



# **Nominations Committee Terms of Reference**

## 1 INTRODUCTION

- 1.1 The Nominations Committee (the Committee) is constituted as a committee of the board of directors of AECI (the Company).
- 1.2 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 judgment in accordance with their statutory obligations.
- 1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation 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

- 3.1 The members of the Committee will be appointed by the Board from among the directors from time to time and will consist exclusively of non-executive directors. The Committee will comprise of no less than three members at all times and the Chairman of the Board, ex officio his/her role, could serve as the Chairman of this Committee.
- 3.2 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

## 4 ROLE

- 4.1 The Committee has an independent role, operating as an overseer and a provider of recommendations to the board for its consideration and final approval.
- 4.2 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 4.3 The role of the Committee is to assist the board to ensure that:-
  - 4.3.1 the board has the appropriate composition for it to execute its duties effectively;
  - 4.3.2 directors are appointed through a formal and transparent process;
  - 4.3.3 induction and ongoing training and development of directors take place; and
  - 4.3.4 formal succession plans for the board, chief executive officer and senior management positions are in place.

## 5 RESPONSIBILITIES

The Committee must perform all the functions necessary to fulfil its role as stated above and including the following:

- 5.1 Ensuring the establishment of a formal process for the appointment of directors, including:
  - 5.1.1 identification of suitable members of the board;
  - 5.1.2 performance of reference and background checks of candidates prior to nomination;
  - 5.1.3 formalising the appointment of directors through an agreement between the Company and the director;
- 5.2 Overseeing the development of a formal induction program for new directors.
- 5.3 Ensuring that inexperienced directors are developed through a mentorship program.
- 5.4 Overseeing the development and implementation of continuing professional development programs for directors.
- 5.5 Ensuring that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.
- 5.6 Consider the performance of directors and take steps towards the process of removing directors who do not make an appropriate contribution.
- 5.7 Making recommendations to the Board regarding directors who have reached the age of 70 years or served 12 years as a board member.
- 5.8 Finding and recommending to the board a replacement for the Chief Executive Officer when that becomes necessary.
- 5.9 Ensuring that formal succession plans for the Board, Chief Executive Officer and senior management appointments are developed and implemented.

## 6 AUTHORITY

- 6.1 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.
- 6.2 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 Group Company Secretary to provide it with information, subject to following a board approved process as set out in the Company's Board Charter.
- 6.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

- 6.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at Company's cost, subject to following a board approved process.
- 6.6 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.

## 7 MEETING PROCEDURES

### 7.1 Frequency

- 7.1.1 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. Further, meetings may be called by the chairman of the Committee or any other member of the committee or at the instance of the Board or the Executive Directors where such further meeting is considered necessary.
- 7.1.2 Meetings in addition to those scheduled may be held at the request of the chief executive officer, head of human resources or other members of senior management or at the instance of the board.
- 7.1.3 The chairman of the Committee may meet with the head of human resources and/or the Group Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

### 7.2 Attendance

- 7.2.1 The Chief Executive Officer, Chief Financial Officer, Executive for Human Capital, assurance providers, professional advisors and board members, or any other members of senior management as may be required, may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 7.2.2 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 chairman or Group Company Secretary.
- 7.2.3 The Group Company Secretary is the secretary to this Committee.
- 7.2.4 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

### 7.3 Agenda and minutes

- 7.3.1 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 as may be deemed fit. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

7.3.2 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the board and other invitees.

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

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

#### 7.4 **Quorum**

7.4.1 A representative quorum for meetings is 2 (two) members present and available for the meeting.

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

### 8 **FEES**

The Committee members shall be remunerated for their services at the Committee, and the chairman of the Committee may be paid a higher fee for services rendered in that capacity. The level of fees payable in this regard shall be set by Board and approved by the Company's shareholders.

### 9 **EVALUATION**

The board must perform an evaluation of the effectiveness of the Committee every year.

### 10 **ANCILLARY**

10.1 The Committee in carrying out its tasks under these terms of reference may obtain such outside and other independent professional advice as it considers necessary to carry out its duties.

10.2 The Committee will have access to all such information in the Company as may be necessary to enable it to perform its duties.

### 11 **APPROVAL OF THESE TERMS OF REFERENCE**

These terms of reference were approved by the chairman of the board and chairman of the Committee on 28 July 2014.

#### **Prepared by:**

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**Ms EN Rapoo**  
**Group Company Secretary, AECI Ltd**

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**Date**

**Approved and Accepted:**

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**Mr S Engelbrecht**  
**Chairman, Nominations Committee**

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**Date**

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**Mr MA Dytor**  
**Chief Executive, AECI Ltd**

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**Date**