

REMGRO LIMITED REMUNERATION AND NOMINATION COMMITTEE

MANDATE

The Remuneration and Nomination Committee ("**Committee**") is constituted as a committee of the board ("**Board**") of Remgro Limited ("**Remgro**").

The duties and responsibilities of Committee members are in addition to their duties and responsibilities 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 they must continue to exercise due care and judgment in accordance with their legal obligations (statutory and otherwise).

These terms of reference are subject to the provisions of the Companies Act, Remgro's memorandum of incorporation and any other applicable law or regulatory provision.

1. **Composition**

The Committee consists of four non-executive directors, the majority of whom are independent, who will be nominated by the Board, provided that the Chairman of the Board is an *ex officio* member of the Committee. The Chief Executive Officer ("**CEO**") will attend all Committee meetings *ex officio* but is not a member of the Committee.

The Board will nominate the Committee's chairman ("**Chairman**").

The Committee members as a whole must have sufficient qualifications and experience to fulfil their duties.

The Head of Human Resources will be the secretary of the Committee.

2. **Role**

The Committee has an independent role, operating as an overseer, making decisions on certain matters, and making recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The role of the Committee, in respect of its nomination function, is to assist the Board to ensure that:

- the Board has the appropriate composition for it to execute its duties effectively;
- directors are appointed through a formal process;
- induction and ongoing training and development of directors take place; and
- formal succession plans for the Board, CEO and other Management Board appointments are in place and aligned to the Remgro's policies on the Promotion of Race and Gender Diversity.

The role of the Committee, in respect of its remuneration function, is to ensure that:

- Remgro remunerates directors, executives and other employees fairly and responsibly; and
- the disclosure of directors' remuneration is accurate, complete and transparent.

3. **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 its 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 of Remgro or the company secretary to provide it with information.

The Committee has unlimited access to Remgro'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 Remgro's cost.

The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

4. **Duties and responsibilities**

The Committee must perform all the functions necessary to fulfil its role as stated above, including but not limited to the following:

In respect of its nomination function:

- assist the Board with the process of identifying suitable candidates for appointment as directors and recommend the eligibility of prospective directors;
- ensure the establishment of a formal and transparent process for the appointment of directors, including:
 - identification of suitable individuals;
 - performance of reference and background checks of candidates prior to nomination;
 - formalising the appointment of directors through an agreement between Remgro and the director;
- oversee the development of a formal induction programme for new directors;
- ensure that inexperienced directors are developed through a mentorship programme;
- consider the performance of directors and take steps to remove directors who do not make an appropriate contribution;
- participate in the annual performance evaluation of the Board as a whole and the Board committees;
- assist the Board in providing input on appointments of Management Board members;
- identifying and recommending to the Board a replacement for the CEO when that becomes necessary;
- ensure that formal succession plans for the Board, CEO and other Management Board members are developed and implemented.

In respect of its remuneration function:

- oversee the setting and administering of remuneration of all directors, Management Board members and other employees;
- advise on the remuneration of non-executive directors;
- oversee the establishment of a remuneration policy;
- review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;
- ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets Remgro's needs and strategic objectives;
- satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;

- consider the results of the evaluation of the performance of the CEO and other Management Board members, both as directors and as executives, in determining remuneration;
- select an appropriate comparative group when comparing remuneration levels;
- regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- oversee the preparation and recommending to the Board the remuneration report, to be included in the annual integrated report, for whether it:
 - is accurate, complete and transparent;
 - provides a clear explanation of how the remuneration policy has been implemented; and
 - provides sufficient forward-looking information for the shareholders to approve the directors' remuneration (for their service as directors) by way of a special resolution in terms of section 66(9) of the 2008 Companies Act.

Total remuneration is defined as all elements of emoluments, i.e. guaranteed remuneration, performance bonus/incentives, participation in the share incentive scheme and any other material benefits received. Management is incentivised based on the long-term growth in the market capitalisation of the Company.

The Committee considers remuneration in its totality in an integrated and holistic manner, thereby assisting and acting on behalf of the Board in discharging its corporate governance duties related to remuneration strategy, structure and costs.

The Committee specifically addresses:

- remuneration mix between guaranteed and incentive income;
- guaranteed remuneration – review date 1 July;
- share incentive scheme – policy and allocations.

The Committee is authorised to approve the total remuneration and adjustments to total remuneration for the executive directors of Remgro. This authority only relates to remuneration allocation within existing structures. Any new or amended remuneration schemes must be submitted for Board approval by way of recommendation from the Committee.

The Committee is charged with the supervision of the Remgro Share Appreciation Rights Scheme.

The Chairman or other members of the Committee selected by him shall attend the annual general meeting of Remgro to support the Chairman of the meeting in responding to shareholders' questions in respect of matters within the Committee's remuneration function. Any questions on remuneration as with all other questions should in the first place be directed to the Chairman of the meeting.

The Chairman of the Board will generally handle press enquiries on remuneration matters.

5. Meetings

The Committee must hold sufficient scheduled meetings to discharge all its duties, at least one per year. The Chairman may convene additional meetings of the Committee at any time at his discretion. Meetings may be held at the request of the CEO or members of the Committee, or at the instance of the Board.

A quorum will consist of no less than 3 members.

The Committee shall have the discretion to decide who, other than its members and the CEO, shall attend meetings of the Committee, for instance the head of human resources, Board or other Management Board members, assurance providers and professional advisors, who may

attend by invitation only. Such attendees will not count towards the quorum and may not vote at Committee meetings. The CEO must attend all meetings *ex officio*, except when his own remuneration is discussed.

Committee members must attend all meetings of the Committee, unless prior apology, with reasons, has been submitted to the Chairman or the company secretary.

If the Chairman is absent from a meeting, he will appoint a person to act as chairman at such meeting. If no such acting chairman is appointed, the members present must elect one of themselves to act as chairman.

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 laid out in these terms of reference. The more critical matters will need to be attended to each year, 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 Chairman may meet with the CEO, the head of human resources and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

A detailed agenda, together with supporting documentation, must be circulated to Committee members and the CEO at least one week prior to each meeting.

Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

The secretary of the Committee shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made. The minutes must be completed as soon as reasonably possible after the meeting and circulated to the Chairman and Committee members for review by the inclusion thereof in the agenda for the next Committee meeting. The minutes must be formally approved by the Committee at its next scheduled meeting.

6. **Evaluation**

The effectiveness of the Committee is evaluated on an annual basis by way of a self-evaluation process and an evaluation by the Board.

This mandate was reviewed by the Remuneration and Nomination Committee on 17 August 2018 and approved by the Board on 19 September 2018.