



**Sanlam Kenya Plc**

**Human Resources, Nomination & Remuneration Committee Charter**



<b>Governance Area Addressed:</b>	Board Governance
<b>Approving Authorities:</b>	Board of Directors HRNR Committee of Sanlam Kenya Plc
<b>Responsible Functionary:</b>	Group Company Secretary
<b>Date of First Approval:</b>	February 2016
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<b>Date of Next Review:</b>	February 2022
<b>Related Charters</b>	1. Sanlam Staff Handbook



## **1. DEFINITIONS**

### **1.1. The Company**

Shall refer respectively to the following companies to Sanlam Kenya Plc

### **1.2 The Committee**

Reference to “the Committee” shall mean the Human Resources, Nomination and Remuneration Committee

### **1.3 The Board**

Reference to “the Board” shall mean the Board of Sanlam Kenya PLC (SKP).

## **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. COMPOSITION AND ATTENDANCE**

- 3.1 The Committee will consist of not less than three (3) directors appointed by the Board, all of whom shall be non-executive directors with relevant Human Capital experience.
- 3.2 The Board will appoint the Committee Chairperson who will be a Non-Executive and Independent Director
- 3.3 The Board will appoint the Committee members and determine the period for which they shall hold office.
- 3.4 The Chairman of the Board may be a member of the Committee but he/she cannot chair the Committee
- 3.5 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting.
- 3.6 The Committee will nominate a Committee Secretary. The Company Secretary of the Board may act as the Committee’s secretary.
- 3.7 The Group/Chief Executive Officer (GCEO/CEO) shall be an ex-officio member of the Committee and be invited to attend meetings. The GCEO/CEO may not be present when his/her individual remuneration or employment contract is a topic of discussion.



- 3.8 The Committee may request members of management or other persons to attend the Committee; including but not limited to:
  - 3.7.1 Human Resources Business Partner
  - 3.7.2 Head of Legal
  - 3.7.3 Chief Finance Officer/ Head of Finance
- 3.9 The membership of any member of the Committee shall automatically terminate in the even the member ceases to be a Director of the Board or if the Board so determines.
- 3.10 The Committee may establish sub-committees as appropriate to deal with specific matters and stipulate their terms of reference.

#### **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 Capital Management**

- 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 Capital 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. QUORUM

7.1.1 The quorum necessary for the transaction of business shall be two (2) members.

7.1.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## 8. CONFLICT OF INTEREST

8.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions of the Companies Act and the Board Charter with regard to Disclosure and Conflict of Interests.

8.2 At each Committee meeting, if any member has any interest in a matter in the agenda for the meeting such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

8.3 All Declarations of Interest shall be minuted.

## 9. MEETINGS

9.1 The Committee shall meet as often as circumstances dictate, but at least four times a year.

9.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

9.3 The Committee will establish an annual workplan for each year to ensure that all relevant matters are covered by the standing agenda items of the meetings scheduled for the year.

9.4 Meetings should be organised so that attendance is maximised. 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.

9.5 The Committee has the prerogative to and should meet with management on a regular basis at separate executive sessions.

9.6 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

9.7 The Committee will make its papers available to the Board



## 8. PROCEEDINGS AT MEETINGS

- 8.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company'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, can 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; and table recommendations for approval at the next Board meeting.
- 8.4 The Chairperson will report any significant risks and internal control breakdowns to the Board.
- 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

Having regard to the functions performed by the members of the Committee in addition to their functions as Non-Executive Directors, and pursuant to the specific power conferred upon the Board by the Company's Articles of Association, non-executive directors who are members of the Committee may be paid such additional remuneration in respect of their appointment as will be determined by the Board.

Such additional remuneration will be in addition to the annual retainer fees payable to non-executive directors.

Executive directors shall not be paid any additional remuneration.

## 10. POWERS, RESOURCES AND APPROVALS

- 10.1 The Committee has the authority and powers that include:-
- 10.1 .1 Access to sufficient resources in order to carry out its duties including access





to staff for assistance as required;

10.1.2 Access to lawyers and independent professional advisors or any specialized service provider relating to Human Capital management as it considers necessary to carry out its duties;

10.1.3 Authority to conduct, any investigations within its area of responsibility; including having the right to hire independent experts for such investigations, approve terms of such engagements and having such investigations paid for by the Company;

10.1.4 Having the right to investigate any employee complaints (*whistle-blowing*) related to Human Resources reporting matters;

## 11. CONFIDENTIALITY

11.1 All deliberations of the Committee, and all records, material and information pertaining to the company obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper disclosure.

## 12. GENERAL

- a. These terms of reference may from time to time be amended as required, subject to the approval of the Board.
- b. This Charter will be reviewed on an annual basis; or at any time as necessitated by the changes in legislation.



## ANNUAL COMMITTEE WORKPLAN

		Meetings			
		Feb	May	Aug	Nov
1.	Bonus & Remuneration Strategy	√			
2.	Exco Succession Plan		√		
3.	Committee Composition	√			
4.	Exco and Executive director appointments	✓	✓	✓	✓
5.	Long-Term Incentive Schemes Quarterly Status Update	√	✓	√	√
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		√		