

**SANLAM LIMITED**

**NOMINATIONS COMMITTEE CHARTER  
(TERMS OF REFERENCE)**

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## **1. CONSTITUTION**

The Nominations Committee (“the Committee”) is a Committee of the Board of Directors of Sanlam. This document sets out the duties assigned to it by the Board over and above its statutory duties. The Committee is constituted to perform its duties in terms of Principle 8 Recommended Practice 60 of King IV. The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce their individual and collective responsibilities as members of the Board in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations. These terms of reference are subject to the provisions of the Companies Act, Sanlam’s Memorandum of Incorporation, JSE Listing Requirements and any other applicable law or regulatory provision.

## **2. PURPOSE OF THE TERMS REFERENCE**

- 2.1. The purpose of these terms of reference is to set out:
- 2.2. The Committee’s role and responsibilities;
- 2.3. The requirements for its composition;
- 2.4. Process and, criteria for appointment of any committee members who are not board members;
- 2.5. Meeting procedures; and
- 2.6. Delegation of authority to management.

## **3. ROLE OF THE COMMITTEE**

- 3.1. The role of the Committee is to provide and assist the Board to discharge its governance role as it relates to:
  - 3.1.1. The process for nominating, electing and appointing members of the Board.
  - 3.1.2. Succession planning in respect of the Board.
  - 3.1.3. Evaluation of the performance of the Board.

## **4. RESPONSIBILITIES AND FUNCTIONS OF THE COMMITTEE**

- 4.1. The Committee will:
  - 4.1.1. Identify and evaluate suitable candidates for possible appointment/s to the Board, and make recommendations to the Board regarding the appointment of Non-Executives and Independent Directors to the Board. The appointment of executive directors is subject to their appointment as Sanlam executives by the Human Resources and Remuneration Committee. The Board

is responsible for any appointments to the Board during any year. The annual appointment and re-appointment of directors is the responsibility of Sanlam's shareholders at the Annual General Meeting ("AGM").

- 4.1.2. Submit a shortlist of such candidates to the Board for final approval and, when necessary, for a decision regarding appointments. When identifying candidates, the Committee will note the specific disciplines and areas of expertise required on the Board as well as the programme of retirement of directors, if applicable. Taking this into account, the Committee should always keep a list of suitable candidates up to date so that Board appointments can be planned in advance and directors can take the opportunity to meet the candidates or in some other way acquaint themselves with the candidates' ability to be effective Sanlam directors.
- 4.1.3. Regularly review the structure, size and composition of the Board and its committees and make recommendations to the Board.
- 4.1.4. Set the direction and approving the processes to attain an appropriate balance of knowledge, skills, experience, race, diversity, gender and age as well as independence of the Board.
- 4.1.5. Recommend and make use of the services of an external independent service provider on an annual basis for the purpose of evaluating the effectiveness of the board and individual directors in their capacity as directors. The Nominations Committee will assist the Chair in providing guidance on the Board evaluations. The Human Resources and Remuneration Committee will evaluate the performance of the executive directors in their executive capacities.
- 4.1.6. Put in place for succession plan, in particular for the Chair of the Board, the lead director if appointed) as well as the chairs of the various Board Committees.
- 4.1.7. Recommend directors that are retiring by rotation, for re-election (if appropriate to the Board).
- 4.2. Ensure disclosure of information in relation to its:
  - 4.2.1. Overall role and associated responsibilities and functions.
  - 4.2.2. Composition, including each member's qualifications and experience.
  - 4.2.3. A statement on whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with these terms of reference for the reporting period.
  - 4.2.4. Any external advisors or invitees who regularly attend its meetings.
  - 4.2.5. Key areas of focus.

- 4.2.6. Number of meeting held during the year.
- 4.3. Recommend candidates to the Board to ensure the Board is properly balanced, for appointment to the Sanlam Boards, Committees and subsidiaries.
- 4.4. The Committee will ensure that the Chair, Deputy Chair or any director of the Committee attends Sanlam's AGM to answer questions concerning nominations within the Sanlam Group.

## **5. RELATIONSHIP WITH SANLAM GROUP OF COMPANIES**

- 5.1. The Committee shall function within the developed and accepted a Group Governance Policy which proposes certain principles to be applied throughout the Sanlam Group in respect of subsidiary and associate companies, partnerships, joint ventures as well as business divisions across statutory entities. This also covers the broader 'tight' governance aspects such as branding, people management, risk management, culture and ethics.
- 5.2. In line with Sanlam's interest in Group companies, the Committee shall maintain sound relations with Sanlam's representatives on the boards of directors of these companies. The Committee shall ensure that the Group Governance Framework is recognised by each subsidiary and that the subsidiary functions within the Sanlam Group as a separate legal entity to whom its directors owe fiduciary duties.
- 5.3. The Committee further recognises that it is the responsibility of these directors to ensure that the different companies practise proper governance and adhere to the Group's policies, structures, standards and procedures. They are required to annually inform and report to the Committee any material deviations from Group policies and standards or the existence of any significant internal control breakdowns within these businesses. They may report directly or institute appropriate reporting mechanisms such as the tabling of Social, Ethics & Sustainability minutes, and formal written reports by the chair, or by personal attendance at the meeting. These aspects are all considered "tight" in terms of the Group Governance Policy and the Committee will therefore from time to time provide guidance or set Group policy through the Sanlam Board. These aspects are all considered "tight" in terms of the Group Governance Policy and the Committee will therefore from time to time provide guidance or set Group policy through the Sanlam Board.
- 5.4. The Sanlam Board requires that the Committee provides assurance regarding the process of nominating, electing and appointing members of the Board and succession planning in respect of new appointments to the Board and its Committees.

- 5.5. The role of the Chief Executive: group strategic projects will be to represent the broader sustainability imperatives at the boards of the different executive committees.

## **6. RELATIONSHIP WITH OTHER COMMITTEES**

The Committee will also provide input to other Board committees in such matters that are relevant to those committees to enable it to perform its responsibilities, in circumstances where aspects of those same matters fall within the scope of responsibility of other Board committees.

## **7. COMMITTEE COMPOSITION**

- 7.1. The Committee will consist of not less than three directors appointed by the Board, all of whom will be non-executive directors and the majority independent.
- 7.2. The Chair of the Board will be the Chair of the Committee if she/he is independent, failing which an independent director will be appointed as the Chair.
- 7.3. The Company Secretary of Sanlam shall attend all Committee meetings and act as the Secretary of the Committee.

## **8. COMMITTEE AUTHORITY**

- 8.1. In discharging its responsibility, the Committee hereby delegate the implementation and execution of effective compliance management to management and may from time to time prepare a list of its specific duties and areas of focus.
- 8.2. The Committee, in carrying out its tasks under these terms of reference, may after consultation with the Chair of the Board, and in cooperation with the Company Secretary, obtain such independent professional advice (from both inside and outside Sanlam) as it considers necessary to carry out its duties.
- 8.3. The Committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee in the Sanlam Group. All employees are expected to co-operate with any request made by the Committee.

## **9. MEETINGS**

- 9.1. Meetings of the Committee will be held as the Committee deems appropriate. However, the Committee will meet at least twice each year. Meetings will be organised so that attendance is maximised. The Chair of the Committee or any member of the Committee may call a meeting at any other time.

- 9.2. The notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items to be discussed, will other than under exceptional circumstances be forwarded to each member of the Committee not less than five working days prior to the date of the meeting.
- 9.3. The quorum for the Committee to transact business will be more than one half of the members of the Committee.

## **10. PROCEEDINGS**

- 10.1. Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by Sanlam's Memorandum of Incorporation ("MOI") regulating the meetings and proceedings of directors and committees.
- 10.2. Minutes of all meetings will be circulated to all the members of the Committee, and may also, if the Chair of the Committee so decides be circulated to other members of the Board. Any director may, provided that there is no conflict of interest and with the agreement of the Chair, obtain copies of the Committee's minutes.
- 10.3. The Chair of the Committee will regularly provide summarised feedback to the Board on the Nomination's activities and deliberations.
- 10.4. The Committee must report at least annually to the Sanlam Board on its functions, responsibilities and activities. This shall include the evaluation on the effectiveness of the Committee and propose amendments (if any) to its Charter.

## **11. REMUNERATION**

- 11.1. Having regard to the functions performed by the members of the Committee (in addition to their functions as directors) in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the MOI, non-executive members of the Committee may, upon the recommendation of the Board, be paid special remuneration.
- 11.2. Such special remuneration will be in addition to the annual fees payable to directors.
- 11.3. The remuneration of the Committee members will be determined annually for the next year by the shareholders of Sanlam at its AGM, after considering recommendations in this regard from the Board.

## **12. PERFORMANCE, EVALUATION AND TRAINING**

The Committee shall evaluate its performance each year, having regard to the principles and requirements of its terms of reference and the overall objective of the Committee's work. The Chair of the Committee shall ensure that the results of the assessment of its effectiveness and any proposed changes to its terms of reference are reported to the Board.

## **13. REVIEW OF THE CHARTER**

These terms of reference will be reviewed annually and may be amended as required, subject to the approval of the Board.

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