



# **RCL FOODS LIMITED BOARD CHARTER**



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## CONTENTS

1. INTRODUCTION	3
2. PURPOSE	3
3. COMPOSITION	3
4. PROCEDURES FOR THE APPOINTMENT OF DIRECTORS	3
5. RETIREMENT AGE	4
6. CHAIRPERSON AND CHIEF EXECUTIVE OFFICER	4
7. TERMS OF REFERENCE	4
8. BOARD COMMITTEES	5
9. COMPANY SECRETARY	6
10. MEETINGS	7
11. EVALUATION	8
12. DISCLOSURE OF INTERESTS	8
13. REVIEW OF CHARTER	9
14. APPROVAL	9

# RCL FOODS LIMITED BOARD CHARTER

## 1. INTRODUCTION

- 1.1. The Board of directors (“the Board”) of RCL Foods Limited (“the Company”) acknowledges the need for a Board Charter as recommended in the King IV Report on Corporate Governance for South Africa 2016 (“King IV”).
- 1.2. In accordance with these recommendations the Board has adopted this formalised charter (“Board Charter”) which is disclosed on the Company’s website.
- 1.3. The Board Charter extends to the Company and all subsidiaries of the Company who are required to have a Board 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.
- 1.4. This Board Charter is subject to the provisions of the South African Companies Act, 2008, the Company’s Memorandum of Incorporation, the Listings Requirements of the JSE and any other applicable laws or regulations.

## 2. PURPOSE

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

## 3. COMPOSITION

- 3.1. The Board consists of executive and non-executive directors, with a majority being non-executive, and the majority of the latter being independent.
- 3.2. The Board has an appropriate mix of knowledge, skills, experience, diversity and independence.
- 3.3. The minimum number of directors shall be four.
- 3.4. The Chief Executive Officer and the Chief Financial Officer are ex officio members of the Board.
- 3.5. One third of the directors are required to retire from office at each Annual General Meeting of the Company, but shall be eligible for re-election.

## 4. PROCEDURES FOR THE APPOINTMENT OF DIRECTORS

- 4.1. The Remuneration and Nominations Committee assists with the formal process of identifying suitable candidates for nomination to the Board, and the Board must approve the appointment of candidates nominated by the Remuneration and Nominations committee.
- 4.2. A formal induction programme is established for new directors.
- 4.3. Continuing professional development programmes are implemented which ensure that directors receive regular briefings on changes in corporate governance, risks, laws and the

## **RCL FOODS LIMITED BOARD CHARTER**

environment.

- 4.4. Executive directors shall not hold any non-executive directorship unless the Board as a whole is of the view that this is in the interest of the Company.

### **5. RETIREMENT AGE**

The mandatory retirement age for non-executive directors will be 70 years. The mandatory retirement age for executive directors will be 65 years, as per retirement fund rules. However, any director may be re-appointed on an annual basis upon unanimous approval of the Board.

### **6. CHAIRPERSON AND CHIEF EXECUTIVE OFFICER**

- 6.1. The Chairperson is elected annually by the Board and is a non-executive director and the function is separate from that of Chief Executive Officer. A lead independent director will be appointed where the Chairperson is not independent, or is conflicted.
- 6.2. The Chief Executive Officer is appointed by the Board as a whole, in a similar manner to the appointment of directors.
- 6.3. The performance of the Chief Executive Officer is appraised on an annual basis by the Remuneration and Nominations Committee.

### **7. TERMS OF REFERENCE**

The role and responsibilities of the Board are to:

- 7.1. act as the focal point for, and custodian of, corporate governance by providing effective leadership based on an ethical foundation and by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- 7.2. appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
  - 7.2.1. determining the Company's purpose and values;
  - 7.2.2. determining the strategy to achieve its purpose (that is its strategic intent and objectives as a business enterprise) and to implement its values (that is, its organisational behaviour and norms to achieve its purpose) in order to ensure that its survives and thrives;
  - 7.2.3. satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
  - 7.2.4. identifying key performance and risk areas;

## RCL FOODS LIMITED BOARD CHARTER

- 7.2.5. ensuring that the strategy will result in sustainable outcomes; and
  - 7.2.6. considering sustainability as a business opportunity that guides strategy formulation;
  - 7.3. exercise leadership, enterprise, integrity and judgement in directing the Company so as to achieve continuing prosperity for the Company;
  - 7.4. ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the workplace, the environment and the society within which it operates;
  - 7.5. ensure that the Company's ethics are managed effectively;
  - 7.6. ensure that the Company has an effective and independent audit committee;
  - 7.7. be responsible for the governance of risk;
  - 7.8. be responsible for information technology (IT) governance;
  - 7.9. ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards;
  - 7.10. ensure that there is an effective risk-based internal audit;
  - 7.11. appreciate that stakeholder's perceptions affect the Company's reputation;
  - 7.12. ensure the integrity of the Company's integrated report;
  - 7.13. act in the best interests of the Company by ensuring that individual directors:
    - 7.13.1. adhere to legal standards of conduct;
    - 7.13.2. are permitted to take independent advice in connection with their duties, following an agreed procedure;
    - 7.13.3. disclose real or perceived conflicts to the Board and deal with them accordingly;
    - 7.13.4. deal in securities only in accordance with the policy adopted by the Board;
  - 7.14. commence business rescue proceedings as soon as the Company is financially distressed; and
- The Board should do everything necessary to fulfil its role as set out above.

## 8. BOARD COMMITTEES

- 8.1. The Board has established well-structured committees to which it may delegate certain functions to assist the directors in their duties and responsibilities.
- 8.2. Delegating authorities to Board committees or management will not in any way mitigate or dissipate a discharge by the Board and its members of their duties and responsibilities. The committees are merely mechanisms to aid and assist the Board and its directors in giving

## RCL FOODS LIMITED BOARD CHARTER

detailed attention to specific areas of their duties and responsibilities in a more comprehensive evaluation of specified issues.

- 8.3. Each committee has a formal charter approved by the Board which covers:
  - 8.3.1. Composition;
  - 8.3.2. objectives, purpose and activities;
  - 8.3.3. delegated authorities including extent of power to make decisions and/or recommendations; and
  - 8.3.4. reporting mechanisms to the Board.

### 9. COMPANY SECRETARY

- 9.1. The company secretary's appointment is ratified by the Board as a whole, and the Board is cognisant of the duties imposed upon the company secretary and thus empowers the company secretary accordingly to enable his/her to properly fulfil his/her duties. The company secretary reports to the Chief Executive Officer on matters relating to the Board to ensure a measure of independence and to allow the access of all directors and particularly the Chairperson of the Board.
- 9.2. The company secretary will also ensure unhindered access to information by all Board and committee members so that they can contribute to Board meetings and other discussions.
- 9.3. The core role of the company secretary is as follows:
  - 9.3.1. to guide the Board, collectively, and each director, individually, as to their duties and responsibilities and make them aware of all legislation and regulations relevant to the company on which the Board of directors serve;
  - 9.3.2. to ensure that the procedures for the appointment of directors are properly carried out and to assist in the proper induction and orientation of directors, including assessing the specific training needs of directors and executive management in regard to their fiduciary and other responsibilities;
  - 9.3.3. to ensure compliance with all relevant statutory and regulatory requirements, having due regard for the specific business interests of the Company;
  - 9.3.4. to compile and circulate Board papers and to filter them to ensure compliance with the required standards of good governance;
  - 9.3.5. to elicit responses, input and feedback for Board and Board Committee meetings;
  - 9.3.6. to assist in drafting yearly work plans;
  - 9.3.7. to ensure preparation and circulation of minutes of Board and Committee meetings;
  - 9.3.8. to assist with the evaluation of the Board Committees and individual directors;

## RCL FOODS LIMITED BOARD CHARTER

- 9.3.9. to raise matters that may warrant the attention of the Board;
- 9.3.10. to communicate with the shareholders as appropriate, to ensure that due regard is paid to their interests; and
- 9.3.11. the company secretary is also a primary point of contact for institutional and other shareholders, especially with regard to matters of corporate governance. She or he will particularly ensure that all shareholders are treated in a fair and equal manner.

### 10. MEETINGS

#### 10.1. Frequency

- 10.1.1. The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this charter, but subject to a minimum of four meetings per year.
- 10.1.2. Meetings in addition to those scheduled may be held at the instance of a Board member.
- 10.1.3. The Chairperson of the Board may meet with the Chief Executive Officer and the Chief Finance Officer and/or the company secretary prior to a Board meeting to discuss important issues and agree on the agenda.
- 10.1.4. The meetings may be held in person, by telephone or other form of long distance conference facility, as circumstances may require (such person shall be deemed as being present at the meeting) provided that the quorum is met.

#### 10.2. Attendance

- 10.2.1. Board members must attend all scheduled meetings of the Board, 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.
- 10.2.2. If the nominated Chairperson of the Board is absent from a meeting, the members present must elect one of the members present to act as Chairperson.
- 10.2.3. The company secretary is the secretary to the Board.
- 10.2.4. Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote.

#### 10.3. Quorum

- 10.3.1. A representative quorum for meetings is a majority of members.
- 10.3.2. Individuals in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings.

#### 10.4. Agenda and Minutes

- 10.4.1. The Board must establish an annual work plan for each year to ensure that all relevant

## RCL FOODS LIMITED BOARD CHARTER

matters are covered by the agendas of the meetings planned for the year.

10.4.2. The annual plan must ensure proper coverage of the matters laid out in this charter: 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.

10.4.3. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual work plan.

10.4.4. A detailed agenda, together with supporting documentation, must be circulated, at least seven days prior to each meeting to the members of the Board and other invitees.

10.4.5. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

10.4.6. The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and members of the Board for review thereof.

10.4.7. The minutes must be formally approved by the Board at its next scheduled meeting.

### 10.5. Independent professional advice

10.5.1. Board members requiring to seek independent professional advice are entitled to do so at the expense of the Company if such advice relates to a concern over his/her position as a director in relation to some action of the Company or the Board.

10.5.2. Board committees are entitled to seek independent professional advice relating to any aspect of the task assigned to them by the Board.

10.5.3. The seeking of the advice envisaged above will be co-ordinated through the company secretary or, if in the view of the directors or committee this is not appropriate, through the Chairperson.

## 11. EVALUATION

The evaluation of the effectiveness of the Board, its committees and individual directors, including the Chairperson, must be performed every year.

## 12. DISCLOSURE OF INTERESTS

Each member must make an annual declaration of his/her interests in the Company and of his/her directorships of other companies and any interests thereof and must update such declarations annually or as and when such changes occur.



## **RCL FOODS LIMITED BOARD CHARTER**

### **13. REVIEW OF CHARTER**

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

### **14. APPROVAL**

*This document has been approved by the Board on 21 June 2024.*