



SOUTH AFRICAN RUGBY UNION

TERM OF REFERENCE OF THE HR & REMUNERATION COMMITTEE

TERMS OF REFERENCE OF THE HUMAN RESOURCES & REMUNERATION COMMITTEE (“THE COMMITTEE”)**1. INTRODUCTION**

- 1.1. SARU’s Executive -Council (“**Exco**”) has resolved, in terms of the SARU Constitution to establish a Human Resources and Remuneration Committee (“**Committee**”), whose duties are listed below.
- 1.2. The deliberations of the Committee do not reduce the individual and collective responsibilities of the Executive Council in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and diligence in accordance with their statutory obligations.
- 1.3. These terms of reference are subject to the Constitution of the South African Rugby Union (“**SARU**”), any relevant law or regulatory provision and best practices in corporate governance.

2. ROLE AND RESPONSIBILITY OF THE COMMITTEE

- 2.1. The Committee shall have an independent role, to assist the Exco in the discharge of its responsibilities of oversight and management relative to the remuneration and conditions of service of executive, non-executive persons and elected members of the Exco and make recommendations to the General Council of SARU.
- 2.2. To consider and make recommendations to the Executive Council on specific remuneration packages for other members of management put to the Committee.
- 2.3. To consider and make recommendations on specific policies including and relating to Recruitment and Remuneration, Performance Management, Employment Equity and Transformation, Training and Development, Succession Planning, Strategic Transformation Plan, Broad Based Black Economic Empowerment and make recommendations on these issues to the Exco after consulting the appropriate executives and management.
- 2.4. To consider and make recommendations to Exco as it deems appropriate on any matter within its purview, where action or improvement is needed.
- 2.5. The Committee shall have access to all information necessary to execute its responsibilities.

3. COMPOSITION

- 3.1. The Committee will comprise of no fewer than four (4) and no more than six (6) members as per the SARU constitution.
- 3.2. The Committee should preferably comprise independent members and should have a majority of non-executive directors. The majority of the non-executive directors serving on this committee should be independent.
- 3.3. The chairman. The Chairman of the Committee shall be an independent non-executive director as per King IV guidelines and appointed by the Exco and shall serve for such period as determined by the Exco.

- 3.4. An “**Independent member**”, in the context of the Committee is any member who is not a current member of the executive council or any of the governing structures of a province of SARU.
- 3.5. The Following Executives shall attend by invitation:
 - 3.5.1. The Chief Executive Officer of SARU
 - 3.5.2. The General Manager: Human Resources
 - 3.5.3. The Chief Financial Officer
- 3.6. If necessary, independent experts or specialists may be co-opted to the Committee as attendees by the Chairperson of the Committee.

4. FUNCTIONING AND REPORTING

- 4.1. The Committee shall meet, adjourn or otherwise regulate its meetings as it deems fit, but it shall meet at least three times per annum.
- 4.2. A meeting secretary shall be the company secretary and appointed to keep full and proper minutes of all meetings of the Committee.
- 4.3. The business of the Committee may, on an exceptional basis, be conducted through a written resolution, post consultation with the Chairperson. The written resolution must be received by all members and approved by 75% of the members of the Committee.
- 4.4. A decision in writing signed by 75% of the members shall be effective as a decision passed at a meeting of the Committee.
- 4.5. A quorum of the Committee shall be a majority of members present throughout the meeting. A decision of the Committee shall be passed by majority vote of members present and voting at the meeting.
- 4.6. Invitees present at a meeting of the Committee may participate in discussions of the Committee but do not form part of the quorum of the Committee.
- 4.7. The chairperson of the Committee shall report to Exco on any material matters emanating from its proceedings and provide feedback to the Committee.
- 4.8. The Committee shall oversee the preparation and recommendation to the Executive Council the Remuneration and Social and Ethics report to be included in the Annual report.

5. CONFIDENTIALITY AND GOVERNANCE

- 5.1. All members of the Committee, whether or not they are employees of SARU, automatically undertake to be bound in full by the Code of Corporate Practices and Conduct of SARU, its Values and its Code of Ethics (“**Unified Code of Ethics**”).
- 5.2. All members of the Committee automatically undertake to observe full confidentiality re the content of all information which may come to their attention from time to time. No such

information may be revealed to persons outside of SARU without the prior authorisation of the Chairman of the Executive Council.

- 5.3. Committee members must disclose any conflict or potential conflict of interest on any matter to be discussed at the meeting, and this shall be reflected in the minutes. If there are no conflicts or potential conflicts, this must also be reflected in the minutes. Where a member of the Committee has declared a conflict of interest, he/she shall be recused from taking a decision on the matter if the potential conflict is deemed material. The recusal shall be minuted.
- 5.4. Unless specifically authorised by the Chairman of the Executive Council, no member of the Committee may make statements to the media.
- 5.5. In order to perform their responsibilities, the Committee will appoint specialist advisors, as they deem appropriate from time to time to assist with matters that fall beyond the expertise of the members of the committee.

6. REMUNERATION

- 6.1. All independent members of the Committee, as well as such other independent professionals as may be requested to assist or consult to the Committee on occasion, are eligible to receive such remuneration in respect of their time and contributions to the business of the Committee as may be determined.
- 6.2. The members and attendees may also be reimbursed all travelling, hotel and other expenses properly incurred by them in or about the performance of their activities as members or attendees, including those of travelling to and from meetings of the Committee, on such basis as the Committee may determine from time to time.

7. COMMITTEE EVALUATION

- 7.1. The effectiveness of the Committee shall be evaluated through an external process annually. The evaluation process shall be conducted, in consultation with the Chairperson of the Executive Council.
- 7.2. The evaluations shall be facilitated through the Office of the Company Secretary in consultation with the Chairperson of the Executive Council.

8. REVIEW AND APPROVAL

The Committee shall review its terms of reference annually (unless an urgent review is required) and make recommendations in respect of any amendments to Exco for approval.
