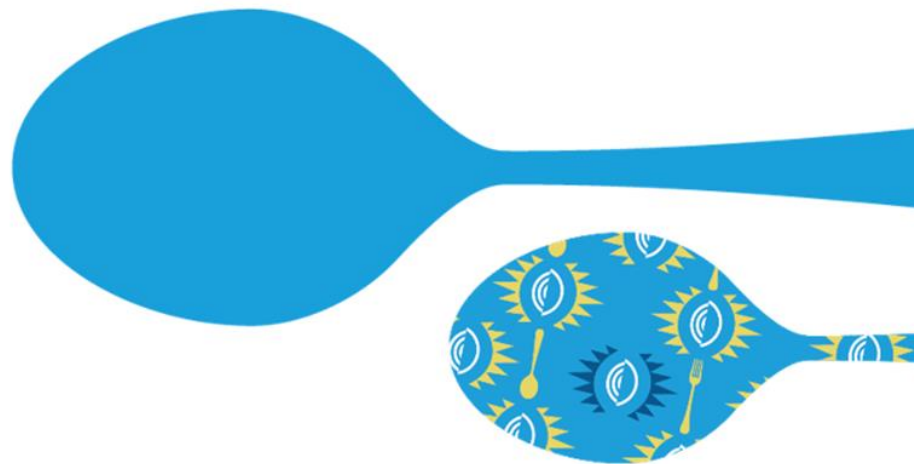




# **RCL FOODS LIMITED REMUNERATION AND NOMINATIONS COMMITTEE CHARTER**



# RCL FOODS LIMITED REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

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# RCL FOODS LIMITED REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

## 1. INTRODUCTION

- 1.1 The Remuneration and Nominations 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 Remuneration and Nominations 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 South African Companies Act, 2008 (“Companies Act”), the Company’s Memorandum of Incorporation, and any other applicable laws or regulatory provisions.
- 1.5 The Committee will serve until such time as the Board elects to make changes.

## 2. PURPOSE

- 2.1 The purpose of this charter is to outline the Committee’s role and responsibilities, membership and operating guidelines and requirements.

## 3. COMPOSITION

- 3.1 The Committee shall consist of a minimum of three non-executive directors appointed by the Board, a majority of whom are independent non-executive directors.
- 3.2 The Chairperson of the Board will be an ex officio member of the Committee.
- 3.3 The Board shall appoint the Committee Chairperson, an independent 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.

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- 3.7 The following invitees shall be in attendance at meetings:
- 3.7.1 Chief Executive Officer;
  - 3.7.2 Chief Human Resources Officer.
- 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.

#### Remuneration

- 4.3 The role of the Committee will be to work on behalf of the Board and be responsible for its recommendations and will, within these terms of reference:
- 4.3.1 determine, agree and develop the Company's general policy on executive and senior management remuneration;
  - 4.3.2 determine specific remuneration packages for executive directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives and other benefits; and
  - 4.3.3 determine any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities.
- 4.4 The Committee will aim to give the executive directors every encouragement to enhance the Company's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contributions and performance.
- 4.5 The Committee will review (at least annually) the terms and conditions of executive directors' service agreements, taking into account information from comparable companies where relevant.
- 4.6 The Committee will approve any awards to executive directors made pursuant to the Company's long-term incentive schemes.
- 4.7 The Committee will recommend to the Board, on an annual basis, the appropriate level of the directors' fees payable to the non-executive directors.

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- 4.8 The Committee will not determine the remuneration or terms of any consultancy agreement of any non-executive director, although it may make recommendations to the Board, if requested.
- 4.9 The Committee will co-ordinate its activities with the Chairperson of the Board and the Chief Executive Officer, as well as consult them in formulating the Committee's remuneration policy and when determining specific remuneration packages.
- 4.10 The broad framework and cost of executive remuneration should be a matter for the Board on advice of the Committee.
- 4.11 The Committee will have due regard for the principles of governance and Code of Best Practice.
- 4.12 The Committee will approve the Remuneration Report (inclusive of the Remuneration Policy) on an annual basis, whereafter it will be incorporated into the Annual Report which will be considered by Shareholders at the Annual General Meeting.

### Nominations

In relation to nominations matters (clauses 4.13 to 4.14), references to 'directors' shall include both non-executive and executive directors<sup>1</sup> of the Company.

- 4.13 The role of the Committee is to assist the Board to ensure that:
  - 4.13.1 The Board has the appropriate composition for it to execute itself effectively.
  - 4.13.2 Directors are appointed through a formal process.
  - 4.13.3 All opportunities to enhance the race and gender diversity of the Board are pursued in terms of the Board's Race and Gender Diversity Policies.
  - 4.13.4 Induction and ongoing training and development of directors take place.
  - 4.13.5 Formal succession plans for the Board, Chief Executive Officer and senior management appointments are in place.
- 4.14 The Committee shall perform all the functions necessary to fulfill its roles as stated above, including the following:
  - 4.14.1 Ensure the establishment of a formal process for the appointment of directors, including:
    - identification of suitable members of the Board;
    - performance of reference and independent background checks of candidates prior to nomination; and
    - formalisation of the appointment of directors through an agreement between the Company and the directors.
  - 4.14.2 Oversee the development of a formal induction programme for new directors.
  - 4.14.3 Ensure that inexperienced directors are developed through a mentorship programme.
  - 4.14.4 Oversee the development and implementation of continuing professional development programmes for directors.

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<sup>1</sup> Includes alternate directors

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- 4.14.5 Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.
- 4.14.6 Co-ordinate the annual performance evaluation of the Board and Committees, independence assessment of directors, peer reviews, and assessment of the qualifications and competence of the Company Secretary, and ensure the implementation of action plans emanating from the annual evaluations
- 4.14.7 Ensure that the diversity of the Board is promoted by ensuring targets for race and gender are met with respect to the composition of the Board to enhance the decision making of the Board.
- 4.14.8 Consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.
- 4.14.9 Find and recommend to the Board a replacement for the Chief Executive Officer when that becomes necessary.

### **5. REPORTING RESPONSIBILITIES**

- 5.1 The Committee reports to the full Board through its Chairperson.
- 5.2 Minutes of the meetings of the Committee will be submitted to Board members on request.

### **6. MEETINGS**

- 6.1 The Committee shall hold sufficient scheduled meetings 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, Chief Human Resources Officer 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. Meetings should be organised so that attendance is maximised.
- 6.4 The Chairperson of the Committee or any member of the Board or Committee, or the Chief Executive Officer or the Chief Human Resources Officer 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.

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- 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 unanimous 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 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.
- 7.2 The Committee, in the fulfillment of its duties, 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.
- 7.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 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, and approved by the shareholders.
- 8.2 The Chairperson of the Committee shall, in addition to his remuneration as a member, receive a further sum as recommended by the Board, and approved by shareholders.
- 8.3 Such remuneration shall be in addition to the annual fees payable to non-executive directors.

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### **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.

### **13. APPROVAL**

***This document has been approved by the Board on 21 June 2019.***