



2017
LEADERSHIP AND COMMITTEE
TERMS OF REFERENCE
SUPPLEMENTARY REPORT

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Leadership and committee terms of reference

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Leadership and committee terms of reference supplementary report 2017

The skills and experience of our Board and executive management are detailed in the report that follows. Also included are the terms of reference for each of our Board committees. This report is supplementary to Afrox's 2017 integrated report available at www.afrox.com.

Governance structure

The Afrox Board is responsible for governance, strategic direction and, ultimately, the performance of the Company. Its governance structure is as follows:



¹ Sue Graham Johnston resigned as Chairperson with effect from 1 September 2017 and Bernd Eulitz was re-appointed as Chairman with effect from 1 September 2017.

² Resigned effective 18 February 2018. A replacement for Richard Gearing is being considered.

³ Appointed as a non-executive director with effect from 1 March 2017.

⁴ Dorian Devers resigned as Financial Director and executive director on 9 May 2017. Matthias Vogt was appointed as Group Financial Director and executive director with effect from 1 August 2017.

⁵ Resigned effective 1 April 2018.

⁶ Appointed 1 November 2017.

⁷ Appointed to Head of Healthcare effective 1 September 2017.

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Board of directors

Non-executive directors



Bernd Eulitz (52)
Chairperson

Bernd was re-appointed as Chairperson in 1 September 2017 after the resignation of Sue Graham Johnston.

Bernd is a member of The Linde Group Executive Board of directors and is head of The Linde Group's regions Europe, Middle East and Africa. Bernd brings a significant amount of international experience to the Afrox Board. He joined The Linde Group in 2004 and has since held a number of senior posts, including regional business head of the gases division South and East Asia (Singapore), Managing Director, Chief Executive Officer of PanGas AG (Switzerland), and Head of the gases division's sales region east (Germany). Bernd took responsibility for The Linde Group's Global Procurement in 2016 and the newly formed Global Centre of Excellence halfway through 2017.



Matthias von Plotho (48)
Non-executive director

Matthias was appointed to the Afrox Board in May 2011. As Programme Manager, he leads the project on the potential merger with Praxair within The Linde Group. He joined Linde in 2001 and was responsible for implementation of International Financial Reporting Standards (IFRS) for financial instruments. Since then he has held a number of senior posts, including Head of Mergers & Acquisitions. Prior to joining The Linde Group, he worked with KPMG and AGIV AG in Germany. He holds a masters degree in business administration from the University of Würzburg, Germany. Matthias attends Audit Committee meetings by invitation.

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Independent non-executive directors



Dr Khotso Mokhele (62)
Lead independent non-executive director

Khotso was appointed to the Afrox Board in December 2005. He was on the teaching and research staff of the Universities of Fort Hare and Cape Town between 1986 and 1992. He was vice-president and then president of the Foundation for Research and Development from 1992 to 1999, and president of the National Research Foundation from 1999 to 2006. He served on the Council for Higher Education, the National Advisory Council on Innovation, and the National Skills Authority. Khotso was the founder and president of the Academy of Science of South Africa.

Khotso holds eight honorary doctorates from South African higher education institutions and one honorary doctorate from Rutgers University in New Jersey (USA). He currently serves as special advisor to the Minister of Science and Technology. He is the chairman of two South African-listed companies (Tiger Brands Limited and AECL Limited). Khotso chairs the SET and SHEQ committees at Afrox and is a member of the NGMR Committee.

Khotso holds the following qualifications: BSc agriculture (University of Fort Hare), and MS and PhD in microbiology (University of California Davis, USA).



Chris Wells (69)
Independent non-executive director

Chris was appointed to the Afrox Board in November 2012. Chris is chief executive officer of Oakbrook Holdings (Pty) Ltd, a private investment company, and chief executive officer of International Facilities Services (Pty) Ltd, a company focused on providing facilities services in sub-Saharan Africa. He is a non-executive director of the Spar Group Limited where he chairs the audit and risk committees and is a member of its social, ethics and transformation committee. He has extensive experience in the retail and manufacturing sectors, having been both a CFO and CEO of various listed companies. He is a chartered accountant (South Africa)(CA(SA)). Chris chairs the Audit Committee.



Lean (GJ) Strauss (59)
Independent non-executive director

Lean was appointed to the Afrox Board in February 2015. He joined Sasol in 1982. He spent most of his career with Sasol Oil, where he held the positions of general manager, manufacturing and supply as well as general manager, marketing. He was appointed as general manager of Sasol Gas in 1997 and managing director of Sasol Nitro in 2002. In 2005 Lean was appointed as a member of the group executive committee and as group general manager responsible for Sasol's international energy portfolio. From January 2010 he took over the group's responsibility for Sasol Oil and Sasol Gas. In July 2010 he was promoted to senior group executive, responsible for the Group's total growth portfolio, Sasol's international energy cluster, Sasol new energy and Sasol technology. He was also a director and chairman of several companies in the Sasol group. Lean has a BCom and BCom honours degree from the University of Stellenbosch and an MCom business management degree from the Rand Afrikaans University (now University of Johannesburg). Lean chairs the NGMR Committee and is a member of the Audit and SHEQ committees.

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Independent non-executive directors continued



Nomfundo Qangule (50)
Independent non-executive director

Nomfundo was appointed to the Afrox Board in July 2014. She was the chief financial officer of Harmony Gold Ltd between 2004 and 2007. She is currently director of Hans Merensky Holdings, Rebasis Ltd, and Nozala Investments (Pty) Ltd. She is both a CA(SA) and Certified Associate of the Institute of Bankers in South Africa. Nomfundo is a member of the Audit and SET committees.



Nolitha Fakude (53)
Independent non-executive director

Nolitha was appointed to the Afrox Board in March 2017 and bolsters our team with 26 years of experience across multiple organisations and diverse industries. Nolitha held a number of senior positions prior to joining Afrox, including that of vice-president and executive director at Sasol, chairperson of Sasol Mining, director and group executive member at Nedbank Limited, as well as managing director at the Black Management Forum. She previously served as a non-executive director on the board of Harmony Gold, was chairperson of Datacentrix Holdings and a non-executive director at Woolworths. In April 2017, she joined the board of Anglo American Plc. Nolitha is currently a non-executive director at the Johannesburg Stock Exchange Ltd as well as deputy chairperson of South African Airways. Nolitha holds a BA from the Walter Sisulu University and a BA honours degree, from the University of Fort Hare.

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Executive directors



Schalk Venter (51)
Managing Director

Schalk was appointed to the Afrox Board on 18 May 2015 and assumed the role of Managing Director. He joined Chemical Service's Chemsolve Systems in 1991 as a junior sales representative and went on to serve as managing director of a number of subsidiaries of the group before he was promoted to the Chemical Services executive and joined the board in 2006. Thereafter, he was appointed chairman of a number of subsidiaries, including Nulandis, Resinkem, Duco Speciality Coatings and Chemfit. In 2010, he was promoted to executive for AECI and in 2012 he was promoted to managing director of AECI's biggest subsidiary, AEL Mining Services. Schalk has a higher national diploma in Analytical Chemistry from Tshwane University of Technology and attended the advanced management programme 107 at INSEAD Business School.



Matthias Vogt (42)
Group Financial Director

Matthias was appointed to the Afrox Board on 1 August 2017 and assumed the role of Group Financial Director.

Matthias attended University of Oxford SAID Business School and is a graduate in business and administration (audit, tax and controlling) from the Rosenheim University of Applied Sciences as Dipl.-Betriebswirt (FH).

He joined The Linde Group, Afrox's holding company, in early 2007 as senior corporate controller for region Europe and Africa, where he assisted with the development of The Linde Group's controlling and reporting to meet the needs of the executive board and capital markets. Since 2010, he has held a number of senior positions with The Linde Group including head of The Linde Group's outsourced global shared services before joining Afrox in 2015 as General Manager Finance. During this time Matthias gained broad experience in transforming organisations and business processes. Furthermore, he has a strong finance and commercial background and understands the needs of dynamic and changing business environments. Prior to joining The Linde Group he held a number of finance management positions within Siemens AG for almost six years.

Leadership and committee terms of reference supplementary report 2017 continued

Executive management Executive management



Schalk Venter
Managing Director

Refer to executive directors for details.



Matthias Vogt
Group Financial Director

Refer to executive directors for details.



Jan Ntuli
General Manager Operations

Jan has been with Afrox since August 2011 and has held various management positions in the business. He joined Afrox as Welding Consumables Factory Manager and moved to the position of IBP Implementation Manager before becoming the Head of HPO, and later the Head of National Customer Service Centre. He holds a BA in Mechanical Engineering from Vaal University and an MDP from Manchester University.



Joseph Ramashala
General Manager Healthcare

Joseph has been with Afrox for 10 years and has held various management roles in sales during this time. Prior to taking on his current role, Joseph held the position of National Accounts Manager Bulk CO₂. He joined Afrox in 2008 after spending over 10 years in the FMCG industry. Joseph holds a BCom Law degree from the University of KwaZulu-Natal and a BCom honours degree in Business Management from UNISA. He also obtained an MDP certificate from UNISA.



Marius Kruger
General Manager Emerging Africa

Marius has been with Afrox for 21 years and has held various senior positions in the business. Prior to taking on his current role as General Manager for Emerging Africa in June 2015, he was the Cluster Manager for East Africa. He holds a BCompt honours from Unisa and is an associate member of the Chartered Institute of Management Accountants in the United Kingdom.



Dillan Fernando
General Manager Sales and Marketing

Dillan re-joined Afrox on 13 November 2017 from another tier 1 industrial gases company, where he was vice-president based in Dallas, Texas, in the US since 2012. He was previously with Afrox between 2004 and 2006 before transferring to The Linde Group in Germany. Dillan brings a wealth of experience in managing diverse global businesses and portfolios. He holds a degree in mechanical engineering – polymer from the University of North London. He is also a graduate of the Southern Methodist University's Certificate in Leadership in global leadership and completed the graduate finance certificate programme in international finance from the same institution.

Leadership and committee terms of reference supplementary report 2017 continued

Corporate function heads



Johann Cilliers
Head of Communications

Johann was appointed as Afrox Retail Business Manager in June 2003 and promoted to Head of Communications in 2007. Prior to joining Afrox, Johann was a senior business consultant with Affinity Logic, prior to which he gained valuable business experience at Massmart, where he held a senior buyer position. He holds an MBA from The Open University in the UK.



Makhula Magaoga
Head of Procurement

Makhula has been with Afrox for five years and has held various procurement positions in the business. Prior to taking on his current role as Head of Procurement in September 2015, he was Procurement Regional Commodity Manager responsible for transport, plant maintenance and customer engineering services (CES). He holds a BTech from DUT and an MBA from Unisa.



Sanjay Misra
Head of Programme Management Office, Continuous Improvement (CI) and Digitalisation

Sanjay joined Afrox in August 2008 and has held a number of positions in the business, including Industrial Engineering Manager, Process Improvement Specialist, Supply Chain Manager Exports and, most recently, Transformation Manager. Prior to joining Afrox, Sanjay held senior positions at the Corroseal Group and Uniross Batteries. He holds a BTech degree in Industrial Engineering and has more than 19 years of industry experience.

Leadership and committee terms of reference supplementary report 2017 continued

Corporate function heads continued



Stephen Moran
Head of SHEQ

Stephen joined Afrox in July 2012 from BOC Gases in Ireland and the UK, where he was a member of the senior SHEQ leadership team with experience in safety system auditing and sharing best practice across other European countries. Stephen has over 30 years of experience in the chemical industry, including 20 years in gases. He has a diploma in applied science and an honours degree in chemistry with chartered status from the Institute of Technology in Dublin.



Sandy Morris
Head of Information Systems – Service Management IS RAU and Country IS Manager Africa

Sandy Morris was appointed to the Executive Committee in 2016, leading the Regional Information Services Team for Africa. Her role extends to Head of Service Management for Africa, UK and Ireland. Since 1999, Sandy has provided IT services to the Afrox Group of companies including Afrox Healthcare and subsidiaries in the Hard Goods and welding market, leading to a permanent association in 2010. Sandy was instrumental in leading the drive to standardise the Emerging Africa IT landscape, driving a comprehensive convergence strategy that facilitates best practice and centralised management. Sandy has more than 20 years of IT experience across multiple Information Services disciplines in sub-Saharan Africa with a clearly defined focus on governance.



Ashley Soupen
Head of Human Resources

Ashley rejoined Afrox in October 2013 from Sidra in Qatar, where he was the chief human resources (HR) officer and, before that, HR director for various Honeywell regions. He was previously with Afrox between 1987 and 2005 in various HR roles, including Strategic HR Business Partner for Emerging Africa. Ashley has a BCom in industrial psychology, business management and advanced labour law from Unisa. He also attended the certificate programme in industrial relations at Wits and MDP at UCT.

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Company secretary



Cheryl Singh

Head of Legal, Risk and Compliance
and Company Secretary

Prior to joining Afrox in December 2013, Cheryl was the group company secretary and legal counsel at ArcelorMittal and Pebble Bed Modular Reactor. She held governance and company secretarial roles at Absa and has been a member of the Corporate Governance Network (CGN) at the Institute of Directors in Southern Africa since 2009. She holds a BProc LLB from the University of KwaZulu-Natal and an MBA from the Gordon Institute of Business Science.

Our approach to governance

Effective and ethical corporate governance is embedded in our organisational culture and is reflected in the principles and policies that are integrated into our operations. Afrox's Board is the focal point and custodian of corporate governance in the Group. This role is fulfilled with the support of its statutory committees that collaborate with management, employees and external specialists in executing their mandates. The Company's SET Committee provide oversight of Afrox's ethics and governance.

Our robust governance structure considers the King IV principles and includes the presence of a lead independent non-executive director. Afrox conducts effectiveness reviews of the Board, Board Committees and individual directors every alternate year to ensure appropriate governance capacity and application.

Committee terms of reference

Terms of reference for each Afrox Board committee are detailed below.

Audit Committee

- The Audit Committee is an independent statutory committee appointed by the shareholders to fulfil the obligations contained in the Companies Act, and the principles contained in King IV. It also executes further duties delegated to the Audit Committee by the Board.
- In addition to having specific statutory duties to the shareholders in terms of the Companies Act, the committee assists the Board by advising and making submissions on financial reporting, overseeing the risk management process and internal financial controls, external and internal audit functions and statutory and regulatory compliance of the Company.

Nominations, Governance and Management of Resources Committee

This committee has two cores areas of responsibility, namely the management of resources, and nomination and corporate governance:

Management of resources

- Determines and makes recommendations to the Board on the framework, policy and costs of executive and senior management remuneration
- Determines and recommends the remuneration strategy to ensure that executive directors and other senior employees are adequately remunerated
- Refers specific recommendations for independent director remuneration to the Board for deliberation. No person is involved in any decision as to his or her own remuneration
- Reviews and advises on the general principles under which compensation, retirement plans, training, succession plans and performance management are applied to senior employees of Afrox
- Reviews the rules of any long-term incentive schemes operated by Afrox
- Monitors and reviews Afrox's retirement funds to ensure compliance with current best practice standards, industry practices and legislation.

Nominations and corporate governance

- Enforces policy on gender targets among others as well as nomination and appointments of directors
- Monitors and reviews the Company's policies, practices and compliance with corporate governance principles and regulations
- Serves as a Nominations Committee (chaired by Dr KDK Mokhele) and as part of its function, the committee:
 - reviews and makes recommendations on the retirement and re-election of directors, by rotation, prior to the AGM;
 - identifies, evaluates and nominates candidates to fill vacancies for executive, non-executive and independent directors of the Company for approval by the Board as a whole; and
 - reviews the size of the Board, committee structures and director assignments
- The Board, through the committee, conducts self-performance evaluations

SHEQ Committee

The Board's SHEQ Committee:

- Ensures that SHEQ management within Afrox is aligned with the overall business strategy, and is geared for compliance and fulfilment of its commitments and obligations in these fields
- Reviews the policies and performance of Afrox and the implementation of SHEQ policies
- Considers and provides guidance to the Board on major SHEQ projects
- Ensures that the Board is informed of all significant impacts on the Company in the SHEQ field and how these processes and activities are managed
- Considers substantive national and international regulatory and technical developments in the field of SHEQ
- Monitors the Company's SHEQ performance progress on continuous improvement

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Social, Ethics and Transformation Committee

The committee has specific statutory duties in terms of provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision. This includes the responsibility to:

- monitor the Company's activities, having regard to relevant legislation, other legal requirements, or prevailing codes of best practice
 - draw matters within its mandate to the attention of the Board
 - report to shareholders at the AGM on the following range of activities:
 - social and economic development
 - good corporate citizenship
 - consumer relationships
 - labour and employment; and
 - formulate strategies and monitor a range of activities to ensure the successful transformation of Afrox, in the areas of BBBEE, sustainable development and good corporate citizenship, by assessing the Company's performance against the following criteria:
 - black equity participation
 - employment equity
 - management transformation
 - skills development
 - transformation-sensitive procurement
 - supplier development.
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