



# HOW THE **SARB** IS GOVERNED

# Shareholding and dividend

## The SARB's shareholders

As at 31 March 2024, the SARB had 830 shareholders. The shareholders have no rights or involvement in determining monetary policy, financial stability policy or the regulation and supervision of the financial sector. Their rights are limited to the following activities conducted at the SARB's AGM:

- considering the SARB's annual financial statements;
- electing seven of the non-executive directors of the Board, as and when vacancies arise; and
- appointing the external auditors and approving their remuneration.

SARB shares are traded on an over-the-counter (OTC) share-trading facility managed by the organisation. While some foreigners still hold shares, only the shareholders residing in South Africa are entitled to vote at the AGM.

Shareholders are allowed one vote for every 200 shares held. The SARB Act restricts shareholders to owning no more than 10 000 shares, including shares held by associates, as defined in the SARB Act.

In 2023, the SARB held its first hybrid AGM, enabling shareholders to participate either in person, or remotely via a live webcast.

## Dividend

The SARB Act permits the SARB to declare dividends at the rate of 10% per annum on the paid-up share capital of the SARB. An interim dividend of five cents per share was approved by the Board on 28 July 2023 and paid to shareholders on 27 October 2023. A final dividend of five cents per share was approved by the Board on 22 February 2024 and paid to shareholders on 31 May 2024. The total dividend paid for the financial year was R0.2 million (2022/23: R0.2 million).

# Governance

The SARB supports the overarching goals of *King IV™* and has implemented the principles of responsibility, accountability, fairness and appropriate transparency, in line with legislation governing the SARB.

## Ethical culture

The SARB functions in the public interest. It proactively maintains the highest ethical standards as an institution. The Board and executive management are responsible for ensuring that the SARB carries out its mandate and executes its strategy alongside its values of accountability, excellence, integrity, open communication and respect and trust. Challenges to the SARB's independence and constitutional mandate are vigorously defended to ensure that the SARB serves South Africa's citizens without fear, favour or prejudice.

The SARB promotes a culture of ethical conduct and compliance. The Ethics Policy, framework and procedures guard against unethical behaviour or unlawful conduct and guide management in the event of such instances occurring. The Board Risk and Ethics Committee (BREC) oversees ethics management, while the Risk Management and Compliance Department (RMCD) manages the day-to-day aspects, including ethics and commercial crime risk assessments as well as employee declarations on outside interests and personal account trading. The Internal Audit function assists in identifying possible incidents of commercial crime and other irregularities.

The SARB conducted formal ethics management maturity and ethics risk assessments during the 2023/24 financial year. These were instrumental in formulating an updated ethics management strategy and policies.

Employees and the public can use an independent external hotline to anonymously report dishonest or questionable practices and sensitive matters related to the SARB's business. All allegations are treated seriously and investigated. The hotline is available 24/7 and callers can communicate with trained operators in English, Afrikaans, isiZulu and Sesotho.

# The Board

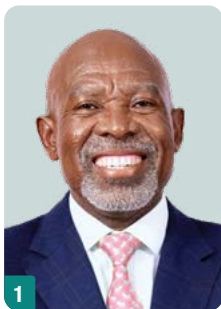
The Board is responsible for the corporate governance of the SARB. It ensures compliance with principles of good governance and adopts policies for the sound accounting, administration and functioning of the SARB. It also ensures these functions and duties are fulfilled. The SARB Act and the Board Charter define the Board's responsibilities.

The SARB Act requires the Board to have 15 members, comprising the Governor and three DGs who serve as executive directors as well as four non-executive directors appointed by the President after consultation with the Minister of Finance. It must also include seven shareholder-elected non-executive directors.

The SARB Act also sets the 'fit and proper' criteria for Board membership and prescribes that a panel evaluates nominated shareholder-elected candidates, considering skills, knowledge

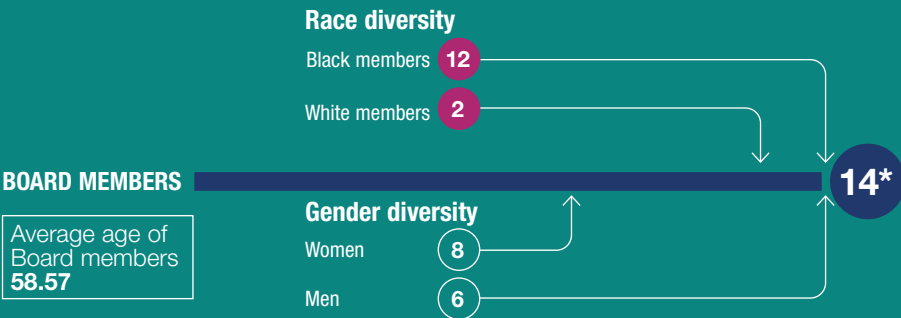
and diversity. This ensures that the Board operates with integrity and has the capability and diverse thinking required to fulfil its responsibility for effective governance. Well-constituted committees assist the Board in discharging its duties.

The Board receives reports on governance and oversight matters from the GEC and the various Board committees. The Board ordinarily meets five times a year. Of specific note is the Board's accountability for the governance of information and technology (I&T), which includes ensuring that the I&T strategy supports the SARB's strategic objectives. I&T investments are made within acceptable risk parameters and in line with the SARB's culture, structure and I&T maturity. I&T performance against an approved scorecard is reported quarterly to the Information and Technology Steering Committee, GEC and Audit Committee.



1

## Board composition at 31 March 2024



### 1 E L (LESETJA) KGANYAGO<sup>58</sup>

**Executive chairperson • Governor of the SARB<sup>1</sup>**  
**Appointed by the President**

**Appointed:** 9 November 2014 and reappointed for a second five-year term on 9 November 2019<sup>2</sup>

**Responsibilities:** Executive Management Department (EXE), Communications Division, Strategy Management Office (SMO), IAD, Economic Research Department (ERD) and the Human Capital and Operations Cluster.

**Experience:** Served as Director-General of National Treasury and then as a DG of the SARB from 16 May 2011 to 8 November 2014. Served as the Chairperson of the International Monetary and Financial Committee (IMFC), the primary advisory board to the IMF Board of Governors, from 18 January 2018 to 17 January 2021. During his time at National Treasury, he represented South Africa in international organisations, including the World Bank, the G20 and the African Development Bank (AfDB), including as Chair of the Development Committee Deputies and Co-chair of the G20 Working Group on the reform of the IMF.

#### Other current roles

- Chairperson of the Committee of Central Bank Governors (CCBG) of the SADC.
- Co-chairs the FSB Regional Consultative Group for sub-Saharan Africa and the FSB's Cross-Border Payments Coordination Group (CPC).

#### Awards

- Chancellor's Calabash Outstanding Alumnus Award in 2015 from the University of South Africa (Unisa).
- Named the Global Markets Awards' Governor of the Year for sub-Saharan Africa in 2017.
- Named Central Bank Governor of the Year by Central Banking Publications in 2018.
- Doctor of Commerce, honoris causa, awarded by Stellenbosch University in December 2018.
- Leadership in Practice Award in 2019 from Unisa Graduate School of Business Leadership.
- Doctor of Commerce, honoris causa, awarded by the Nelson Mandela University in December 2020.
- Awarded Central Bank Governor of the Year by African Banker in 2021.

1. The SARB Act requires the Governor to serve as both the de facto CEO of the SARB and Chairperson of the Board, with a casting and deliberative vote.

2. On 15 March 2024 the President announced that Governor Lesetja Kganyago has been reappointed for a third five-year term, commencing on 9 November 2024 and concluding on 8 November 2029.

\* Kuben Naidoo resigned as DG with effect from 1 December 2023. The President appointed Mampho Modise as DG to a five-year term effective from 1 April 2024.



## 2 N (NOMFUNDO) TSHAZIBANA<sup>47</sup>

**Executive director • Deputy Governor of the SARB**  
**Appointed by the President**

**CEO of the PA from 1 April 2022**

**Appointed:** 1 August 2019 for a five-year term<sup>3</sup>

**Responsibilities:** The SARB Financial Surveillance Department (FinSurv) and the PA.

**Served as Adviser to the Governors:** February 2018 to 31 July 2019

**Experience:** Prior to joining the SARB, she served as an Alternate Executive Director on the Board of the IMF, from 2015 to 2018. Served as Deputy Director-General responsible for Economic Policy and Forecasting at National Treasury from June 2011 to February 2015 and prior to that served in various roles at National Treasury since 2003. Before this, she was responsible for policy analysis at the National Energy Regulator of South Africa (NERSA) and worked in the private sector.

### Other current roles

- Member of the Basel Committee on Banking Supervision (BCBS).
- Member of the Supervisory and Regulatory Committee of the FSB.
- Member of the CODI Board and Chairperson of the CODI Investment Committee.
- Vice Chairperson of the Network for Greening the Financial Sector (NGFS).

## 3 R (RASHAD) CASSIM<sup>58</sup>

**Executive director • Deputy Governor of the SARB**  
**Appointed by the President**

**Appointed:** 1 August 2019 for a five-year term<sup>4</sup>

**Responsibilities:** Financial Markets, Legal Services, International Economic Relations and Policy and National Payment System departments.

**Experience:** Served as the Head of the SARB's Economic Research and Statistics Department and Chief Economist from March 2011 until July 2019. Before joining the SARB, he was the Deputy Director-General at Stats SA responsible for economic statistics. From 2003 until 2006 he was a professor and Head of the School of Economics and Business Sciences at the University of the Witwatersrand (Wits). Before this he was the head of Trade and Industrial Policy Strategies (a think tank) and held various research positions at the University of Cape Town (UCT). He served as the chairperson of the international Irving Fisher Committee on Central Bank Statistics (IFC) under the auspices of the Bank for International Settlements (BIS) for a three-year period between 2019 and 2022.

### Other current roles

- Member of the BIS Markets Committee.
- Serve as South Africa's Central Bank Deputy at the G20 and BRICS meetings.
- Chair of the Financial Markets Liaison Group, the Market Practitioners Group (MPG) and the CPD.

## 4 J M S D (DUDU) MSOMI<sup>53</sup>

**Non-executive director**

**Government appointed:** July 2020 and reappointed in September 2023

**Qualifications:** Bachelor of Arts (BA) degree (Psychology and English), BA (Hons) degree (Cultural and Media Studies), postgraduate diplomas in Advertising and Marketing and Corporate Governance, and a Master of Business Administration (MBA) from the University of Pretoria's (UP) Gordon Institute of Business Science (GIBS)

**Experience:** Founder and CEO of Busara Leadership Partners (a strategic advisory firm); adjunct faculty member at GIBS; Industry Expert for Masterstart (an online learning institute); SA partner for the CEO Summit Uganda's CEO Apprentice Programme; part-time Commissioner on the KZN Provincial Planning Commission; and a Fellow at the Institute of Directors in South Africa. Her expertise spans strategy, corporate governance, environmental, social and governance (ESG), leadership development, diversity, equity and inclusion, and small-, micro- and medium-sized enterprises (SMMEs).

## 5 S (SHAMIMA) GAIBIE<sup>60</sup>

**Non-executive director**

**Board appointed as a casual vacancy:**  
August 2020

**Shareholder elected:** August 2021

**Qualifications:** BA and Bachelor of Laws (LLB) degrees from Wits and a Master of Laws (LLM) degree from the London School of Economics and Political Science (University of London, UK)

**Experience:** Admitted as an attorney, practising for more than 30 years in, among other areas, labour law, public sector law, commercial law and constitutional law. She previously served as a lecturer of law and acted as a Judge in the Labour Court and High Court and is a senior director at Cheadle Thompson & Haysom Inc. attorneys. She has written articles on labour law and co-authored the 7th Edition of Labour Relations Law: A Comprehensive Guide.

3. On 15 March 2024 the President announced that DG Nomfundo Tshazibana has been reappointed for a second five-year term, commencing on 1 August 2024 and concluding on 31 July 2029.

4. On 15 March 2024 the President announced that DG Rashad Cassim has been reappointed for a second five-year term, commencing on 1 August 2024 and concluding on 31 July 2029.





6

## 6 Y (YVONNE) MUTHIEN<sup>67</sup>

**Non-executive director** • Remuneration Committee (Remco) Chairperson

**Shareholder elected:** July 2018 and re-elected in August 2021

**Qualifications:** D.Phil, Oxford University, Master of Arts, Northwestern University, BA (Hons) – cum laude, University of the Western Cape (UWC)

**Experience:** Currently Chairperson of Rhodes Food Group, non-executive director of Aspen and SA SME Fund as well as Chairperson of Mavovo Capital. She has extensive executive management and board experience across various sectors. Former positions include senior executive and Board roles at Sanlam, BankservAfrica, Coca-Cola Africa and MTN. Has knowledge and skills in commerce and finance, telecommunications and fast-moving consumer goods.



7

## 7 C B (CHARLOTTE) BUITENDAG<sup>58</sup>

**Non-executive director**

**Shareholder elected:** July 2016, re-elected in July 2019 and again in July 2022

**Qualifications:** Doctorate (PhD) in Econometrics

**Experience:** Is serving as Professor in Simulation and Futuristic Studies at the Thabo Mbeki Graduate School for Public and International Affairs, Unisa. She previously served as Professor of Economics at UP. Has knowledge and skills in industry.



8

## 8 Z (ZOAB) HOUSEN<sup>59</sup>

**Non-executive director** • Board Risk and Ethics Committee (BREC) Chairperson

**Shareholder elected:** July 2019 and re-elected in July 2022

**Qualifications:** MBA and Bachelor of Science (BSc) in Computer Science and Mathematics

**Experience:** Thirty years' experience in the information and communications technology industry and the former Managing Director of Microsoft South Africa. Currently, a member of the GIBS Advisory Board, Executive-in-Residence at Sanari Capital, he advises businesses on their digital transformation journeys. Has knowledge and skills in industry.



9

## 9 N (NICHOLAS) VINK<sup>69</sup>

**Non-executive director**

**Shareholder elected:** July 2016, re-elected in July 2019 and again in July 2022 for a final three-year term

**Qualifications:** PhD in Agricultural Economics

**Experience:** A non-executive director on the Rooibos Limited Board and a former President of the International Association of Agricultural Economists (2021–2024). He has knowledge and skills in agriculture.



10

## 10 M M T (TRYPHOSA) RAMANO<sup>52</sup>

**Non-executive director**

**Shareholder elected:** August 2020, re-elected in July 2023

**Qualifications:** CA(SA), postgraduate diploma in Accounting and Bachelor of Commerce (BCom). Currently an Advanced Leadership Initiative fellow at Harvard University, Boston

**Experience:** Co-founder and director of Magommake Limited. Has held positions in the public and private sectors, among other roles served as the Chief Financial Officer (CFO) of PPC Limited, WIPHOLD and South African Airways, and as Head of Asset Liability at National Treasury. Serves on the boards and as chairperson of the Audit and Risk Committees of the International Women's Forum (South Africa) and the Solidarity Fund.

She is a member of the South African Institute of Chartered Accountants (SAICA), a non-executive director of the Public Investment Corporation (PIC), Denel SOC Ltd, Eskom Holdings SOC Ltd, SA Rugby Council as well as the Chairperson of the Audit and Risk Committee at UP. Has knowledge and skills in commerce and finance.



11

## 11 L H (LERATO) MOLEBATS<sup>54</sup>

**Non-executive director** • Lead Independent Non-executive Directors' Committee Chairperson

**Government appointed:** April 2019 and reappointed in June 2022

**Qualifications:** BA Psychology, University of Johannesburg, Senior Executive Leadership Programme for Africa, Harvard University, Senior Management Development Programme Diploma, Stellenbosch University

**Experience:** A former CEO of a multinational company, she held positions in financial services companies such as Sanlam and Old Mutual. Has over 25 years' experience in financial services, mining, government, non-profit and professional services, across a myriad of functional areas such as strategy formulation, communications, marketing, corporate social investment, black economic empowerment, governance and policy development.

While in government she led significant policy development and transformational change initiatives. She has worked across the continent with various stakeholders on highly complex projects, giving her a unique understanding of regional dynamics and an opportunity to work with decision-makers of major global institutions, such as General Electric while serving as the CEO of GE South Africa. She currently serves on several boards including as the chairperson of HR and Remco at the FSCA.



12

## 12 N B (NORMAN) MBAZIMA<sup>65</sup>

Non-executive director • Audit Committee Chairperson

**Board appointed as a casual vacancy:** August 2020

**Shareholder elected:** August 2021

**Qualifications:** Fellow of the Association of Chartered Certified Accountants and fellow of the Zambia Institute of Chartered Accountants

**Experience:** Over 18 years' exposure as a senior executive at Anglo American, including as Deputy Chairman of Anglo American South Africa and as CEO and CFO of its various business units. Seventeen years' experience as a professional accountant with Deloitte & Touche in mining, financial services and other industries. Serves as Chairperson of Anglo American Platinum Limited and various other boards. He is a trustee of Malaria No More and has knowledge and skills in mining.



13

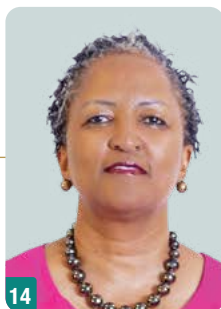
## 13 K H (KGABO) BADIMO<sup>64</sup>

Non-executive director

**Government appointed:** June 2022

**Qualifications:** PhD in Information Systems from Unisa; MSc in data engineering from Keele University in the UK, and BSc Computer Sciences from University of the North at Turfloop (University of Limpopo (UL)). Completed an Executive Leadership programme at Unisa, Graduate Studies Programme in Business Administration at Wits and SAP Winning Insights Leadership Development Programme at GIBS

**Experience:** Serves on the Board of Airports Company South Africa (ACSA) as a non-executive director. A seasoned business executive with more than 33 years' experience in IT, banking, defence, rail, mining, mobile communications, telecommunications and data communications. Held various senior executive positions including at Dr Temp (Pty) Limited, Oracle, Ansys Limited, Neotel, Jasco Limited, Spescom DataVoice (Pty) Limited, SAP, MTN; SITA (Pty) Limited, Denel Infopla006E and FNB.



14

## 14 K W (KHOLEKA) MZONDEKI<sup>56</sup>

Non-executive director

**Government appointed:** September 2023

**Qualifications:** Chartered Accountant (FCCA, United Kingdom), BCom and Diploma in Investment Management

**Experience:** Serves on several JSE listed company boards as an independent non-executive director. She is a qualified chartered accountant and has extensive experience in the senior finance executive roles of Financial Director and CFO. She is currently chairing the Audit committee of Thungela Resources. She was formerly the Chairman of digital aggregator Trudon, was appointed as the lead independent non-executive director at Aveng, and served on the Telkom board for close to ten years. She also served on the audit committee on the United Nations World Food Programme, amongst others.



15

## 15 K (KUBEN) NAIDOO<sup>52</sup>

Executive director • Deputy Governor of the SARB

**Appointed by the President:** 1 April 2015 and reappointed for a second five-year term on 1 April 2020. Resigned with effect from 1 December 2023

**Responsibilities until 31 November 2023:** Financial Stability, Economic Statistics, National Payment System, Risk Management and Compliance departments, Financial Technology (Fintech) Unit, including the newly established Corporation for Deposit Insurance (CODI) as well as oversees the Currency Cluster.

**Experience:** Worked at the Financial and Fiscal Commission from 1995 to 1998, before joining National Treasury in 1998. Completed a two-year stint at Her Majesty's Treasury in the United Kingdom, in the Budget Division between 2005 and 2006. Headed the Budget Office at National Treasury in South Africa from 2006 to 2010 and headed the Secretariat of the National Planning Commission from 2010 to 2013 (seconded from National Treasury). Served as CEO of the Prudential Authority until 31 March 2022. Served as co-chairperson of the Basel Consultative Group (a sub committee of the Basel Committee on Banking Supervision) and member of the Committee on Global Financial Stability (CGFS).



16

## 16 DR M (MAMPHO) MODISE<sup>41</sup>

Deputy Governor of the SARB

**Appointed by the President:** 1 April 2024 for a five-year term

**Responsibilities:** Financial Stability Cluster, which includes the Financial Stability Department, the newly established Corporation for Deposit Insurance (CODI), the Economic Statistics Department, the Risk Management and Compliance Department, and the Fintech Unit.

**Experience:** Served as the Deputy Director-General of Public Finance at National Treasury, responsible for fiscal and financing monitoring, evaluating policy proposals across national departments, and the oversight of public and state-owned entities. Prior to that, she was the chief strategy and risk management director in the Asset and Liability Management Division, and managed the relationships with global rating agencies on behalf of the government. Her previous roles include the Director of Fiscal Policy and Senior Economist in the Economic Policy Division at National Treasury.

## Frequency and attendance of Board and its committee meetings from 1 April 2023 to 31 March 2024

Names of Board members	Board (5 meetings)	Audit Committee (4 meetings)	BREC (4 meetings)	Nedcom (4 meetings)	Remco (4 meetings)	Overall total of meeting attendance for each member's allocated committees
E L (Lesetja) Kganyago <sup>&gt;</sup> <b>Board Chairperson</b>	5/5	3/4*	3/4*	n/a	3/4*	<b>14/17</b>
K (Kuben) Naidoo	3/5 <sup>&amp;</sup>	2/4 <sup>&amp;</sup>	2/4 <sup>&amp;</sup>	n/a	n/a	<b>7/13</b>
F (Nomfundo) Tshazibana <sup>#</sup>	5/5	4/4	4/4	n/a	n/a	<b>13/13</b>
R (Rashad) Cassim <sup>†</sup>	5/5	3/4*	n/a	n/a	2/4*	<b>10/13</b>
T (Terence) Nombembe <b>Audit Committee Chairperson until 15/07/23</b>	1/5 <sup>°</sup>	1/4 <sup>°</sup>	1/4 <sup>°</sup>	1/4 <sup>°</sup>	n/a	<b>4/17</b>
C (Charlotte) Buitendag	5/5	n/a	3/4	4/4	n/a	<b>12/13</b>
N (Nicholas) Vink	5/5	n/a	n/a	4/4	4/4	<b>13/13</b>
Y (Yvonne) Muthien <b>Remco Chairperson</b>	5/5	n/a	n/a	4/4	4/4	<b>13/13</b>
Z (Zoaib) Hoosen <b>BREC Chairperson</b>	5/5	4/4	4/4	4/4	n/a	<b>17/17</b>
L (Lerato) Molebatsi <b>Lead Independent Non- executive Director and Nedcom Chairperson</b>	5/5	n/a	4/4	4/4	4/4	<b>17/17</b>
J M S D (Dudu) Msomi <sup>^</sup>	5/5	n/a	4/4	4/4	4/4	<b>17/17</b>
M M T (Tryphosa) Ramano	5/5	1/4*	3/4*	3/4*	n/a	<b>12/17</b>
N B (Norman) Mbazima <sup>Δ</sup> <b>Audit Committee Chairperson from 16/07/2023</b>	5/5	4/4	3/4 <sup>Δ</sup>	4/4	2/4 <sup>Δ</sup>	<b>18/21</b>
S (Shamima) Gaibie	5/5	n/a	n/a	2/4*	2/4*	<b>9/13</b>
K H (Kgabo) Badimo	5/5	4/4	4/4	4/4	n/a	<b>17/17</b>
K W (Kholeka) Mzondeki <sup>&lt;</sup>	2/5 <sup>&lt;</sup>	1/4 <sup>&lt;</sup>	n/a	2/4 <sup>&lt;</sup>	n/a	<b>5/13</b>
<b>Numbers</b>	<b>71/80</b>	<b>27/40</b>	<b>35/44</b>	<b>40/48</b>	<b>25/32</b>	<b>198/244</b>
<b>Percentage</b>	<b>88.75</b>	<b>67.5</b>	<b>79.54</b>	<b>83.33</b>	<b>78.12</b>	<b>81.15</b>

<sup>></sup> Attends Audit Committee and Remco meetings by invitation.

<sup>#</sup> Attends Audit Committee and BREC meetings by invitation.

<sup>†</sup> Attends Audit Committee and Remco meetings by invitation.

<sup>&</sup> K (Kuben) Naidoo resigned as the DG of the SARB with effect from 1 December 2023.

<sup>°</sup> T (Terence) Nombembe's third term expired on 15 July 2023.

<sup>Δ</sup> N B (Norman) Mbazima was appointed as the Chairperson of the Audit Committee on 16 July 2023, joined BREC and relinquished his Remco membership.

<sup>^</sup> J M S D (Dudu) Msomi attended as an invitee between 1 July 2023 and 24 September 2023, as she was reappointed on 25 September 2023.

<sup><</sup> K W (Kholeka) Mzondeki was appointed as a Board member from 25 September 2023 and appointed as member of the Audit Committee on 30 November 2023.

\* Apologised for absence(s).

n/a: not applicable.





## Assessing effectiveness

The Board conducts an annual assessment of the SARB's governance framework against best practice and regularly assesses whether the *King IV™* principles can be further applied. The Board Charter and the terms of reference of all Board committees are reviewed every three years, unless otherwise required. In line with the three-year cycle, the Board Charter and the terms of reference were all reviewed in February 2023 and approved in March 2023. Board members perform annual self-assessments to evaluate how the Board and its committees are functioning. The Governor meets annually with all Board members individually to discuss various issues. These discussions are also used to inform the nomination (or otherwise) of a Board member for re-election. Nomination recommendations are made after the Board has identified the skills and expertise needed to ensure its effective performance and after the contribution of non-executive directors to the work of the Board has been assessed.

## Good performance

The role of governance is to support the SARB's ability to achieve its strategy and fulfil its mandate. To be a credible and well-governed institution, the SARB must have the structures, policies and skills to manage financial performance, regulatory compliance and risk management as well as to carry out its social and ethical responsibilities. The Board committees approve the SARB's policies for which they are responsible and oversee and monitor their implementation.

## Board committees

The Board has the authority to establish committees and to delegate powers to these committees, with the purpose of advancing its efficiency. The Board recognises that certain powers can be delegated to the committees. It reaffirms, however, that the ultimate accountability for such matters remains with the Board, which must exercise its decision-making responsibility accordingly.

Non-executive directors chair all Board committees. Board and committee appointments and terms that expired during the year include:

T (Terence) Nombembe's term expired on 15 July 2023. He was not eligible for further reappointment, having served three terms. N B (Norman) Mbazima was subsequently appointed as the Chairperson of the Audit Committee with effect from 16 July 2023.

M M T (Tryphosa) Ramano was re-elected for a second term as a member of the Board on 29 July 2023 and reappointed to the Audit Committee and BREC.

K W (Kholeka) Mzondeki was appointed as a member of the Board on 23 September 2023 and appointed to the Audit Committee.



## AUDIT COMMITTEE

Has an objective, independent role and assists the Board in fulfilling its oversight responsibilities relating to financial reporting, the system of internal controls, the audit process and, as appropriate, the SARB's compliance with laws and regulations as these relate to financial reporting.

The Chairperson is a member of the audit committees of the currency-producing subsidiaries – the South African Mint and SABN – ensuring the sharing of information and alignment with the Group's policies.

The Chairperson of BREC is a member.

### Key activities in 2023/24

- Reviewed all significant internal and external audit findings and monitored management's responses to these findings. The committee was satisfied with the audit quality and independence of the external auditors.
- Facilitated the process of selecting new external auditors.
- Received a combined assurance report in May 2024 together with the draft *2023/24 SARB Annual Report*.
- The committee was satisfied with the assurance that the SARB's control environment is sound.
- Received a compliance report in May 2024. The committee was satisfied that the areas of weakness identified are being appropriately addressed.
- Reviewed and approved the annual fee limits for non-audit work by the statutory auditors for the SARB and the Group.
- Reviewed the scope of the internal and external statutory audits.
- Assessed the SARB's internal audit and financial functions as well as the external auditors.

### Membership

#### Chairperson

T (Terence) Nombembe  
*Third term expired on 15 July 2023.*

N B (Norman) Mbazima  
*Appointed as Chairperson from 16 July 2023.*

#### Non-executive directors

Z (Zoaib) Hoosen  
M M T (Tryphosa) Ramano  
K H (Kgabo) Badimo  
K W (Kholeka) Mzondeki  
*Appointed from 25 September 2023.*

#### Attends by invitation

E L (Lesetja) Kganyago  
R (Rashad) Cassim  
N (Nomfundo) Tshazibana  
K (Kuben) Naidoo  
*Resigned from 1 December 2023.*

## BOARD RISK AND ETHICS COMMITTEE (BREC)

Assists the Board in discharging its responsibilities relating to risk management and good organisational citizenship behaviour, specifically social and ethics responsibilities. The committee also oversees risk and ethics matters relating to the subsidiaries.

The Chairperson of the Audit Committee is a member.

### Key activities in 2023/24

- Considered the status of risk management in the SARB Group, including strategic risk reports and project risk profiles.
- Considered financial risk, security and cyber-risk reports, including current and emerging threats as well as an insurance report.
- Received reports on the internal audit work relating to risk management processes.
- Received SARB Group litigation reports.
- Reviewed reports on ethics management which included the enhancement of ethics processes and procedures.
- Reviewed reports on Business Continuity Management (BCM) and Occupational Health and Safety (OHS).
- Reviewed reports on the whistle-blowing hotline.
- Considered the SARB's annual corporate social investment (CSI) report.
- Considered the SARB's compliance management reports.
- Reviewed the adequacy of the committee's terms of reference for recommendation to the Board for approval.
- Considered the status of the implementation of recommendations from the Institute of Risk Management to enhance risk management in the SARB.

### Membership

#### Chairperson

Z (Zoaib) Hoosen

#### Non-executive directors

C B (Charlotte) Buitendag  
L H (Lerato) Molebatsi  
J M S D (Dudu) Msomi  
T (Terence) Nombembe  
*Third term expired on 15 July 2023.*

M M T (Tryphosa) Ramano  
K H (Kgabo) Badimo  
N B (Norman) Mbazima

#### Executive directors

E L (Lesetja) Kganyago  
N (Nomfundo) Tshazibana  
K (Kuben) Naidoo  
*Resigned from 1 December 2023.*

## NON-EXECUTIVE DIRECTORS' COMMITTEE (NEDCOM)

Assists the Board in fulfilling its legal and supervisory obligations and responsibilities, enhancing corporate governance practices, ensuring ongoing director training and development and evaluating the performance of the Governor, DGs and Secretary of the SARB.

### Key activities in 2023/24

- Discussed topics on local and global economic environments as well as areas of interest as part of ongoing director training and development.
- Considered the performance of the Governor, DGs and Acting Secretary of the SARB.
- Considered succession planning of directors.
- Considered the training needs of directors and implemented an annual training schedule.

### Membership

#### Chairperson

L H (Lerato) Molebatsi

#### Non-executive directors

C B (Charlotte) Buitendag  
Z (Zoaib) Hoosen  
Y (Yvonne) Muthien  
T (Terence) Nombembe  
*Third term expired on 15 July 2023.*

N (Nicholas) Vink  
S (Shamima) Gaibie  
J M S D (Dudu) Msomi  
M M T (Tryphosa) Ramano  
N B (Norman) Mbazima  
K H (Kgabo) Badimo  
K W (Kholeka) Mzondeki  
*Appointed on 25 September 2023.*

#### Attends by invitation

E L (Lesetja) Kganyago

## REMUNERATION COMMITTEE (REMCO)

Reviews the SARB-wide human resources framework and remuneration policies and practices and recommends for the Board's consideration the remuneration packages of the Governor, DGs and the annual increases for staff.

The GEC approves the remuneration and annual fee increases for the Board's non-executive directors, which the Board notes and accepts. Recommendations follow market enquiries, benchmarking against similar organisations and surveys to determine the appropriate increase.

### Key activities in 2023/24

- Monitored the implementation of various initiatives, including talent management, workforce planning, performance management, the reward strategy and the implementation of a talent management system.
- Monitored the review of certain human resources policies.
- Reviewed the EES results and associated action plans.
- Reviewed the D&I programme.
- Agreed the annual remuneration increases for employees and the budget for the annual performance bonuses, for recommendation to the Board for approval.

### Membership

#### Chairperson

Y (Yvonne) Muthien

#### Non-executive directors

S (Shamima) Gaibie  
N B (Norman) Mbazima\*  
L H (Lerato) Molebatsi  
J M S D (Dudu) Msomi  
N (Nicholas) Vink

#### Attends by invitation

E L (Lesetja) Kganyago  
R (Rashad) Cassim

\* N B (Norman) Mbazima joined the BREC and relinquished Remco membership when he was appointed as the Chairperson of the Audit Committee.

## Executive management

### Governors' Executive Committee

In their capacity as executive directors and in line with the SARB Act, the Governor and DGs are responsible for the day-to-day management of the SARB, except for those areas entrusted to the Board, Prudential Committee (PruCo) and CODI.

The members of the GEC are the Governor as Chairperson and the DGs. The Chief Operating Officer (COO), Group Executive: Currency Management and General Counsel attend the meetings ex officio. The Secretary and Assistant Secretary of the SARB also attend the GEC meetings and maintain a record of the deliberations and resolutions for dissemination to the Group, where applicable.

The GEC meets every two weeks and considers policy and strategic issues and other executive management matters.

The following subcommittees of the GEC assist it in its responsibilities:

#### INFORMATION AND TECHNOLOGY STEERING COMMITTEE

##### Chairperson

DG R (Rashad) Cassim

Provides strategic oversight in the management of I&T, including:

- approving, prioritising and monitoring strategic I&T projects and initiatives;
- overseeing I&T functions to ensure that projects and initiatives deliver value by meeting business objectives, providing effective support to departments; and
- driving the targeted organisational architecture, ensuring that business departments are effectively supported by I&T functions.

#### PROCUREMENT COMMITTEE (PC)

##### Chairperson

COO P (Pradeep) Maharaj

Oversees the governance of the procurement process to ensure that the acquisition of goods and services by the SARB or, where applicable, by its subsidiaries is in accordance with the SARB Group Procurement and Supplier Management Policy.

The process followed by the PC to provide a reasonable level of assurance that proper governance and due diligence processes were followed is in line with prescribed policies (such as the Procurement Policy, Disclosure of personnel interest, Broad-based Black Economic Empowerment (B-BBEE) guidelines and SARB Ethics Policy).

#### MANAGEMENT COMMITTEE

##### Chairperson

DG K (Kuben) Naidoo

*Resigned from 1 December 2023.*

##### Acting Chairperson

COO P (Pradeep) Maharaj

*Took over as the Acting Chairperson from 1 December 2023.*

Monitors the day-to-day operational management, including:

- reviewing cross-cutting procedures and objectives for internal operations;
- reviewing and amending administrative and operational policies;
- providing assurance that policies and operational systems are aligned with best practice;
- considering management-related issues proposed for inclusion in the organisational strategy and/or consolidated generic operational strategy;
- considering progress reports on the implementation of the SARB strategy; and
- considering progress reports on the implementation of capital expenditure projects undertaken by the SARB.

#### RISK MANAGEMENT COMMITTEE (RMC)

##### Chairperson

Governor E L (Lesetja) Kganyago

Assists the GEC and BREC by overseeing and reporting on the risk management process, including:

- assuming responsibility for risk management oversight including business continuity, compliance, ethics and corporate citizenship, by determining how the management of risk, compliance, ethics and corporate citizenship should be approached by the Group, including the PA;
- reviewing and endorsing for approval, by the BREC and GEC, all the policies that are within the scope of the RMC's responsibilities;
- evaluating and approving key focus areas in the management of risk, compliance, ethics and corporate citizenship; and
- monitoring compliance with all policies that are within the scope of the RMC's responsibilities.



## RESERVES MANAGEMENT COMMITTEE

### Chairperson

DG R (Rashad) Cassim

The SARB's Gold and Foreign Exchange Reserves Management Investment Policy governs the management of reserves. Reserves are managed within the SARB's overall risk tolerance framework and the related strategic benchmarks and targets are encapsulated in Strategic Asset Allocation. External fund managers manage a portion of the FX reserves to enhance the internal reserves management capabilities and diversify risk and return. A three-tier governance structure clearly segregates the responsibilities for executive authority (GEC), strategic management (Reserves Management Committee) and portfolio management (Financial Markets Department (FMD)).

The Reserves Management Committee oversees the implementation of the Gold and Foreign Exchange Reserves Management Investment Policy and facilitates the prudent investment of South Africa's official reserves, including:

- appointing external fund managers, financial custodians and securities lending agents;
- determining the allocation of the risk budget;
- approving investment guidelines and asset classes for tranches and portfolios;
- monitoring the overall performance of the reserves;
- overseeing quarterly Risk Reserves Management;
- recommending for approval by the GEC, changes to the Gold and Foreign Exchange Reserves Management Investment Policy, strategic asset allocation, the size of the Securities Lending Programme, the overall risk budget, tranche sizes and currency composition of tranches;
- monitoring the parameters for the annual and periodic re-balancing of tranche sizes and currency composition, the implementation of the investment policy, management of the investment portfolios and Securities Lending Programme as well as the implementation of the GEC resolutions insofar as they pertain to reserves management; and
- reporting to the GEC quarterly and to the Board annually.



# Risk management

The operations of the SARB continue to evolve in an economic landscape and financial system that are changing rapidly and becoming more complex.

These changes present both risks and opportunities for the SARB as it executes its price and financial stability mandates.

Operationally, the SARB is exposed to significant inherent risks in many of its core functions. These risks include strategic, policy process and operational risks – such as business continuity, cybersecurity, information security and compliance – as well as reputational, project and financial risks.

The SARB's risk management framework governs the full spectrum of these risks and ensures they are effectively managed within the SARB's risk tolerance levels. The risk management approach includes monitoring and responding appropriately to potential and actual political, economic and regulatory risks arising from the global and domestic environments.

Following the adoption of ISO 31000 as the enterprise risk management framework, the SARB has continued to implement this standard across the various business areas, aligning the Group with global best practice.

## Specialised cross-cutting risks

The coordinating role of the RMCD extends to the following cross-cutting risk categories.

### Compliance

The RMCD provides a centralised management of compliance, ensuring obligations are met by:

- implementing and maintaining a Compliance Policy and framework;
- identifying, assessing and monitoring compliance in line with regulatory requirements;
- monitoring new regulatory developments;
- enabling compliance with various legislation, including environmental, labour, constitutional and anti-money laundering (AML) legislations;
- promoting a culture of compliance and ethics; and
- reporting compliance risks to the RMC and BREC.

### Business continuity

The SARB has adopted the Business Continuity Institute's Good Practice Guidelines that are based on the ISO 22301: Business Continuity Management System (BCMS) standard. The SARB and the cash centres have received formal ISO 22301 BCM certification, which places it on par with international best practice.

The SARB's BCM programme is managed centrally and is supported by a policy, framework, incident management plan and annual cycle of technical activities. The BCM Committee is fully operational.

As the SARB matures and develops its consideration of, and approach to, climate change and cybersecurity risks, the BCM team will continue to support the SARB's Climate Change Programme and liaise closely with the Cyber and Information Security Unit, which is responsible for ensuring governance and the management of the Group's Cyber and Information Security Programme.

## Risk management framework

### Risk governance

#### GROUP RISK MANAGEMENT POLICY

##### Heads of Department and Managing Directors

Responsible for strategic, operational and project risk management

##### Risk Management and Compliance Department

Facilitates and coordinates integrated risk management in the Group and reports to risk oversight committees

##### Risk Management Committee

Oversees risk management in the Group on behalf of the SARB executive

##### Board Risk and Ethics Committee

Reviews the status and effectiveness of risk management in the Group on behalf of the Board

### Risk universe

#### RISK ASSESSMENTS

The risk management framework governs the full spectrum of risk, including strategic, policy process and operational risks (such as business continuity, cybersecurity, information security, compliance, OHS, climate change and CSI) as well as reputational, project and financial risks.

#### CONTINUOUS RISK MANAGEMENT

This includes risk incident management, monitoring action plan implementation, day-to-day risk management activities, key risk indicators, scenario analysis and the monitoring and assessment of external risks, including those that emanate from climate change.

## Combined assurance


The SARB has adopted a combined assurance approach, in line with *King IV™*, to increase the effectiveness of assurance activities within the five lines of assurance. The combined assurance model has matured and has been subjected to ongoing enhancements, alignment of assessment methodologies and integrated dashboard-based reporting across the lines of assurance.

The Group's combined assurance approach to risk management and control aims to integrate, coordinate and align processes and optimise the levels of risk, governance and control oversight.

## Combined Assurance Forum

The Combined Assurance Forum (CAF) regularly reviews the combined assurance approach, model and processes as well as information sharing and coordination between the respective assurance providers. This contributes significantly towards an effective control environment and supports the integrity of information used for internal decision-making by management, the Board and its committees. Based on reports submitted by the lines of assurance and the CAF, chaired by the Chief Risk Officer (CRO), the forum considers the adopted combined assurance approach to be adequate, effective and aligned to good practices.

## Combined assurance providers aligned with the Combined Assurance Model

<b>First level</b> of assurance providers 	<b>Departmental management</b>	The managers of each department are responsible for the ongoing identification, assessment and management of risks, including designing, implementing and maintaining an adequate and effective system of control.
<b>Second level</b> of assurance providers 	<b>Integrated risk management</b>	The RMCD performs a centralised and integrated risk management coordination function to ensure risks are managed consistently, within internationally accepted standards and guidelines.
<b>Third level</b> of assurance providers 	<b>Internal Audit</b>	<p>The IAD is an independent, objective assurance and advisory function that provides a view on whether processes for managing and controlling risks and overall governance are adequately designed and function effectively.</p> <p>The IAD brings a systematic approach to assessing risk management, control and governance processes, advising management in developing control solutions and monitoring management's corrective actions.</p> <p>The IAD works across the Group, covering all operational functions as well as information technology (IT) systems and processes. The work is carried out in accordance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework.</p>
<b>Fourth level</b> of assurance providers 	<b>Independent external assurance service providers:</b> external audit and other independent assurance providers	Independent external auditors audit the Group's annual financial statements. Where it is deemed necessary, other external assurance providers are used to obtain independent assurance on the adequacy and effectiveness of the internal processes and practices, ensuring they are aligned to international best practice.
<b>Fifth level</b> of assurance providers	<b>Board</b>	The Board oversees that the Combined Assurance Model is implemented to cover significant risks and material matters through a combination of the various assurance services and functions for the Group.

## 2023/24 | Performance highlights

Received the formal BCM certification against the ISO 22301 BCMS international gold standard. The certification was awarded by the British Standard Institute, validating that the SARB is compliant with the requirements for setting up and managing an effective BCM system.

Completed an independent ethics management maturity assessment and an ethics risk assessment in collaboration with the Ethics Institute.

## Looking *ahead*

In line with ongoing objectives, the SARB will continue to advance risk management practices that are forward-looking and support business objectives. The organisation will continue to enhance and expand collaboration and integration with internal and external stakeholders.