



# Nominations Committee of the Board



MMI HOLDINGS



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## **1. INTRODUCTION**

The Nominations Committee (“the Committee”) is constituted as a Committee of the Board of Directors (“the Board”) of MMI Holdings Limited (“the Company” or “MMI Holdings”), and is accountable to the Board. In the context of this document, “Company” means MMI Holdings, its subsidiaries, and all business and operational Divisions, collectively also referred to as “MMI”, “the group” or “the MMI group of companies”.

The Board has delegated certain responsibilities to this Committee, which authority may be withdrawn or amended by the Board at any time. The nature of the delegation is as set forth in the roles and responsibilities hereunder and the duties and responsibilities of the members of the Committee are in addition to those as members of the Board, as applicable. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal and statutory obligations.

These Terms of Reference shall be subject to the provisions of the Companies Act, the Company’s Constitution and any other applicable laws, regulatory and supervisory provisions, corporate governance principles, codes and best practices.

## **2. MANDATE IN RESPECT OF SUBSIDIARIES**

The Nominations Committee is appointed to act on behalf of the MMI group of companies as a whole, except to the extent restricted or precluded by law, or otherwise.

The Committee is mandated and authorised by the Board, without limiting the generality of its authority, to designate a sub-committee of appropriately qualified persons to assist it in discharging its mandate in respect of any particular matter set forth in these Terms of Reference, or in respect of any subsidiary or operating or business structure within the group, whether established and operating locally or internationally. In doing so, the Committee may delegate any of its powers to a person or committee of persons, but shall not abdicate its responsibilities stipulated in these Terms of Reference.

In the process of delegation, full cognisance shall be taken of the particular governance structure of MMI group in order to prevent duplication of functions between various committees as far as possible.

Furthermore, any issue that comes to the attention of any of the MMI committees or sub-committees and which, in their opinion, may materially impact on the scope of the Nominations Committee as set forth herein should be reported to the Nominations Committee as soon as such other committee or sub-committee becomes aware of the issue.

The appointment of sub-committees for subsidiaries does not reduce the accountability of the MMI Nominations Committee in relation to the roles and responsibilities set forth herein.

## **3. PURPOSE OF THE TERMS OF REFERENCE**

The purpose of these Terms of Reference is to set out the Committee’s scope, role and responsibilities as well as the requirements for its composition and meeting procedures.

## 4. ROLES

- 4.1 The Committee has an independent role, to oversee and make recommendations to the Board on various aspects relating to its role and responsibilities, for its consideration and final approval.
- 4.2 The role of the Committee is, *inter alia*, to assist the Board in ensuring that the following objectives are achieved:-
- a. To make recommendations to the Board on all proposed director appointments or removals on the Board of MMI Holdings.
  - b. To make recommendations to the Board in respect of non-MMI employees' appointments on a material Subsidiary within MMI group of companies.
  - c. To consider non-executive directors for appointment to the MMI major subsidiary Boards or other relevant operational structures as determined by the Group CEO.
  - d. To make recommendations on the appointment of the Company Secretary for MMI Holdings and MMI Group.
  - e. To ensure that there is an appropriate and effective process of corporate governance, which is consistent with the nature, complexity and risks inherent in the MMI group, taking into consideration the following:
    - King III guidelines;
    - Other best practices in corporate governance; and
    - Relevant legislation, regulations, the group's policies and other enabling prescripts.
- 4.3 The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.
- 4.4 The Committee shall, at all times in its deliberations, have due regard to the principles of governance and codes of best practice.
- 4.4 In meeting its obligations the Committee will be guided by the group's vision and values.

## 5. RESPONSIBILITIES

The Committee will perform all the functions necessary to fulfill its role as stated above, including the following:

- 5.1 Make recommendation to the MMI Board on the term of office of the non-executive directors.
- 5.2 Review the MMI Holdings' and MMI group's Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.

- 5.3 Be responsible for identifying and nominating candidates for appointment by the Board, to fill all Board and Board Committee vacancies that may arise from time to time. This shall include the appointment of a lead independent director for MMI Group Limited, to the extent required. The appointment of lead independent directors for other subsidiaries with MMI group shall take place as provided for in the MMI Framework for the Delegation of Authority.
- 5.4 Ensure that appropriate consideration is given to succession planning for the following positions:
- Group CEO and Deputy Group CEO;
  - Other Executive Directors;
  - Group Company Secretary;
  - CEOs of Operational Structures; and
  - Other key positions within the group (as determined by the Committee in conjunction with the Group CEO from time to time).
- 5.5 Make recommendations to the Board for continuation (or not) of services of any independent non-executive director who has reached the age of 70.
- 5.6 Appraise and/or recommend directors who are retiring by rotation to be put forward for re-election.
- 5.7 Assist the Board in its determination and evaluation of the adequacy, efficiency and appropriateness of the corporate governance structure and practices within the group.
- 5.8 Establish and maintain a Board diversity and continuity program by regularly reviewing the required skills, experience, race, gender and other qualities of directors.
- 5.9 Establish a process to evaluate the non-executive directors through an annual assessment and ensure that independent non – executive directors serving for more than nine (9) years are subjected to a rigorous review of their independence and performance, under co-ordination of the Chairperson of the Board. The Committee shall also be responsible for co-coordinating performance assessments of the:
- Chairperson;
  - Board as a whole / collectively;
  - Individual directors on the Board;
  - Board Committees
- 5.10 Ensure that the Board annually appraises the performance of the Chairperson, Group CEO and Group Company Secretary.
- 5.11 Ensure that inexperienced directors are developed through a mentorship program.
- 5.12 Oversee the development and implementation of continuing professional development programs for directors.
- 5.13 Ensure that directors receive regular briefings on change in risk, laws and the environment in which the Company operates.

- 5.15 Assist the Board to ascertain whether the services of any non-executive director should be terminated.
- 5.16 Ensure, with the assistance of the Group Company Secretary, that a proper induction process is followed with the appointment of new directors to the Board.
- 5.17 Review the structure and composition of the MMI business and operational structures, for example, the segments, Centres of Excellence and significant business units.
- 5.18 Review the structure and composition (i.e. non-MMI employees) of the statutory boards of significant subsidiaries in the group and make recommendations to the Board in that regard as deemed appropriate.
- 5.19 Regularly update the Board about the Nominations Committee's activities and make appropriate recommendations. In particular, the Committee shall report on its activities in the Company's Integrated Report and should include, *inter alia*, its Terms of Reference, its membership details, the number of meetings held during the year, details on attendance of members at meetings, major decisions taken by the Committee, and recommendations to the Board.
- 5.20 Ensure the establishment of a formal process for the appointment of directors, including:
  - a. Performance of reference and background checks of candidates prior to nomination.
  - b. Formalising the appointment of directors in a letter of appointment.
- 5.21 Investigate, for reporting and/or recommendation to the Board, any contraventions of the codes of conduct, personal trading, or unethical behaviour by any non-executive directors or executive directors, as deemed necessary.
- 5.22 Report to the MMI Board on a quarterly basis regarding the matters discussed at meetings. Minutes or a summary of the meetings should be submitted to the MMI Board.

#### **OTHER RESPONSIBILITIES**

- 5.23 Requesting and considering any additional information necessary to fulfil the functions of the Committee.
- 5.24 Performing any other functions as requested by the Board, provided that those functions are not management functions.
- 5.25 Perform responsibilities required by relevant Board approved policies including the review and approval of such policies.
- 5.26 Perform any functions as prescribed by law including functions that may be delegated to this committee.

## 6. AUTHORITY

The Committee in the fulfilment of its role and responsibilities:

- a. Will act in terms of the delegated authority of the Board as recorded in these Terms of Reference;
- b. Has the power to investigate any activity within the scope of these Terms of Reference;
- c. Has the right to obtain independent outside professional expertise and advice, at the Company's cost, to assist with the execution of its duties, subject to following a Board approved process;
- d. Shall make recommendations to the Board that it deems appropriate relating to any area within the ambit of its Terms of Reference where action or improvement is required;
- e. May call upon the Chairperson of the other Board committees, any of the executive directors, officers or company secretary to provide it with information, subject to following a Board approved process; and
- f. Has reasonable access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

## 7. COMPOSITION OF THE COMMITTEE

- 7.1 The Committee will comprise of at least three members.
- 7.2 Members of this Committee and its Chairperson shall be appointed by the Board, or its duly mandated Board Committee. Any change to the composition of the Committee shall be considered and approved by the Board, or its duly mandated Committee.
- 7.3 The Chairman of the MMI Board will be appointed as the Chairman of the Committee.
- 7.4 The Committee will comprise of only non-executive Directors, of whom the majority will be independent. The members shall not occupy executive office elsewhere in the group
- 7.5 The Committee's composition shall be reviewed at least every three years and members may be eligible for re-appointment.
- 7.6 The following persons may be appointed as members of the Committee:
  - a) The Deputy Chairman of the Board
  - b) The Chairman of the Audit Committee
  - c) The Chairman of the Risk and Compliance Committee, and
  - d) The Chairperson of the Remuneration Committee
  - e) Any other person nominated from time to time by the Committee and approved by the Board.

- 7.7 The members of the Committee must collectively have sufficient qualifications and experience to fulfill their duties, be fit and proper, and keep up-to-date with developments affecting the required skills-set.
- 7.8 The MMI Company Secretary, or any other person appointed by the MMI Board, duly mandated Board Committee, or the Nominations Committee, shall be the secretary to the Committee.

## **8. MEETINGS AND PROCEDURES**

### **8.1 Frequency**

- 8.1.1 The Committee should hold sufficient scheduled meetings with no less than 2 (two) meetings a year to discharge all its duties as set out in these Terms of Reference and other relevant Company documents and applicable policies or directives.
- 8.1.2 Meetings in addition to those scheduled may be held at the request of the Chief Executive Officer, or other members of senior management, or at the instance of the Board, after consultation with the Chairperson of the Committee.
- 8.1.3 The Chairman of the Committee may meet with the Chief Executive Officer and/ or the Group Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 8.1.4 A schedule of regular meetings shall be provided to the members at the beginning of each year.
- 8.1.5 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the relevant Company's Constitution that regulates the meetings and proceedings of Committees.
- 8.1.6 A meeting may be conducted by way of electronic media such as video or telephone conferencing.
- 8.1.7 Should the need arise for a decision to be taken by the Committee and, due to urgency, the matter cannot be postponed until the next Committee meeting, the required decision may be obtained by following the process as set out hereunder:
- a. An appropriate memorandum must be prepared, addressing the relevant background facts and setting out the proposed resolution;
  - b. The Committee secretary must email or fax the documentation to each member and advise the members of the time and date when a written response is required;
  - c. For a decision to be legitimately taken by round robin procedure, the support of the majority of members is required in writing and signed by them (and for the purposes of this procedure, communication per fax and/or email will be regarded as being in writing). Should a Committee member object to a

decision, the remaining members of the Committee must be advised of such objection; and

- d. At the Committee meeting following the date of the round robin decision, the Committee secretary must report fully on the decision so taken by the Committee. The Committee secretary must also record the decision in the minute book of the Committee.

## **8.2 Attendance**

- 8.2.1 The Chairman may invite any member of staff from MMI, or its subsidiaries, or any Division, including external professional advisors, to Committee meetings as and when required, provided that a Board-process is followed. Invitees to meetings attend by invitation only and they may not vote on matters at the meeting.
- 8.2.2 Committee members will 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 Chairperson or Committee secretary.
- 8.2.3 If the nominated Chairperson of the Committee is absent from a meeting, the members present shall elect one of the members present to act as Chairperson for that meeting.

## **8.3 Agenda and minutes**

- 8.3.1 The Committee shall 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 over a three-year period. The number, timing and length of the meeting and the agenda are to be determined in accordance with the annual plan.
- 8.3.2 The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, together with supporting documentation shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than five (5) working days prior to the date of the meeting, unless alternative arrangements and timelines have been made with members.
- 8.3.3 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 8.3.4 The minutes of meetings shall be completed as soon as possible after the meeting and circulated to the Chairperson for review thereof. The minutes will be formally approved by the Committee at its next scheduled meeting.

## **8.4 Quorum and voting**

- 8.4.1 A quorum for meetings shall be a simple majority of members present, namely 50% (fifty percent) + one member.
- 8.4.2 Members who are not directors of MMI form part of the quorum for Committee meetings and shall participate in all discussions at meetings. However, these members shall have no voting rights where decisions are to be voted on.
- 8.4.3 Individuals in attendance at Committee meetings by invitation may participate in discussions at meetings but do not form part of the quorum for Committee meetings, and shall have no voting rights where decisions are to be voted on.
- 8.4.4 Wherever possible the Committee will take decisions on a consensus basis. Where consensus cannot be reached, voting shall take place by a show of hands.

## **9. REMUNERATION**

Committee members not holding executive office in MMI group shall be compensated for their services with the Chairperson being entitled to an additional fee for his/her service.

## **10. EVALUATION**

The Board, and each member of the Committee, will perform an evaluation of the effectiveness of the Committee annually.

## **11. REVIEW**

This terms of reference shall be reviewed annually by Company Secretarial and where deemed necessary shall be submitted for the necessary approval.