

SANTAM LIMITED NOMINATIONS COMMITTEE

TERMS OF REFERENCE

1. Introduction

The Nominations Committee (“the Committee”) is constituted as a committee of the board of directors of Santam Limited (“the Company”). The duties and responsibilities of the members of the Committee are in addition to those as members of the board. The deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act 2008, the JSE Listings Requirements, the Company's Memorandum of Incorporation, The Insurance Act 2017 and any other applicable law or regulatory provision.

2. Purpose of the terms of reference

The purpose of these terms of reference is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

3. Composition

The Committee comprises at least three non-executive directors, a majority of whom is independent non-executive directors. Members of this Committee are nominated by the board. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

The chairperson of the board shall be the chairperson of this Committee.

The company secretary is the secretary to this Committee.

The Chairperson of the Committee may co-opt a non-executive board member to attend a meeting of this committee in the event of a member of the Committee being unable to attend such meeting.

4. Role

The Committee has an independent oversight role, and a makes recommendations on matters outlined in paragraph 5 of these terms of reference to the board for their consideration and approval.

The role of the Committee is to assist the board to ensure that:-

- the composition of the board is appropriate to comply with recognised governance standards and legal requirements;
- directors are nominated, elected and appointed through a formal process;
- induction and on-going training and development of directors take place; and

- formal succession plans for the board, chief executive officer and senior management appointments are in place.

5. Responsibilities

In terms of the Santam Board Delegation of Authority document, the board has delegated to the Committee the following functions as well as to make recommendations to the board on matters relating to the mandate of the Committee:

5.1 Board Composition and evaluation

The committee shall regularly review the size, composition and effectiveness of the board and its committees. The committee shall ensure that a formal process is followed for evaluating the performance of the board, its committees, the chairperson of the board and the individual board members at least every two years.

The Committee shall further ensure that directors are nominated, elected and appointed through a formal process and that induction and on-going training and development of directors takes place. The company secretary will assist the Committee with the induction and training programmes of newly appointed directors.

The Committee shall consider the provisions of the Board Gender and Race Diversity policy should a vacancy on the Board arise, or should there be a requirement for an additional Board appointment. The Committee will report annually, in the Santam Integrated Report, on how the Board has considered and applied the Board Gender and Race Diversity Policy in the nomination and appointment of directors to the Board.

5.2 Succession Planning

The committee shall identify and nominate suitable candidates when board vacancies arise and will put in place plans for succession of board members, in particular for the chairperson and CEO. In performing the above, the committee must have due regard to the principles of governance and best practice.

5.3 Re-election of retiring directors by rotation

The committee must make recommendations to the board on the suitability for re-election of the directors that are retiring by rotation in terms of the Memorandum of Incorporation of the company.

5.4 General management appointments and terminations

The appointment of the CEO and other executive directors (in consultation with the CEO) will be recommended by the Committee to the Board for final approval.

6. Authority

The Committee acts in terms of the delegated authority of the board as recorded in these terms of reference. It has the power to investigate any activity within the scope of these terms of reference.

The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, officers or company secretary to provide it with information, subject to board approval.

The Committee will have sufficient access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the company's cost, subject to board approval.

The Committee makes recommendations to the board on any matters within the ambit of these terms of reference.

7. Meeting procedures

7.1 Frequency

The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of two meetings per year. Meetings in addition to those scheduled may be held at the request of the chief executive officer, head of human resources or at the instance of the board.

The Chair of the Committee may meet with the head of human resources and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

7.2 Attendance

The chief executive officer, chief financial officer, head of human resources (or other members of senior management), assurance providers, professional advisors and board members (as may be required) may be in attendance at Committee meetings, but by invitation only. These attendees may not vote at Committee meetings. Such invitees would be expected to recuse themselves from proceedings when requested by the Committee.

Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the chairperson or company secretary.

If the chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chair.

7.3 Notice of meetings, agenda and minutes

The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters set out in paragraph 5 of these terms of reference. Important and critical matters will need to be addressed annually while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of the items to be discussed, will other than under exceptional circumstances be forwarded to each member and invitee of the Committee not less than five working days prior to the date of the meeting.

The minutes of proceedings must be completed as soon as possible after the meeting and circulated to the Chair and the Committee members for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

The Chair of the committee will present a report to the board on the deliberations and recommendations of the committee. The minutes shall be provided to the members of the board.

7.4 Quorum

A representative quorum for meetings will be more than one half of the members of the Committee.

Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

8. **Committee Evaluation**

The Committee shall have its collective performance and that of its individual members evaluated at least every two years. Members of the Committee should continually seek to develop and refresh their knowledge to ensure that they have the requisite skills and knowledge to carry out their role.

9. **Approval of these terms of reference**

These terms of reference were approved by the board on 28 August 2019.

ANNUAL WORKPLAN OF THE COMMITTEE

		MEETINGS			
		Feb	May	Aug	Nov
1	Annual performance review of the executive directors	X			
2	Review results of the annual performance review of Executive Heads	X			
3	Make recommendations to the Board and ultimately to the AGM regarding the election and re-election of board members	X			
4	Review the composition of the board and sub committees	X		X	X
5	Perform annual self-assessment of Committee's activities				X
6	Review results of annual Board effectiveness review	X			
7	Review Committee's charter and action plans			X	
8	Report on the application of the Board Diversity Policy in Integrated Report.	X			