

TIGER BRANDS



TIGER BRANDS LIMITED
(Registration Number 1944/017881/06)
("the Company")

TERMS OF REFERENCE OF THE NOMINATION AND GOVERNANCE COMMITTEE

1. Constitution and general principles

- 1.1 In line with the recommendations of the King IV Report on Corporate Governance for South Africa 2016 ("King IV"), the board of directors of the Company ("the Board") resolved to establish a committee of the Board to be known as the Nomination and Governance Committee ("the Committee").
- 1.2 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company who must continue to exercise due care and diligence in accordance with their statutory and fiduciary duties.
- 1.3 These terms of reference has been approved by the Board and shall be annually reviewed. It shall be read with the Board Charter and shall be subject to the provisions of the Companies Act, 2008 the Memorandum of Incorporation of the Company and any other applicable law or regulatory provision.
- 1.4 In addition to ensuring compliance with the law, the Committee shall be expected, in fulfilling its functions, to apply the principles of good corporate governance as set out in King IV and the JSE listings requirements.
- 1.5 All members of the Committee shall be required to keep up to date with developments affecting the areas of responsibility of the Committee. Members are furthermore expected to be fully prepared for meetings and to provide appropriate and constructive input on matters under consideration.

1.6 In these terms of reference, “Group” shall refer to the Company and its subsidiaries.

2. Composition

2.1 The Committee shall be appointed by the Board and shall comprise a minimum of 3 (three) non-executive directors of the Company, the majority of whom shall be independent as defined in King IV.

2.2 The chair of the Board shall be the chair of the Committee.

3. Authority

3.1 The Committee shall have decision-making power in respect of such duties, if any, where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.

3.2 The Committee is authorised by the Board, subject to the approved process as set out in the Board Charter, to obtain outside legal or other independent professional advice and to secure the attendance at meetings of the Committee of outsiders with relevant experience and expertise if deemed necessary. The Committee may establish and delegate authority to any member or sub-committee to assist it in carrying out certain of its functions. Such delegation, and the extent thereof, shall be properly recorded in a formal resolution of the Committee passed at a meeting of the Committee or via written resolution.

3.3 The Company shall meet all expenses reasonably incurred by the Committee in the fulfilling of its duties.

4. Committee meetings and resolutions

4.1 Attendance at meetings

4.1.1 Every member of the Board is entitled to attend any meetings of the Committee as an observer. However, unless that member is also a member of the Committee, the member shall not be entitled to participate without the consent of the chair, does not have a vote for such attendance unless otherwise approved by the Board and shareholders.

- 4.1.2 The chief executive officer shall be in attendance at meetings of the Committee, as and when required, and shall have unrestricted access to the chair or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee.
- 4.1.3 The company secretary (or duly authorised representative of the company secretary) shall be in attendance at each meeting of the Committee to act as secretary of the Committee.
- 4.1.4 Committee members are expected to attend all meetings of the Committee, unless an apology with reasons has been submitted to the chair or the company secretary.
- 4.1.5 If the chair of the Committee is absent from the meeting, any other member of the Committee may act as chair for that meeting as agreed by those present or as nominated by the chair of the Committee.

4.2 Frequency of meetings

- 4.2.1 Meetings of the Committee shall be held as frequently as the Committee, in consultation with the company secretary, considers appropriate, but it shall normally meet not less than twice a year.
- 4.2.2 Meetings shall be scheduled in advance, as per the annual Board calendar. The agenda and supporting meeting papers will serve as adequate notice of such meeting.
- 4.2.3 A member of the Committee may request a meeting if deemed necessary and a meeting shall then be arranged in consultation with the chair of the Committee. Formal notice of such special meeting shall be given as and when required.
- 4.2.4 The Committee must undertake such work as is necessary in preparation for relevant Board meetings and to properly report to the Board on its activities and recommendations.
- 4.2.5 An annual work plan, based on the duties as listed in clause 6, shall be implemented and approved by the Committee and shall be annually reviewed together with these terms of reference.

4.3 Meeting procedures

- 4.3.1 The meetings of the Committee may be held in person, or by electronic communication as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 4.3.2 A quorum shall be a majority of members present in person or via electronic communication facilities throughout the meeting. Where a member declares an interest and is recused from the meeting, the meeting shall remain quorate during his/her absence.
- 4.3.3 In the absence of a quorum and subject to the discretion of the chair, the meeting can either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.
- 4.3.4 No resolutions tabled for approval by the Committee at a meeting which is not quorate shall be implemented or given effect to until formally approved at the postponed meeting or via written resolution as contemplated in clause 4.3.3.
- 4.3.5 The written resolution circulated in terms of clause 4.3.3 requires majority approval, in the absence of which a special meeting of the Committee shall be convened in order for the matter to be discussed and formally approved during such special meeting.
- 4.3.6 An agenda with supporting papers shall be circulated no later than 5 (five) business days prior to the meeting, where reasonably possible. The company secretary shall be responsible for the preparation of the meeting agenda in consultation with the chair.
- 4.3.7 An annual work plan, as a minimum, shall determine the content of the agenda and frequency of the meetings will be in place and based on the duties listed in item 6.

4.3.8 Draft minutes of a meeting shall be approved as per the following timeline –

- 4.3.8.1 Minutes of meetings will be completed within 10 (ten) business days of the meeting and circulated to relevant members of the Executive Committee for comment and internal approval;
- 4.3.8.2 Executive Management shall comment on the said minutes within 5 (five) business days after receipt;
- 4.3.8.3 Should no comments be received by 12:00 midday on the 6th (sixth) business day following circulation, the Secretary of the meeting shall circulate the minutes to the chair of the Committee for comment within 7 (seven) business days prior to sending them to the members for their comments as well;
- 4.3.8.4 The members of the Committee shall provide the Secretary with comment to the minutes and each member shall send an email to the Secretary indicating their approval of the minutes, within 10 (ten) business days; and
- 4.3.8.5 The final minutes will be tabled for confirmation as a true record of proceedings at the next meeting of the Committee or circulated for this purpose via electronic communication and shall thereafter be signed by the chair of the Committee.

4.4 In-committee meetings

- 4.4.1 In-committee meetings of the Committee, where only members of the Committee are present, may be held as and when deemed appropriate by the chair of the Committee.
- 4.4.2 The company secretary may be required to be in attendance at in-committee meetings for minute purposes. In the event that the company secretary is also excused from the meeting, the chair shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.
- 4.4.3 Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication where after it shall be signed by the chair of the Committee.

4.5 Written resolutions

A resolution in writing signed by a majority of the members of the Committee shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

5. Role of the Committee

The role of the Committee is to provide an independent and objective body that will make recommendations to the Board to ensure that:

- 5.1 the Board and its respective committees have the appropriate composition for it to execute its duties effectively.
- 5.2 directors are appointed through a formal process.
- 5.3 induction and ongoing training and continuous development of directors take place.
- 5.4 formal succession plans and talent pipelines for the Board, CEO, executive directors, executive management and other key positions are in place.
- 5.5 oversight over talent pipelines and talent management have been completed for the Group.
- 5.6 the performance of the Board, its committees and individual members is evaluated, annually.
- 5.7 In performing the roles above, the Committee shall place reliance on the work and reports of any employee, advisor or committee of the Board that has responsibility for any function falling within the role of the Committee.

6. Duties of the Committee

The duties of the Committee shall be to:

6.1 Governance, Board and Board Committee Composition

- 6.1.1 consider, at least annually, the extent to which the general corporate governance mechanisms and framework of the Company are appropriate and effective in view of developments in the Company, its business environment and new corporate governance requirements and benchmarks and shall make recommendations to the Board in line with the Company's limits and delegations of authority;
- 6.1.2 review and approve the annual corporate governance report and King IV compliance program;
- 6.1.3 consider any matter regarding the effective governance and management of the Tiger Brands Group in so far as it relates to the relevant provisions of the Companies Act, 2008, the Listings Requirements of the JSE Limited and the principles and recommendations of King IV and make such recommendations to the Board as it may deem appropriate;
- 6.1.4 annually review the Board structure, size, composition and tenure and make recommendations to the Board with regards to any adjustments that are deemed necessary based on the factors as listed in King IV.
- 6.1.5 annually review the composition and tenure of all committees of the Board to ensure that they are duly constituted with due regard to the skills required by each committee and make recommendations to the Board with regards to any adjustments that are deemed necessary, whilst taking into account: –
 - 6.1.5.1 the effective collaboration through cross-membership between committees, where required; coordinated timing of meetings; and avoidance of duplication or fragmented functioning in so far as possible;
 - 6.1.5.2 where more than one committee has jurisdiction to deal with a similar matter, the specific role and positioning of each committee in relation to such matter are defined to ensure complementary rather than competing approaches; and
 - 6.1.5.3 a balanced distribution of power in respect of membership across committees, so that no individual has the ability to dominate decision-making, and no undue influence is placed on any individual;

- 6.1.6 monitor the performance of the Board against its targets for race and gender representation in its membership.
- 6.1.7 consider and evaluate the independence of the independent non-executive directors and make recommendations to the Board in this regard.
- 6.1.8 in addition to the above, complete a formal assessment annually of all independent non-executive directors who have served for longer than nine years and report to the Board on the outcome of such assessment.
- 6.1.8.1 the assessment should reflect that the independent non-executive director's independence is not in any way influenced unduly or biased in decision-making by the length of service and tenure.

6.2 Nomination and Appointment of Directors

- 6.2.1 ensure that a formal and transparent process is followed in the nomination, election and appointment of executive and non-executive directors to fill vacancies as and when there arise.
- 6.2.2 identify appropriate candidates for nomination and assess and/or obtain, prior to such nomination:
 - (i) whether the candidate meets the appropriate fit and proper criteria;
 - (ii) details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as director;
 - (iii) an independent report on the background and verification of qualifications of the candidate;
 - (iv) a completed Directors' Declaration as per Schedule 13 of the JSE Listings Requirements;
- 6.2.3 nominate and make recommendations to the Board on the appointment appropriate candidates as directors based on the outcome of the process envisaged in clause 6.2.2.

- 6.2.4 make recommendations to the Board on the nomination for re-election of a director at the annual general meeting based on the individual's performance, including attendance of meetings of the Board and its committees, as well as age and the need to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity.
- 6.2.5 make recommendations to the Board on the appointment of executive directors, including the employment contract and remuneration of such individuals based on the remuneration policy of the Company and in consultation with the Remuneration Committee.
- 6.2.6 review and sign-off on the CEO's goals and agree performance indicators, annually.
- 6.2.7 formally evaluate the performance of the CEO against agreed performance indicators on an annual basis.

6.3 Induction and Ongoing Development of Directors

- 6.3.1 regularly review the agenda and content of the induction programme for incoming directors to ensure maximum contribution by the newly appointed individuals within the shortest time possible.
- 6.3.2 annually review the continuous development programme and plan for directors, including regular briefings to the Board on legal and corporate governance developments and risks and changes in the external environment of the Group.
- 6.3.3 identify the need for mentorship for directors with no or limited governance experience and encourage such individuals to undergo training.

6.4 Succession Planning

- 6.4.1 as part of the annual review of the composition of the Board, consider the need for succession planning for key positions on the Board, including the chair and chairs of committees.
- 6.4.2 review succession planning for executive directors.

6.5 Performance Evaluation

- 6.5.1 initiate a formal evaluation process of the Board, its committee and individual directors, including the chair, every two years and make recommendations to the Board on the appropriate methodology for this purpose.
- 6.5.2 every alternate year, oversee a formal discussion by the Board of its performance and that of its committees, its chair and all directors as a whole.
- 6.5.4 review the outcome of the performance evaluation process in consultation with the Board, including the disclosure thereof in the integrated report.

6.6 General

- 6.6.1 give due consideration to the relevant provisions of the Act, the Listings Requirements of the JSE Limited and the principles and recommendations of King IV.
- 6.6.2 consider such other topics and fulfil such other duties as defined by the Board.

7. **Reporting Procedure**

- 7.1 The Committee shall include a report in the integrated report that addresses the matters as listed in King IV for disclosure by a committee of the Board, which disclosure shall include the Board's and each committee's:
 - 7.1.1 Overall role and associated responsibilities and functions.
 - 7.1.2 Composition, including each members qualifications and experience.
 - 7.1.3 External advisors or invitees who regularly attend committee meetings.
 - 7.1.4 Key areas of focus during the reporting period.
 - 7.1.5 The number of meetings held during the reporting period and attendance at those meetings.

7.1.6 Whether each committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the reporting period.

7.2 The chair shall provide a report on the Committee's most recent activities at every subsequent Board meeting.

8. Performance evaluation

8.1 The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.

DIRECTOR COMPETENCY FRAMEWORK

Legal and Governance

Question		Comment
1.	Is the candidate allowed to serve as a director in terms of the Companies Act and/or Memorandum of incorporation ineligibility/ disqualification criteria?	
2.	Does the candidate understand his/her role as a non-executive director?	
3.	Are there any potential/actual conflicts of interest between the candidate and the company?	
4.	Has the candidate consented to act as a director of the company?	
5.	Would you consider the candidate to be independent?	<ul style="list-style-type: none"> • Section 94 (4)(b) of the Companies Act provides that being an independent director is NOT- • Involved in the day to day management of the company's business or so involved at anytime during the previous financial year; • Prescribed officer or full-time employee of the company or another related or inter-related company; or • A material supplier or customer of the company such as that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship.

Knowledge, experience and personal attributes		
Question		Comment
1.	How will the candidate fit within the board culture and dynamics?	
2.	Does the candidate satisfy and transformation/ diversity considerations for the board?	
3.	How will the candidate make a positive contribution to the board's knowledge and skills?	
4.	Does the individual demonstrate the necessary knowledge	
5.	What is the extent of the candidate's experience in directorship roles.	
6.	Does the candidate portray the desired personal characteristics, including integrity, honesty, curiosity, courage, teamwork, communication skills, instinct, active contributor?	
7.	Does the candidate portray a genuine interest in the organization and its business?	
Other considerations		
Question		
1.	Could association with the candidate result in a risk to the company?	
2.	Based on his/her other commitments, does the candidate have the time to make the level of commitment required to be an effective director on the board?	
3.	What strategic relationships/alliances does the candidate have that would be of value to the company?	
4.	What is the potential candidate's fee/salary expectation and can that be met by the company?	
5.	Has the company (or its agent) checked the authenticity of the candidate's qualifications?	