

**ASPEN PHARMACARE HOLDINGS LIMITED, ITS SUBSIDIARIES
AND SIGNIFICANT JOINT VENTURE ENTITIES**
(“the GROUP”)

**REMUNERATION & NOMINATION COMMITTEE TERMS
OF REFERENCE**

1 INTRODUCTION

- 1.1 The Remuneration and Nomination Committee (“the Committee”) is constituted as a committee of the board of directors of Aspen Pharmacare Holdings Limited (“the Company”), its subsidiaries and significant joint venture entities. The duties and responsibilities of the members of the Committee are in addition to those as members of the board. Although the Committee has the full authority of the board in respect of the matters referred to it, 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.
- 1.2 These terms of reference are subject to the provisions of the Companies Act, 71 of 2008 (“the Companies Act”), the Company’s Memorandum of Incorporation (or MOI) 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 Committee comprises at least three non-executive directors, a majority of whom are independent non-executive directors.
- 3.2 Members of this Committee and its chairman, who must be an independent non-executive director, are nominated by the board.
- 3.3 The chairman of the board is an *ex officio* member of this Committee, but may not be elected chairman of the Committee. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4 ROLE AND RESPONSIBILITIES

- 4.1 The Committee has an independent role, operating as an overseer and a maker 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 executive management.
- 4.3 The Committee shall be responsible for:-
 - 4.3.1 ***Nomination Matters***
 - 4.3.1.1 making recommendations to the board on matters pertaining to appointments (in line with the Group Approvals Framework, as may be applicable), removals, and resignations of executive and non-executive directors;
 - 4.3.1.2 regularly reviewing the board and its committees' skills, knowledge, expertise, structure, diversity (promoting the diversity attributes of gender, race, culture, age and field of knowledge) size and composition, and make recommendations to the board with regard to any adjustments and/or appointments and/or establishments that are deemed necessary;
 - 4.3.1.3 providing effective guidance to the board on the re-election of any directors retiring by rotation in terms of the Memorandum of Incorporation;
 - 4.3.1.4 identifying and nominating candidates for the approval of the board to fill board vacancies as and when they arise, considering their respective level of skill, experience and diversity they are to bring to the board;
 - 4.3.1.5 reviewing and reporting to the board on the adequacy of the succession planning policies for the board chairman, chief executive and executive directors;
 - 4.3.1.6 considering the appropriateness of the Group's succession planning and talent management processes and outcomes in respect of the broader executive management group and making recommendations in respect of these processes and outcomes;
 - 4.3.1.7 ensuring that the process of appointing executive and non-executive directors is credible and transparent and sufficiently formalised through an agreement between the Company and those directors;
 - 4.3.1.8 ensuring induction and ongoing development of directors take place;

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ensuring that appropriate performance evaluations and assessments are performed in respect of the board, its committees, the chairman of the board, the directors and the company secretary; and

4.3.1.9 making recommendations to the board, following evaluations of directors, for the continuation (or not) in service of directors as such or as members of any board committee.

4.3.2 *Remuneration Matters*

4.3.2.1 recommending, in consultation with the board, the remuneration policy for executives for approval of the shareholders as a non-binding vote and ensuring that this policy is appropriate to attract and retain skills, while ensuring fair and equitable remuneration practices;

4.3.2.2 considering the risks to the organisation, which may arise from remuneration policies and practices that drive organisational behaviours;

4.3.2.3 determining, reviewing and approving the individual remuneration packages, benefits, bonuses, incentive schemes, and adjustments to such packages of executives of the Company (in line with the Aspen Group's Approvals Framework), including the setting of appropriate financial and non-financial performance measures and objectives to incentivise and drive overall organisational performance and delivery of shareholder value in respect of each financial year;

4.3.2.4 evaluating the appropriateness and competitiveness of the executive remuneration policy and consider, if necessary, independent surveys and benchmarks;

4.3.2.5 evaluating the extent to which the set financial and non-financial performance measures and objectives for the relevant financial year have been met at both a Group KPI level and individual KPI level, when the award of incentives to executives is considered;

4.3.2.6 determining any criteria necessary to measure the financial and non-financial performance of executives of the Company in discharging their functions and responsibilities at both a Group KPI and individual KPI level, while supporting the Group's objectives in respect of talent management, retention of skills and succession planning; and

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- 4.3.2.7 considering and recommending to the board the report to shareholders on the remuneration policy and implementation of remuneration practices, to be included in the integrated report, for whether it is accurate, complete and transparent and provides a clear explanation of how the remuneration policy has been implemented;
- 4.3.2.8 ensuring that the report referenced in 4.3.2.8 provides sufficient forward-looking information for the shareholders to pass a special resolution in terms of section 66(9) of the Companies Act, to the extent such special resolution is prescribed by statute; and
- 4.3.2.9 recommending, based on at least an annual review and benchmarking as and when required, non-executive directors' fees to the board and for approval by shareholders in advance as a special shareholder resolution.

5 AUTHORITY

- 5.1 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.
- 5.2 The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executives, officers or company secretary to provide it with information, subject to following a board approved process.
- 5.3 The Committee has access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 5.4 The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee. Such delegation does not absolve the full Committee from all or any of its responsibilities.
- 5.5 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.
- 5.6 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.

6 INDEPENDENT PROFESSIONAL ADVICE

Members of the Committee have the right to seek professional advice from the Group's professional advisers, at the Company's expense, on all issues relevant to his/her rights, duties and/or responsibilities as a member of the Committee and in line with provisions relating to this aspect as more fully detailed in the Company's Board Charter, which apply mutatis mutandis to any professional advice which may be required by members of the Committee.

7 MEETING PROCEDURES

7.1 *Frequency and attendance*

- 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 three meetings per year.
- 7.1.2 Meetings in addition to those scheduled may be held at the request of the chairman, group chief executive, deputy group chief executive, group corporate services officer, group human resources executive or other members of executive management or at the instance of the board.
- 7.1.3 The chairman of the Committee may meet with the group chief executive, deputy group chief executive, group corporate services officer, group human resources executive and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 7.1.4 The group chief executive officer, deputy group chief executive, group corporate services officer, group executive human resources, the company secretary (who is also the secretary of the Committee) or other members of executive management as may be required, assurance providers, professional advisors and other board members may attend by invitation but may not vote. The Committee may undertake deliberations to the specific exclusion of management attendees.

7.2 *Agenda and minutes*

- 7.2.1 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.

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7.2.2 A draft agenda must be circulated by the company secretary at least 10 (ten) days prior to each meeting to the chairman of the Committee for approval, unless urgent business dictates otherwise. A detailed agenda, together with supporting documentation, must be circulated by the company secretary at least 5 (five) days prior to each meeting to the members of the Committee and other invitees, unless urgent business dictates otherwise.

7.2.3 The minutes must be completed within two weeks after the meeting and circulated to the chairman of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

7.3 Quorum

7.3.1 A representative quorum for meetings is a majority of members present.

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

8 EVALUATION

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

8.2 The Committee must perform a self-evaluation of its effectiveness every year.

9 APPROVAL OF THESE TERMS OF REFERENCE

These terms of reference were approved by the board and the Committee on 15 September 2010 and amended by the board on 3 March 2011, 1 December 2011, 13 September 2017 and 9 September 2020. They will be reviewed by the board and the Committee as and when material changes to them are required.

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