

SANLAM KENYA PLC

HUMAN RESOURCES, NOMINATIONS AND REMUNERATION COMMITTEE

CHARTER

1. DEFINITIONS

1.1. Sanlam Kenya PLC” / “the Company”

Means Sanlam Kenya PLC (“SKP”) (Registration Number: C.10/46)

1.2. SKP Cluster / “Cluster”

The SKP Cluster includes only businesses and divisions over which the SKP Board exercises management control in terms of an underlying agreement with another company or a mandate. Generally, the cluster will include all the businesses within SKP and all the significant subsidiaries and joint ventures of the Company. However, the level of detail oversight can differ depending on the materiality, risk profile, legal structure and board and management oversight of a particular business.

1.3. “The Committee”

The Human Resources, Nomination and Remuneration Committee of Sanlam Kenya PLC, a subcommittee of the Sanlam Kenya PLC Board of Directors.

2. AUTHORITY AND DELEGATION

2.1 The Committee is subject to the overall authority of the Board.

2.2 The Committee makes recommendations to the Board and has no decision making powers, unless specifically delegated.

2.3 The Committee may only be dissolved by a resolution of the Board.

3. MEMBERSHIP

3.1 The Committee will consist of not less than three directors appointed by the Board, all of whom shall be non-executive directors.

3.2 The Board will appoint the Committee Chairperson and determine the period for which s/he shall hold office.

3.3 The Committee will nominate a Committee Secretary.

3.4 The Chief Executive Officer (CEO) shall be an ex-officio member of the Committee and invited to attend meetings at the request of the Committee. The CEO may not be present when his/her individual remuneration or employment contract is a topic of discussion

4. ROLE OF THE COMMITTEE

The Role of the Committee is to review and make recommendations to the Board in relation to;

4.1 Nomination

- a) Effective Succession plans for Management and Directors are put in place
- b) Process of recruiting new executive and non-executive directors
- c) Effective Induction programs for new directors
- d) Appointment and re-election of directors
- e) Continuous development programs for directors
- f) The process of evaluating the performance of directors, management, committees and board
- g) Group Policy of assessing the independence of Directors
- h) Group Diversity Policy for management and Directors to include issues relating to age, gender, skills
- i) Regular assessment of the Directors' skills matrix and prepare descriptions of the role, skills, and capabilities required for particular appointments;

4.2 Human Resources

- a) The Group's Human Resources Strategy
- b) Health and Safety matters as required by OSHA
- c) Group's training programmes
- d) Incidents and breaches of the Group's policies
- e) Human Resources Strategic Plan
- f) Ensure performance management mechanisms are put in place
- g) monitor management's effectiveness in achieving these goals through the development and regular monitoring of appropriate KPI's

4.3 Remuneration

- a) The Group's remuneration framework
- b) Remuneration packages of directors and executives
- c) Directors Remuneration Policy
- d) Long term retention scheme
- e) Regular review of the Remuneration Policy by the Committee, including an assessment of its application, effectiveness and compliance with law and applicable standards
- f) That there are appropriate processes in place to ensure all staff within the group are properly remunerated and that remuneration practices and policies reflect the needs and goals of the group;

- g) Ensure the remuneration of the GCEO and EXCO is appropriate within market rates, and is regularly reviewed;
- h) the remuneration of the chairman and directors is appropriate and consistent with guidelines approved through AGM processes;
- i) no executive director or manager determines their own remuneration;
- j) targets are determined for performance related pay schemes and aligned to the needs and goals of the group;
- k) there are agreed arrangements for authorising claims for expenses from the CEO, chairman and directors;
- l) approve the annual review remuneration of the GCEO, direct reports of the GCEO, other persons whose activities may in the board or Committee's opinion affect the financial soundness of the Group or be required by law;
- m) to make annual recommendations to the board on the remuneration of the categories of persons covered by the Remuneration Policy.
- n) determine, agree on and develop the Company, and the Cluster's general strategy on executive and senior management total remuneration, and within the guidelines determined by the Committee, agree on and develop guidelines for incentive schemes;
- o) determine specific remuneration packages for the GCEO and Exco members Sanlam Kenya PLC and the subsidiaries, including but not limited to basic salary, any annual bonuses, performance-based incentives and other benefits; and
- p) determine any criteria necessary to measure the performance of Exco members and executive directors in discharging their functions and responsibilities.
- q) The Committee will aim to give the executive directors every encouragement to enhance the Company's, and the Cluster's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contributions and performance.

4.4. Performance Assessment Reviews

The committee will assess the effectiveness of management once a year as guided below;

- (a) For Business Units, the Committee will assess the effectiveness of the CEO and his/her direct reports; this report will be presented to the Board in February. The GCEO's assessment of the CEO will form part of the final report done by the Committee.
- (b) For Sanlam Kenya, the Committee will assess the effectiveness of EXCO; this report will be presented to the Board in February. The GCEO's assessment of EXCO will form part of the final report done by the Committee.
- (c) The GCEO will be assessed by the Board Chairman and the report presented to the non-executive Directors at the February Board.

- (d) The Committee will assess 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 Committee may request input from directors who are not members of the Committee.

4.5. Recruitment and Appointment of Exco Members

The Committee will be responsible for;

- a) Review the Group's staff requirements and organogram to ensure suitability to deliver the Group's KPIs; and approve any changes to the staff requirements and the organogram
- b) Undertaking the final interviews of any members of Exco for the Group and the entities in the cluster
- c) Recommending the appointment of the Exco incumbents or any changes in the Exco positions
- d) Recommend and present the decisions made by the Committee to the Board for ratification.

5. Human Resources Risks

The Committee will:

- Consider management's reports on compliance with the Sanlam Code of Ethics as well as with the values and the Company vision statement/s;
- Provide recommendations on any potential conflict of interest or questionable situations of a material nature, or any other Human Resources Risks;
- Report all Human Resources Risk matters to the respective Audit and Risk Committees - as per the Risk Appetite statement, and ensure adequate management actions to reduce the risks; and
- Monitor compliance with all labour legislative measures.

6. Organization Design and Development

The committee will:

- Review structural design in line with the organizations' target operating model for purpose of improvement and creating efficiency
- Review organization's knowledge and capability for continuous development and to minimize the risk of knowledge gap.

7. MEETINGS

7.1 Meetings of the Committee will be held as the Committee deems to be appropriate; however, the Committee will meet at least 4 times each year. Furthermore, meetings may be called by the Chairperson of the Committee or any member of the Committee.

7.2 The agenda together with the discussion papers, will other than under exceptional circumstances be forwarded to each member of the Committee at least seven days before the meeting.

7.3 The quorum for decisions of the Committee shall be any two members present.

7.4 The Committee may invite the Chairperson of the Board (if s/he is not a members of the committee) and any other executive directors and members of management.

7.5 The Committee will make its papers available to the Board

8.PROCEEDINGS

8.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by Sanlam Kenya PLC's Articles of Association ("the Articles") regulating the meetings and proceedings of directors and Committees.

8.2 The Committee secretary will take minutes of meetings. Minutes of all meetings shall be circulated to all the members of the Committee, and may also, if the chairperson 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 chairperson, obtain copies of the Committee's minutes.

8.3 the Chairperson of the Committee will report back to the Board on the on the Committee's deliberations and decisions for ratification at the next Board meeting.

8.4 At every meeting, members are required to disclose any matters that may give rise to potential conflicts of interest in relation to the business being considered by the Committee and recuse themselves from any decision making.

8.5 The Committee:

- a) has free and unfettered access to risk and financial control staff and other parties (internal and external) in carrying out its duties; and
- b) if choosing to engage third-party experts, has power to do so in a manner that ensures that the engagement, including any advice

received, is independent.

9. REMUNERATION

No remuneration is payable to any of the Committee members other than Non-Executive members, who will receive remuneration, as approved by the SKP Board.

10. GENERAL

- The Committee, in carrying out its tasks under these terms of reference, may after consultation with the Chairperson of the Board, and in cooperation with the company secretary, obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- These terms of reference may from time to time be amended as required, subject to the approval of the Board.
- The Charter will be reviewed on an annual basis

Last Review Date: 21 February 2019

ANNUAL HR COMMITTEE PLAN

		Meetings			
		Feb	May	Aug	Nov
1.	Remuneration Strategy	√			√
2.	Review: Management Succession Plan		√		
3.	Committee Composition				√
4.	Exco and Executive director appointments	√	√	√	√
5.	Long-Term Incentive Schemes		√		√
6.	HR Risk Report	√	√	√	√
7.	Labour Legislation Matters (as and when)	√	√	√	√
8.	Incentive Bonus	√			√
9.	Remuneration Review	√			
10.	Review of HR Charter				√
11.	HR Scorecard	√	√	√	√
12.	Assessment of the effectiveness of the Committee				