



DIRECTOR RECRUITMENT AND INDUCTION GUIDELINES



Table of Contents

1. New Board Member Recruitment	3
2. Induction Process	7
a) Importance	7
b) References to Induction Regulations and Guiding Principles.....	8
King IV Report on Governance	8
The UK Corporate Governance Code	8
3. Board Member Induction Checklist	9
Best Practices	9
Induction Programme	10



As with any other position to fill, boards should seek out the best talent to continually improve the health and sustainability of the organization. A structured recruitment process ensures that all candidates are qualified and evaluated using consistent criteria and process.

1. Board Member Recruitment Process

Boards need a good combination of background experience, skills, qualifications and personal qualities to provide the foundation for a high-performing board. The recruitment and appointment process is a critical first step to ensuring effective members are appointed to the board.

References

The King IV report outlines the process and requirements for nomination, election and appointment to the Board.

Principle 7:14 states that:

Before nominating a candidate for election, the governing body should consider the following;

- Collective knowledge, skills and experience required by the governing body.
- The diversity of the governing body.
- Whether the candidate meets the appropriate fit and proper criteria.

Principle 7:18: 'A candidate for election should provide the governing body or nominating committee with details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as a member of the governing body.'

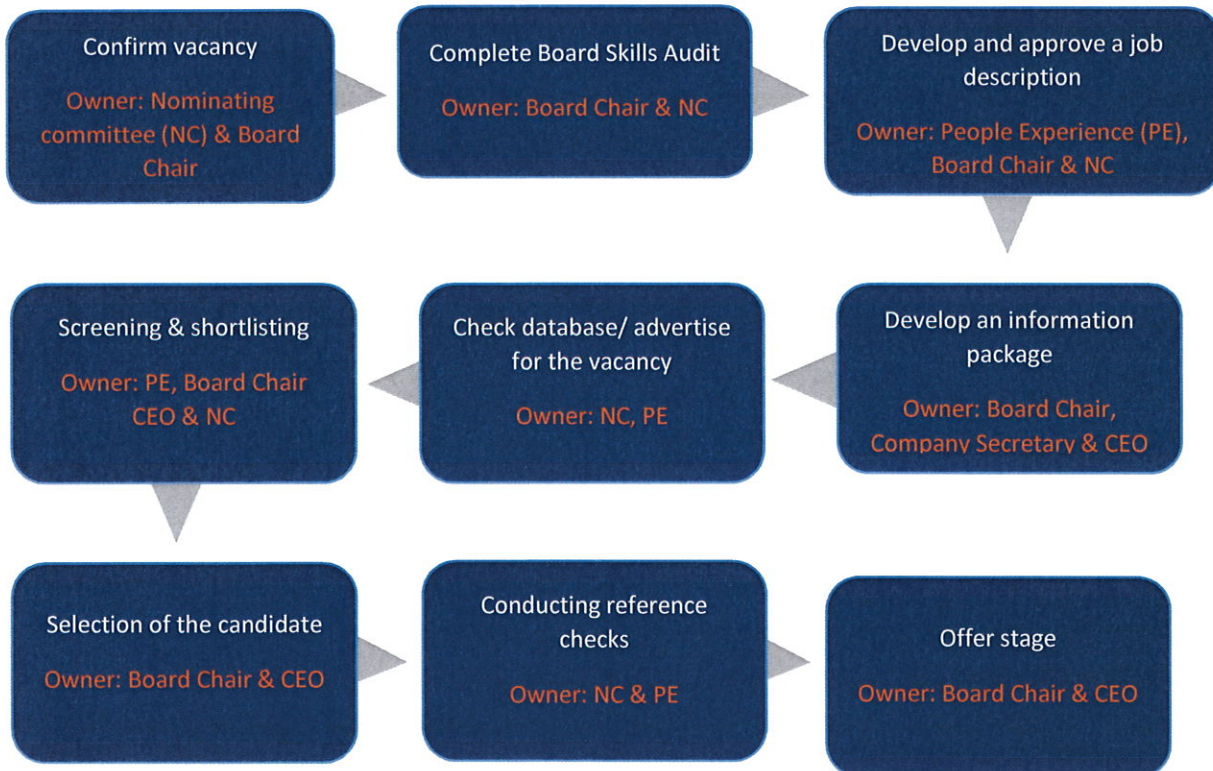
Principle 7:19: Prior to nomination for election, candidates' background should be independently investigated, and their qualifications should be independently verified.

Principle 7:21: Upon election, the terms and conditions for serving as a member of the governing body should be formalized by a letter of appointment.

PLEASE INCLUDE A PEP SCREENING PROCESS IN YOUR RECRUITMENT PHASE – PLEASE ASK THE L&C TEAM TO ASSIST. THANKS

Recruitment process

These steps give an overview and structure of how the recruitment process should be.



a) Confirm vacancy and define your needs

The Board chair declares that a vacancy needs to be filled. The next step is to develop a Board Skills Assessment Matrix which helps in achieving the right mix of skills and competencies needed for the board. This needs also to be done for the current board members to determine their skills and also developmental areas.

A 'Board skills matrix' may be a useful tool for identifying gaps. (See attached excel document)

Board member	Sector		Industry		Diversity			Academic qualifications	Skills and experiences													Year on the board	Term expiry	Committees serving				
	Public	Private	Financial	Other (please specify)	Age	Gender	Citizenship		Banking/IMF knowledge	Ability to generate business	Finance/Accounting Audit	Leadership Skills	Legal & regulatory	Risk management & controls	Government/Public sector relations	Stakeholder relations	CEO succession planning	Strategic planning	Marketing/PR/sales	Technology/ PR	Corporate governance	Credit	Advocacy/communication					
1																												
2																												
3																												
4																												
5																												
6																												
7																												
8																												
9																												
10																												

Once the skills assessment has been done, the roles and responsibilities of the new board member need to be clearly stated. This means defining the job, understanding the skills required to be successful in that job, and identifying the values and qualities that will enable the new recruit to become part of a cohesive board team.

When you are recruiting board members, you require a detailed job description which can entail the following;

- Responsibility and authority
- Term - (length of service, under what conditions can one resign or be removed from apposition)
- Legal and financial commitments.
- Academic qualification
- Past experience
- Technical competencies
- Personal qualities and behavioural traits

Eligibility Requirements for New Board Member

Professional experience

- Served as a director of another company in the same or a similar industry.

Technical competencies

- Demonstrated senior leadership.
- Government/ regulatory environment.
- Financial expertise (business management, budgeting, finance & accounting).



- Risk management.
- Stakeholder management.
- Multi-country operations.

Personal attributes

- Personal reliability and good financial standing.
- Thinks strategically, manages complexity and acts decisively.
- Demonstrates a high level of personal and professional integrity, trustworthiness, ethics and values.
- Leadership skills and strong team spirit.
- Effectively resolves conflict and demonstrates courage.
- Excellent communication & interpersonal skills.
- Good negotiation skills.
- Demonstrates a commitment to confidentiality.
- Demonstrates professional and appropriate conduct in public.

Additional information

Brings diversity to the Board in terms of education background, gender, age, race, skills and experience

b) Finding candidates

The best case scenario is to develop leads (e.g. through a nominating or board development committee) and maintain a list of potential candidates throughout the year. When the need for a new board member arises, it is easy to go through the database and begin screening candidates.

However, if there is no pre-existing list or database of volunteers, you may need to develop a Board Application Form then advertise the position;

- Advertisement in the local newspaper
- Advertisement in social media e.g. LinkedIn
- Word of mouth – colleagues and associates

c) Screening and selection

Once the applications have been reviewed, screening potential candidates begins so as develop a short-list for interviews. Screening practices play a critical role in choosing candidates that better match the skills and experience needed.

The screening and interviewing panel will consist of the Chair of the Nominating Committee, People Experience, Board Chair, CEO and up to 2 members of the Board.

Holding an interview with all potential candidates offers an opportunity to discuss the role and find out about the candidate's: background, skills, interests, qualifications and personal goals. The interview is also meant to



The period of induction needs to be set at 3 months in order to cover a full board cycle.

ii. References to Induction Regulations and Guiding Principles

This proposed induction program is aligned to the following regulations and guiding principles:

King IV Report on Governance

Principle 7.22 states that:

‘The governing body should ensure that incoming members are inducted to enable them to make the maximum contribution within the shortest time possible.’

The UK Corporate Governance Code

This is the recommended international best practice taken from the UK Corporate Governance Code 2010 (the Code), published by the Financial Reporting Council (FRC) which applies to all companies with a premium listing of equity shares on the London Stock Exchange.

The code reinforces King IV principle. It states that:

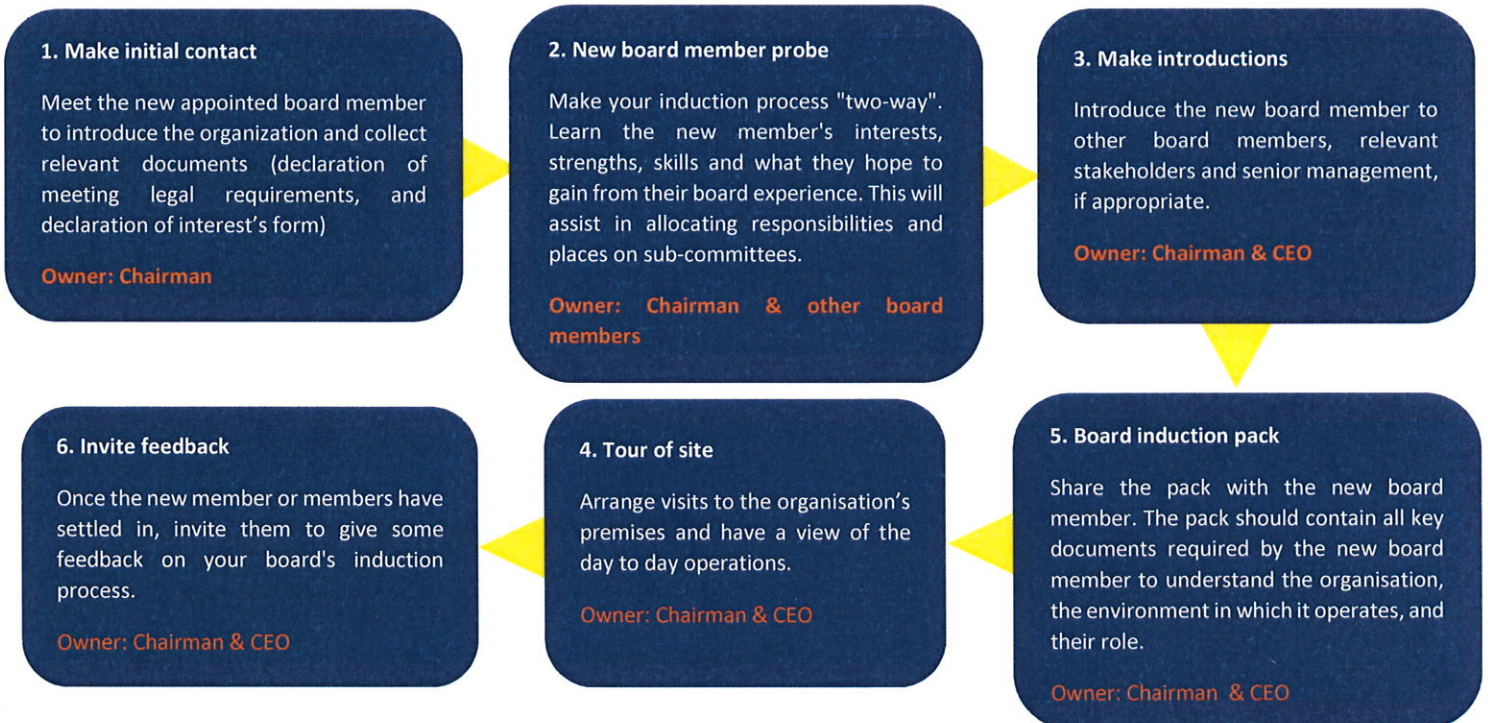
‘The chairman should ensure that new directors receive a full, formal and tailored induction on joining the board. As part of this, directors should avail themselves of opportunities to meet major shareholders.’

‘Under the direction of the chairman, the company secretary’s responsibilities include ensuring good information flows within the board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required.’

The induction process should ensure that all board members have:

- An appropriate level of knowledge of the sector in which the organisation operates.
- A clear understanding of the organisation’s business operations.
- A clear understanding of the organisation’s financial circumstances.
- A clear understanding of the organisation’s Vision, Strategy and Direction.
- A clear understanding of what is expected of the board member in their role, including legal responsibilities.
- A high-level knowledge of the business risks that may affect the organisation’s success.
- Access to relevant background information.

The process is as follows:



Board Member Induction Checklist

The intention of the induction checklist is to ensure that new directors become familiar with all the key operations and functions of the organisation.

Best Practices

- i. The induction programme should be tailored to the needs of the particular director to avoid repeating information the director is already well versed in
- ii. Get the incoming director's input in relation to both content and delivery. Previous experience is relevant to the induction programme design
- iii. Prioritise and schedule various induction elements over a period of time to prevent overloading the new board member
- iv. Vary the delivery of information through hard copy material, face-to-face meetings and tour visits to the company
- v. Review the induction process quarterly through the process and at the end to seek his/her input on any other further requirements

Induction Programme

The Chairman has the discretion to make adjustments to the induction programme based on his/her induction with the new director.

Name of Group Company: _____

Background Summary		Remarks
1	Name of Director	
2	Date of appointment	
3	Agreed duration of induction	
4	Date of commencement of induction programme	
5	Agree dates of review of induction progress	1 st review: _____ 2 nd review: _____ 3 rd review: _____ 4 th review: _____
Discussed & signed		
Director: _____		Date: _____
Company Secretary: _____		Date: _____

Areas of induction


Area of induction	Activity	Applicable to which company		Who	When (Q1, Q2, Q3, Q4)	RAG Status
		LHL	Subsidiary			
1. Welcome and introductions	Contact the new board member		✓	CEO	Q1	
	Provide new board member with appointment letter	✓		Chairman	Q1	
	Introduction to the CEO and other board members – profiles and contact details. Encourage the board to welcome the new member		✓	Chairman	Q1	

Area of induction	Activity	Applicable to which company		Who	When (Q1, Q2, Q3, Q4)	RAG Status
		LHL	Subsidiary			
	Introduction to senior staff and outline of each functional area of the company - Staff names, titles and areas of responsibilities		✓	Chairman & CEO	Q1	
	Tour of site with CEO		✓	Chairman & CEO	Q1	
	Assign a mentor to the new board member		✓	Chairman & CEO	Q1	
2. Company information	History of organization with a summary of significant events (incorporation, acquisitions)	✓		Chairman	Q1	
	Vision and mission	✓		Chairman	Q1	
	Group's strategic plan	✓		Chairman	Q1	
	Summary of solutions	✓		Chairman & CEO	Q1	
	Policies and procedures	✓		Chairman & CEO	Q1	
	Articles of Association		✓	Chairman	Q1	
	Ethics, values, and philosophy	✓		Chairman	Q1	
	Organogram/ Management structure		✓	Chairman & CEO	Q1	
	Marketing & branding – newsletters & promotional materials		✓	Chairman	Q1	
	Risk profile and tolerance		✓	Chairman	Q1	
List of stakeholders and contacts		✓	Chairman & CEO	Q1		
Terminology, jargon and glossary of company-specific terms	✓	✓	Chairman & CEO	Q1		

Area of induction	Activity	Applicable to which company		Who	When (Q1, Q2, Q3, Q4)	RAG Status
		LHL	Subsidiary			
3. Board & committees	Board composition, renewal, succession plan and policy on re-election	✓		Chairman	Q1	
	Board and committee structures		✓	Chairman	Q1	
	Current board member profiles and contact information		✓	Chairman	Q1	
	Current committee member profiles and contact information		✓	Chairman	Q1	
	Board Manual & Charter	✓	✓	Chairman & CEO	Q1	
	Board policies and procedures		✓	Chairman	Q1	
	Expected fees		✓	Chairman	Q1	
	Conflict of interest		✓	Chairman	Q1	
	Whistleblowing		✓	Chairman	Q1	
	Terms of Reference (TOR)		✓	Chairman	Q1	
	Outline of appraisal / review process		✓	Chairman	Q1	
Delegated authorities to executives		✓	Chairman	Q1		
4. Board meetings	12 months board minutes and overview of current issues	✓		Chairman	Q1	
	Board annual calendar (meetings & events) & Board Attendance Policy	✓		Chairman	Q1	
	Agenda for future meetings	✓		Chairman	Q1	
	Description of board procedures covering details such as when	✓		Chairman	Q1	

Area of induction	Activity	Applicable to which company		Who	When (Q1, Q2, Q3, Q4)	RAG Status
		LHL	Subsidiary			
	papers are sent out, the method of delivery, the normal location of meetings and duration					
5. Role, behaviour and personal development of the board member	Explanation by the chairman of his/her expectations of the board in terms of its output and behaviours		✓	Chairman	Q1	
	Role of board member and his/her duties		✓	Chairman	Q1	
	Policies and procedures relevant to the board member as an individual	✓		Chairman	Q1	
	Culture & values	✓		Chairman	Q1	
	Board code of conduct	✓		Chairman	Q1	
	Board training and development programme		✓	Chairman	Q3	
	Directors' and officers' liability insurance	✓		Chairman	Q1	
6. Reports/ other documentation	Board evaluation report		✓	Chairman	Q3	
	Two most recent annual reports		✓	Chairman	Q3	
	Annual audited financial report(s)		✓	Chairman	Q3	
	Central Bank report(s)		✓	Chairman	Q3	
	Current year budget report		✓	Chairman	Q3	
	Audit reports (where applicable)		✓	Chairman	Q3	
	Botswana Stock Exchange Listings	✓		Chairman	Q1	
7. Feedback	Provide feedback on the induction process	✓		New board member	Q1/Q2/Q3/Q4	



Area of induction	Activity	Applicable to which company		Who	When (Q1, Q2, Q3, Q4)	RAG Status
		LHL	Subsidiary			
Discussed and signed						
Director: <u></u>				Date: <u>31/05/2019</u>		
Company Secretary: <u>Rhinwaga.</u>				Date: <u>31/05/2019</u>		