitation

**OHL** Omnia Holdings  
Limited board

**AC** Audit committee

**SERC** Social, ethics and  
risk committee




**RNC** Remuneration and  
nominations committee

**AHC** Ad hoc board sub-committee  
(limited term: 5 May 2019 to  
25 June 2019)

# Organisational overview continued

## Leadership continued

### Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES				
		Attendance				
		OHL	AC	SERC	RNC	AHC
 <p><b>SIZWE MNCWANGO (54)</b> <b>Independent non-executive</b> <i>BSc, MSc (Civil Eng), MBA</i></p> <p>Date of appointment: 29 June 2010</p>	<p>Business management, engineering, governance and strategy</p> <p><b>Significant directorships:</b> Shell Downstream South Africa, Sekelo Oil Trading, Science, Technology and Innovation Strategy for Africa (STISA) Oil Trading, Seriti Resources, Thebe Unico, Thebe Mining Resources, Timrite, Turnstone</p>	1				
<p><b>THOKO MOKGOSI-MWANTEMBE (58)</b> <b>Independent non-executive</b> <i>BSc, MSc (Medicinal Chemistry), Teaching Diploma</i></p> <p>Date of appointment: 1 June 2018</p>	<p>Business management, chemistry, information systems and strategy</p> <p><b>Significant directorships:</b> Royal Bafokeng Platinum, Old Mutual</p>	1			1	
 <p><b>WIM PLAAZIER (59)</b> <b>Independent non-executive</b> <i>BSc, MBA</i></p> <p>Date of appointment: 11 February 2019</p>	<p>Business management, strategy, supply chain operations, chemicals and mining industry</p> <p><b>Significant directorships:</b> None</p>	1				1
 <p><b>BERNARD SWANEPOEL (59)</b> <b>Independent non-executive</b> <i>BSc (Mining Engineering), BCom (Hons)</i></p> <p>Date of appointment: 1 October 2019</p>	<p>Engineering, finance, business management and strategy</p> <p><b>Significant directorships:</b> Impala Platinum Holdings Limited, Zimplats Holdings Limited</p>	1		1		
		2/2		1/1 (appointed 16 October 2019)		



Chair of board or  
sub-committee



Member of board or  
sub-committee











By invitation

- OHL** Omnia Holdings Limited board
- AC** Audit committee
- SERC** Social, ethics and risk committee
- RNC** Remuneration and nominations committee
- AHC** Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

# Organisational overview continued

## Leadership continued

### Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES				
		Attendance				
		OHL	AC	SERC	RNC	AHC
 <p><b>SEELAN GOBALSAMY (44)</b> <b>Chief executive officer</b> <i>CA(SA), AMP (Harvard)</i></p> <p>Date of appointment: 10 September 2018</p>	Finance, business management, strategy, mergers and acquisitions			1/1 (appointed 16 October 2019)		
<b>Significant directorships:</b> Bidvest Life Limited	9/9	4/4	1/1	3/3		
 <p><b>STEPHAN SERFONTEIN (43)</b> <b>Finance director</b> <i>CA(SA)</i></p> <p>Date of appointment: 1 March 2020</p>	Finance, business management and strategy		 (as acting FD)			
<b>Significant directorships:</b> None	1/1	2/2				
 <p><b>MICHELLE NANA (52)</b> <b>Company secretary</b> <i>FCIS, BA (Industrial Psychology and Sociology), CD(SA)</i></p> <p>Date of appointment: 1 July 2018</p>	25 years in company secretarial and corporate governance, in both JSE-listed and unlisted companies					
<b>Significant directorships:</b> None						

### Policy on directorships

Directors are not limited to the number of board positions they may hold. However, they are required to confirm that they will have sufficient time to commit to the business of Omnia. Further, the remuneration and nominations committee will make a judgement based on the annual declarations and performance evaluations as to whether a director is overcommitted to the degree that it is impacting his/her ability to fulfil his/her responsibilities to the Group.



Chair of board or  
sub-committee



Member of board or  
sub-committee



By invitation

**OHL** Omnia Holdings  
Limited board

**AC** Audit committee

**SERC** Social, ethics and  
risk committee

**RNC** Remuneration and  
nominations committee

**AHC** Ad hoc board sub-committee  
(limited term: 5 May 2019 to  
25 June 2019)

# Organisational overview continued

## Leadership continued



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

**1. RONALD BOWEN**  
Independent non-executive director

**2. MICHELLE NANA**  
Group company secretary

**3. WIM PLAIZIER**  
Independent non-executive director

**4. THOKO MOKGOSI-MWANTEMBE**  
Independent non-executive director

**5. RALPH HAVENSTEIN**  
Chair

**6. PROF NICK BINEDELL**  
Independent non-executive director

**7. SIZWE MNCWANGO**  
Independent non-executive director

**8. BERNARD SWANEPOEL**  
Independent non-executive director

**9. LINDA DE BEER**  
Independent non-executive director

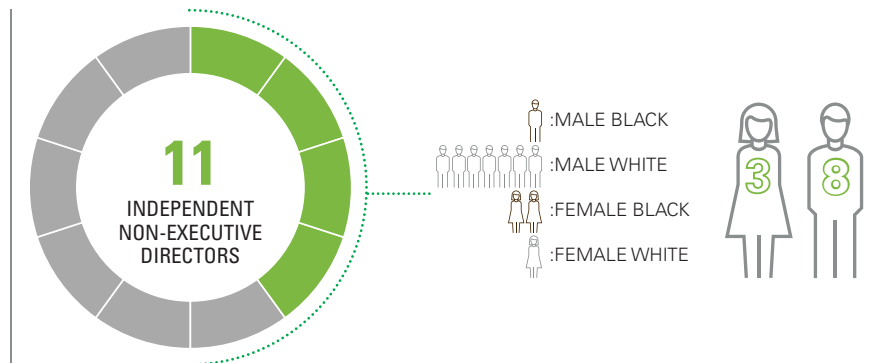
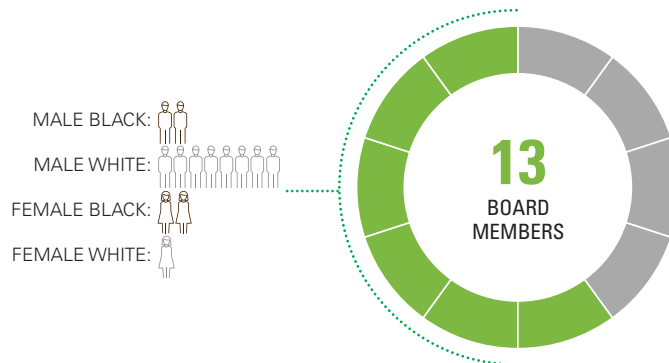
**10. SEELAN GOBALSAMY**  
Chief executive officer

**11. TINA EBOKA**  
Independent non-executive director

**12. FRANK BUTLER**  
Independent non-executive director

**13. STEPHAN SERFONTEIN**  
Finance director

**14. GEORGE CAVALEROS**  
Independent non-executive director





# Organisational overview continued

## Board diversity

We acknowledge the JSE Listings Requirements' Diversity Policy (3.84(i)) that promotes a diversity of attributes including gender, race, culture, age, field of knowledge, skills and experience. The board is committed to executing its duties, receives regular training, evaluates its performance regularly and endorses a comprehensive combined assurance programme.



### Independence

**Board charter requirement:** The majority of directors shall be non-executive, and the majority of non-executive directors shall be independent.

The board charter promotes a unitary board structure composed of both executive and non-executive directors, with the latter being the majority. The majority of Omnia's board members are independent directors, which is in line with King IV requirements. **In the year, Omnia strengthened board independence from 75% to 85%.**

**11/11**

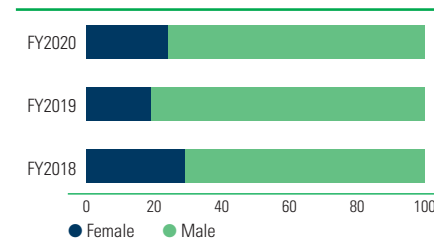
non-executive directors are independent

The roles and responsibilities of the chair and the CEO are separate and clearly defined. The CEO is accountable to the board for leading the implementation and execution of Omnia's board-approved strategy, policies and business plans. As an executive director of the Omnia board and chair of the executive committee, the CEO plays a key role in providing a link between management and the board and ensuring that board decisions are communicated to management.

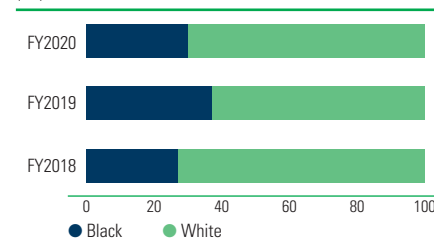
### Gender and racial diversity

**Voluntary targets:** In July 2020, the board's voluntary targets of 30% female and 30% black representation on the board, were increased to a three-year target of 50% female and 50% black.

#### Gender (%)



#### Race (%)



### Diversity of age

**Policy:** Executive directors are required to retire from the board at 65, unless otherwise agreed by the board.

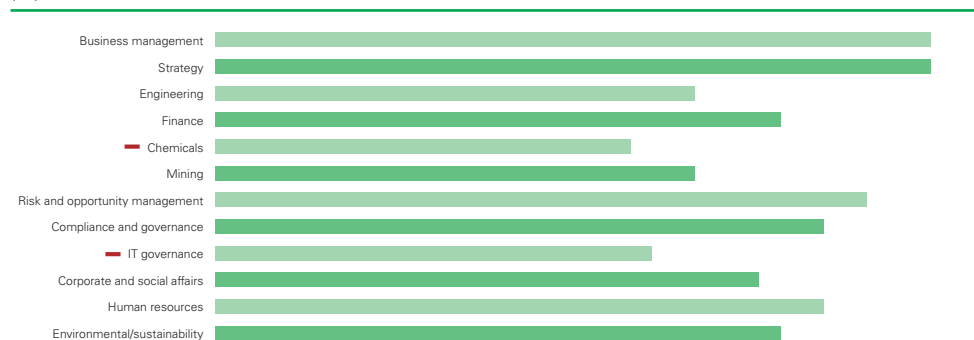
The average age of directors is 58. **In total, 53% of the board is younger than 60** (2019: 50%).



### Diversity of expertise

**Policy:** Aim for an experienced board with a good balance of knowledge and skills in areas relevant to the Group.

#### Non-executive directors' self-rate their experience against areas of expertise relevant to Omnia\* (%)



■ Skills gap identified

\* Directors rated their skills from zero to three (where zero is no experience and three is over eight years of experience). Ratings were averaged to create percentages showing the strength of the board in each area.

# Organisational overview continued

## Succession and tenure

**Policy:** The memorandum of incorporation (MOI) requires one-third of our non-executive directors to retire from office and stand for re-election at each AGM (with the longest serving retiring first). Therefore, no non-executive director will serve longer than three consecutive years after their last reappointment. Further, directors serving over nine years must be reassessed for independence and must stand for re-election at every AGM.

Periodic, staggered rotation is applied to ensure retention of critical knowledge and to introduce members with new expertise and perspectives. A skills matrix helps identify skills gaps and targets individuals for mentorship and development.

## Board changes since the FY2019 AGM

Non-executive directors	<b>Appointments since FY2019 AGM</b> George Cavaleros Bernard Swanepoel
	<b>Resignations or retirements since the FY2019 AGM</b> None
	<b>Retirements indicated for the FY2020 AGM</b> Frank Butler
Executive directors	<b>Appointments</b> Seelan Gobalsamy (CEO) Stephan Serfontein (FD)
	<b>Resignations</b> Adriaan de Lange (Group managing director)

**Statement:** The board is satisfied that its composition reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the Group's business operations, diversity and independence to execute its roles and responsibilities effectively.

## Commitment

**Policy:** Aim to achieve 100% attendance at all board and committee meetings.

The board's formal calendar consisted of five board meetings and a two-day offsite strategy meeting. In addition, the business dynamics required the board to review critical issues, so a further four meetings were held. During these 10 meetings, the board reviewed the business, its strategy, divisional budgets and plans, financial results and matters relating to the capital raise. The board's three sub-committees met a further 12 times in total to ensure detailed discourse and interrogation of those matters within their mandate. A special limited term sub-committee was also formed in May and June 2019 to oversee the capital raise and debt restructure and this sub-committee met three times. **The board had an attendance rate of 99.1% of formal meetings.**

## Training and performance

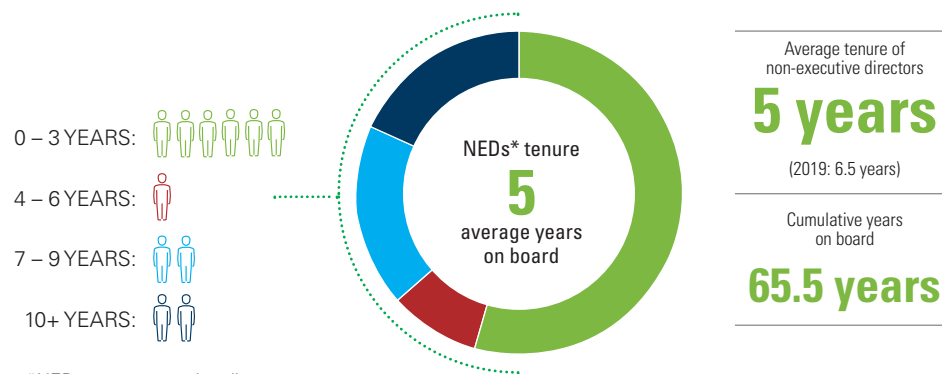
Ongoing training and development are important contributors to an effective board. The development of industry and Group understanding is a continuous process. Newly appointed directors participate in a structured induction programme which includes site visits, meetings with management and induction material on topics related to, among others, governance and the business. **In the year, the board attended an update on directors' responsibilities and duties specific to the debt restructure.**

## Effective corporate governance

Operating in a highly cyclical industry, strategic choices have long-term impacts. The approach to governance and leadership forms part of Omnia's intellectual capital and supports the overall value-creation process to the extent that the Group is well managed and controlled. The board accepts responsibility as the custodian of governance and assumes collective responsibility for strategy, policy, oversight and accountability. The board applied a stakeholder-inclusive approach to the overriding issues of the year.

## Succession and tenure

**In FY2020, the average tenure of non-executive directors was five years (2019: 6.5 years). Cumulative years on board 65.5.**



\*NEDs – non-executive directors.