

Mandate, role and responsibilities of the Remuneration & Nomination Committee

The Aspen Remuneration & Nomination Committee (“Committee”) is established in terms of a formal Terms of Reference, as reviewed and approved by the Board from time to time and in terms whereof its mandate, role and responsibilities are confirmed. The Committee conducts its affairs in compliance with these Terms of Reference and discharges its responsibilities contained therein.

The Committee is mandated by the Board to ensure that the Group remunerates fairly, responsibly, transparently and in a manner that promotes the achievement of its strategic objectives in the short-, medium- and long-term. In support of its mandate, the Committee ensures that the Group’s remuneration framework is aligned with King IV and best practice and meets the JSE Listings Requirements and the requirements of the South African Companies Act (2008).

Committee members and attendance at meetings

The Committee consists of members who are all independent non-executive directors. In accordance with the Terms of Reference, the Committee meets at least three times annually, but more often if necessary.

To assist the Committee with the execution of its mandate, the Group Chief Executive, Deputy Group Chief Executive, Group Chief Corporate Services Officer and Company Secretary & Group Executive: Governance & Communications attend meetings of the Committee as invitees, and other invitees attend as and when appropriate. The Chair of the Committee is an independent non-executive director.

Executive directors are not present when their remuneration is discussed and they hold no voting powers. Committee members do not decide on their own fees – decisions in this regard are reserved for the Board to recommend to shareholders for approval.

The Chair of the Committee represents the Committee at the annual general meeting each year. The Company Secretary & Group Executive: Governance & Communications is also the secretary of the Committee.

The Committee’s membership and attendance at meetings for each financial year is reported on in the Aspen Integrated Report on an annual basis.

Role and responsibilities

The Committee has an independent role with accountability to the Board. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers, and other senior members of management.

The Committee’s responsibilities, as confirmed by its Terms of Reference, can be divided into three broad categories:

Nomination matters

Board and Committee composition

The Committee is responsible for ensuring the suitability of the composition of the Board and its Committees, taking into consideration factors such as skills, experience, diversity, and tenure. This review is done as often as required, but at least once per year, prior to the rotation and recommendation for re-election of directors retiring in terms of the Memorandum of Incorporation to the Board and shareholders at each annual general meeting (“AGM”).

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Director appointments

The Committee is responsible for making recommendations to the Board on matters pertaining to appointments, removals, and resignations of executive and non-executive directors.

Board assessment

In line with the above, the Committee is responsible for overseeing the review of the performance of the Board, its Committees, individual directors and the Company Secretary & Group Executive: Governance & Communications. These evaluations are conducted on an annual basis, in line with good governance practices. Areas of improvement are communicated and progress monitored.

Succession planning

The Committee is responsible for making recommendations to the Board on matters pertaining to succession planning in respect of executive and non-executive directors. The Committee also has oversight of the appointment of key and senior Group executives and is responsible for ensuring the appropriateness of, and making recommendations on, the Group's succession planning and talent management processes and outcomes in respect of the broader executive management group.

Remuneration matters

Group remuneration policy and implementation report

The Committee, in consultation with the Board, recommends the Group's remuneration policy for executives and senior management for the approval of shareholders as a non-binding advisory vote at the Company's AGM, and ensures that this policy is appropriate to attract and retain skills, while ensuring fair and equitable remuneration practices. In addition to the Group's remuneration policy, the Group's remuneration implementation report is recommended for the approval of shareholders as a non-binding advisory vote.

Group executives' performance reviews

The Committee performs an annual review of the performance of the Group's executive directors against the Group performance targets and personal KPIs (both financial and non-financial). The Committee sets the financial and non-financial performance targets and personal KPIs for the executive directors for each financial year.

Recommendation of non-executive directors' fees

The Committee ensures that non-executive directors' fees are benchmarked and aligned to South African peers, on an annual basis, and recommended to shareholders for approval.

Remuneration disclosure

Integrated reporting and stakeholder engagement

The Committee ensures that remuneration disclosure in the Integrated Report is accurate, complete and transparent, and that this disclosure addresses the requests and needs raised by shareholders. The Committee engages with various institutional shareholders as required, in order to address any concerns relating to the design, implementation and disclosure aspects of the Group's remuneration policy and its incentive schemes.