



## RCL FOODS LIMITED

### SOCIAL AND ETHICS COMMITTEE CHARTER

REVISION DATE: 23 June 2016

<b>CONTENTS</b>	<b>Page</b>
1. INTRODUCTION	2
2. PURPOSE	2
3. COMPOSITION	2
4. TERMS OF REFERENCE	3
5. REPORTING RESPONSIBILITIES	3
6. MEETINGS	4
7. AUTHORITY	4
8. REMUNERATION	5
9. MEMBERS' SKILLS AND TRAINING	5
10. EVALUATION	5
11. GENERAL	5
12. REVIEW OF CHARTER	6

## 1. INTRODUCTION

- 1.1 The Social and Ethics Committee (“the Committee”) of RCL Foods Limited (“the Company”) is constituted as a committee of the board of directors (“the Board”) of the Company.
- 1.2 The Committee’s charter extends to the Company and to all subsidiaries affiliates and/or joint ventures of the Company who are required to have a Social and Ethics Committee and, save where the context requires otherwise, any reference in this charter to the Company shall be deemed to include a reference to each subsidiary.
- 1.3 The duties and responsibilities of the members of the Committee are in addition to those as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of the directors, who must continue to exercise due care and judgment in accordance with their legal obligations.
- 1.4 This charter is subject to the provisions of the Companies Act, 2008 (“Companies Act”), the Company’s Memorandum of Incorporation, and any other applicable law or regulatory provision.

## 2. PURPOSE

- 2.1 The purpose of this charter is to outline the composition, terms of reference and operating guidelines of the Committee.

## 3. COMPOSITION

- 3.1 The Committee shall consist of a minimum of three directors or prescribed officers appointed by the Board, with both executive and non-executive directors.
- 3.2 At least one member of the Committee shall be a non-executive director who is not involved in the day-to-day management of the Company’s business nor has been so involved at any time during the previous three financial years.
- 3.3 The Board shall appoint the Committee chairperson, a non-executive director, and determine the period for which he/she shall hold office. The chairperson of the Board shall not be eligible to be appointed as chairperson of the Committee.
- 3.4 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties, as contemplated in this charter.
- 3.5 The Board shall have the power at any time to remove any member from the Committee who has been appointed by the Board, and to fill any vacancy created by such removal.
- 3.6 The office of a member of the Committee shall be vacated if:
  - 3.6.1 He or she resigns his or her office by written notice to the Board and to the Committee; or
  - 3.6.2 He or she is removed by the Board as a member of the Committee, or ceases to be a director or prescribed officer of the Company, as the case may be.
- 3.7 The following invitees shall be in attendance at meetings:
  - 3.7.1 Chief Legal Officer;
  - 3.7.2 Group Human Resources Director;
  - 3.7.3 Group Audit and Risk Manager.
- 3.8 The Committee may invite executives and/or specialists to assist with its deliberations and decisions, on a permanent or part time basis, where appropriate. Such executives and/or

specialists shall not have a vote at any meetings of the Committee.

3.9 The Company Secretary of the Company shall act as the secretary of the Committee.

#### **4. TERMS OF REFERENCE**

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 senior management.

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

4.3.1 Monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

- Social and economic development, including the Company's standing in terms of the goals and purposes of:
  - The 10 (ten) principles set out in the United Nations Global Compact Principles
  - The OECD recommendations regarding corruption
  - The Employment Equity Act
  - The Broad-Based Black Economic Empowerment Act.
- Good corporate citizenship, including the company's:
  - Promotion of equality, prevention of unfair discrimination, and reduction of corruption
  - Contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed
  - Record of sponsorship, donations and charitable giving.
- The environment, health and public safety, including the impact of the company's activities and of its products or services.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including:
  - The company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions
  - The Company's employment relationships and its contribution toward the educational development of its employees.

4.3.2 Draw matters within its mandate to the attention of the Board as occasion requires.

4.3.3 Report, through one of its members, to the Shareholders at the Company's Annual General Meeting on the matters within its mandate.

4.3.4 Review any statements on ethical standards or requirements of the Group and assist in developing such standards and requirements.

#### **5. REPORTING RESPONSIBILITIES**

5.1 The Committee reports to the full Board through its chairperson.

5.2 Minutes of the meetings of the Committee must be submitted to the Board.

- 5.3 The chairperson, or alternatively a Committee member, shall be present at the Company's Annual General Meeting of Shareholders to answer any questions arising.

## **6. MEETINGS**

- 6.1 The Committee shall hold sufficient scheduled meetings as to discharge all its duties as set out in this charter, but subject to a minimum of two meetings per year.
- 6.2 The chairperson of the Committee may meet with the Chief Executive Officer, Group Audit and Risk Manager and/or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 6.3 A quorum for meetings shall be a majority of members present. Meetings should be organised so that attendance is maximised.
- 6.4 The chairperson of the Committee or any member of the Board or Committee may request, through the chairperson, a meeting at any other time.
- 6.5 Committee members must 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 Company Secretary.
- 6.6 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.
- 6.7 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.
- 6.8 The annual plan must ensure proper coverage of the matters laid out in these terms of reference. The number, timing and length of meetings, and the agendas, are to be determined in accordance with the annual plan.
- 6.9 An agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than seven working days prior to the date of the meeting.
- 6.10 Resolutions of the Committee shall be by majority vote. Should any disagreement arise, the issue shall be referred to the Board for decision.
- 6.11 Minutes of meetings must be completed as soon as possible after the meeting and circulated to the chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

## **7. AUTHORITY**

- 7.1 The Committee acts in terms of the authority granted to the Committee in terms of the Companies Act and the regulations in terms of the Companies Act. It has the power to investigate any activity within the scope of these terms of reference.
- 7.2 Committee members are entitled to:
- 7.2.1 request from any director, prescribed officer or employee of the Company any information or explanation necessary for the performance of the Committee's functions;
  - 7.2.2 receive all notices of and other communications relating to any general Shareholders' meeting;
  - 7.2.3 attend any general Shareholders' meeting;
  - 7.2.4 be heard at any general Shareholders' meeting on any part of the business of the meeting that concerns the Committee's functions.

- 7.3 The chairperson is required to attend Annual General Meetings of Shareholders.
- 7.4 The Company shall pay all expenses reasonably incurred by the Committee, including, if the Committee considers it appropriate, the costs or fees of any consultant or specialist engaged by the Committee in the performance of its functions.
- 7.5 The Committee may form, and delegate authority to, sub-committees, and may delegate authority to one or more designated members of the Committee.
- 7.6 The Committee will make recommendations to the Board that it deems appropriate on any area within the ambit of this charter where action or improvement is required.

## **8. REMUNERATION**

- 8.1 Having regard to the functions performed by the members of the Committee, in addition to their functions as directors in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the Memorandum of Incorporation of the Company, members of the Committee who are non-executive directors may be paid such remuneration in respect of their appointment as shall be fixed by the Board.
- 8.2 The chairperson of the Committee shall, in addition to his remuneration as a member, receive a further sum as determined by the Board.
- 8.3 Such remuneration shall be in addition to the annual fees payable to non-executive directors.

## **9. MEMBERS' SKILLS AND TRAINING**

- 9.1 The Committee's effectiveness in performing its functions depends on its members' knowledge and competence in the relevant business matters.
- 9.2 New members should receive an orientation that allows them to function effectively from the outset.

## **10. EVALUATION**

- 10.1 The Board must perform an evaluation of the effectiveness of the Committee on an annual basis.

## **11. GENERAL**

- 11.1 The Committee shall carry out its tasks under these terms of reference.
- 11.2 The Board will ensure that the Committee has access to professional advice both inside and outside the Company in order for it to perform its duties.
- 11.3 The Committee will have access to any information it requires in order to fulfil its responsibilities.
- 11.4 The Committee will have direct access to the Board chairperson, Chief Executive Officer, Executive Directors, Internal Audit and External Audit.
- 11.5 The Committee will have the right to consult with, and receive the full co-operation of, any employee where necessary to fulfil its responsibilities.

## **12. REVIEW OF CHARTER**

- 12.1 This charter shall be updated at least annually, or more frequently as circumstances may necessitate, subject to the approval of the Board.