



Nominations Committee Terms of Reference

South African Heart Association NPC SA Heart®

Document Custodian	
Implementation Responsibility	
Document Control Number:	
Version Control Number:	
Date of Approval:	
Effective Date:	
Review Date:	

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1. Introduction

- 1.1. The nominations committee of SAHeart® is established as a committee of the board of directors of SAHeart®. Responsibilities and roles are in addition to those of members of the board (in the case of committee members who are also board members).
- 1.2. The duties and activities of the committee does not alleviate individual or collective responsibilities of board members regarding their fiduciary duties. Board members must practice due care and judgement with regards to their fiduciary duties at all times.
- 1.3. These terms of reference align with the Companies Act (2008) SA Heart®'s Memorandum of Incorporation (MOI), and any other laws or legal requirements applicable to SA Heart®.

2. Purpose

- 2.1. These terms of reference capture the following information regarding the nature of SA Heart®'s nominations committee in order to ensure that the committee is effective and compliant and that SA Heart® achieves its objectives:
 - Composition of the committee
 - Roles and responsibilities
 - Delegation of authority
 - Meeting procedures

3. Committee Composition

- 3.1. The nominations committee comprises a minimum of 3 and a maximum of 5 members.
- 3.2. The nominations committee is a committee of the board and its Chair is nominated by the board.
- 3.3. The Chair of the board is an *ex officio* member of the committee.
- 3.4. Members of the committee are elected based on their qualifications and experience in order to fulfill their duties and discharge the fiduciary obligations of the board.

4. Roles and Responsibilities

- 4.1. The role of the committee is independent and is directly accountable to the board. The committee does not take on the responsibilities or function of management.
- 4.2. The committee assists the board in oversight of the composition of the board and appointment of directors, by making recommendations on the appointment and re-appointment of executive and non-executive directors and recommending the most appropriate composition of the board to execute its duties effectively, taking into account the following -
 - The appropriate mix of knowledge, skills and experience, including the necessary business and industry experience required to govern the company;
 - The appropriate mix of executive, non-executive and independent non-executive members;
 - Evaluating time availability of potential members to fulfill responsibilities required from the position, in relation to their other professional commitments;



- Ensure that there are sufficient number of members that qualify to serve on committees of the board;
 - The need to secure a quorum at meetings; and
 - The policy required to promote gender and race diversity and any applicable targets related to the composition of the board.
- 4.3. Establish a formal appointment, election and nominations process which includes –
 - considering the requirements, size and diversity to ensure that candidates are appropriate for the position;
 - conducting appropriate background checks including criminal records and qualification verification; and
 - considering any other obligations or positions that a candidate holds in order to evaluate the availability of the candidate.
 - 4.4. Identify and nominate candidates required to fill board and committee vacancies, for approval by the board.
 - 4.5. Recommend for re-election directors that are retiring by rotation or otherwise in terms of the MOI.
 - 4.6. Review board and committee structures and recommend any adjustments deemed necessary, taking into account, the size and composition, roles and diversity as well as the board's succession plans.
 - 4.7. Annually review the independence of non-executive directors taking into account corporate governance requirements, including potential conflict of interest considerations and making appropriate recommendations to the board.
 - 4.8. Ensure the formal appointment of directors through an agreement between the company and the director.
 - 4.9. Ensure the formalization and implementation of succession plans for the Chairman, the Chief Executive Officer (CEO) and key executive and management positions.
 - 4.10. Lead the process for the replacement of the board Chairman and the CEO as and when required and making recommendation to the board as appropriate.
 - 4.11. Lead the process for the appointment of a lead independent director as and when required and making appropriate recommendations to the board.
 - 4.12. Assist the Chairman and the board in evaluating the performance of the board, its committees, the chairman and individual directors at least every two years.
 - 4.13. Consider the performance of directors and taking steps to remove any directors that are not making the appropriate contributions.
 - 4.14. Consider and make recommendations to the board regarding the extent of outside professional obligations that the chairman and CEO are allowed to hold.
 - 4.15. Oversees the development and implementation of induction process for board members.
 - 4.16. Oversees the training and development of board members where necessary.
 - 4.17. Oversees professional development programs for board and committee members.

5. Authority

- 5.1. The board delegates some of its obligations to this committee as recorded in this terms of reference. The committee has the power to investigate all activities that is set out in this terms of reference.
- 5.2. Subject to the following approved processes, the committee may request information that aids the committee in fulfilling its duties from executive directors, the company



secretary, or the Chairs of the various board committees. The committee also has access to company records to ensure fulfilment of its duties.

- 5.3. The committee may allocate specific authorities to individual members and/or sub-committees, if required.
- 5.4. The committee may acquire independent external advice from professionals to aid in the execution of its duties, the cost of which is carried by SA Heart® on condition that the approved processes have been followed to obtain such advice.

6. Meeting procedures

6.1. Frequency

- The committee meets at least once per year but may meet more frequently to discharge all its duties listed in these terms of reference.
- Committee members may call meetings in addition to those formally scheduled in terms of these terms of reference through engagement with the Chair, the chief executive officer and/or the company secretary.
- The committee Chair may schedule a meeting with the chief executive officer, company secretary or chief risk officer prior to the committee meeting to establish an agenda and discuss important matters.

6.2. Attendance

- Unless an apology is given to the Chair or company secretary prior to the committee meeting, all members are expected to attend all committee meetings.
- Assurance providers, professional advisors and senior managers may attend committee meetings by invitation but may not vote on any decisions taken by the committee.
- The role of the secretary of the committee is carried out by the company secretary who (or his/her delegate) must therefore be present at all committee meetings.
- If the appointed Chair of the committee is absent during a scheduled meeting, one of the members present must be elected to fulfill the role of the Chair for that meeting only.

6.3. Agenda and Minutes

- A comprehensive yearly work plan is compiled by the company secretary to inform meeting agendas and must include all relevant matters that the committee is responsible for (including all matters within these terms of reference). The plan is formally approved by the board to ensure that critical issues are dealt with annually and less critical matters are dealt with at least every 3 years.
- The annual plan is considered when establishing the time, length and agendas of committee meetings.
- In order to generate an agenda, the Chair may meet with the chief executive officer, chief finance officer, chief operations officer, chief risk officer or general manager and company secretary to discuss important issues.
- Each committee member receives a detailed agenda with supporting documentation at least one week before each meeting from the company secretary.
- All committee members are required to be fully prepared for meetings so that they can provide constructive and relevant input into discussions and decisions taken by the committee.
- Minutes of committee meetings are circulated for review by members as soon as possible and is formally approved and signed by the Chair at the following meeting.



6.4. Quorum

- The quorum for committee meetings is 50% of members for meetings to be duly constituted.
- Non-member attendees at board committee meetings (i.e. by invitation) may take part in meeting deliberations but are not included in the quorum for committee meetings and may therefore not vote on any decisions being taken by the committee.

7. Evaluation

- 7.1. The board annually evaluates the effectiveness and overall performance of individual members of the nominations committee, its Chair, and the overall committee and takes corrective steps to close any shortcomings that may be identified.

8. Approval of these Terms of Reference

This charter –

- 8.1 is issued under oversight of the board and compliance thereto is monitored by the company secretary and SA Heart®'s internal and external auditors;
- 8.2 will be officially reviewed at least annually by the board to ensure its adequacy and effectiveness in terms of SA Heart®'s dynamic business environment;
- 8.3 will be amended on an *ad hoc* basis in the event that a deficiency or inadequacy is identified that requires immediate rectification; and
- 8.4 will be adhered to at all times, unless exception to, or relaxation of its requirements have been formally approved by the Board prior to its application.

This charter is hereby adopted and approved for implementation and takes effect upon signature by the Chair of the board.

Signed on this day of 2020 at

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Chair of the Board

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Company Secretary