

RAINBOW CHICKEN LIMITED

BOARD CHARTER



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RAINBOW CHICKEN LIMITED BOARD CHARTER

1. INTRODUCTION

- 1.1. The governing body or Board of directors (“the Board”) of Rainbow Chicken 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 No. 71 of 2008, as amended, (“Companies Act”) the Company’s Memorandum of Incorporation (“MOI”), the Listings Requirements of the JSE and any other applicable laws or regulations.
- 1.5. The Company is committed to good governance as espoused in King IV as ethical and effective leadership in order to achieve the core governance outcomes of an ethical culture, good performance, effective control, and legitimacy.

2. PURPOSE

The purpose of this Board Charter is to outline the Board’s role and responsibilities, as well as the requirements for its membership, its meetings, and other procedures.

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 shall be members of the Board.
- 3.5. The Chief Operating Officer shall be appointed as a member of the board by the shareholders through a special nomination.
- 3.6. 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.
- 3.7. A non-executive director may continue to serve in an independent capacity for longer than nine years if a Board assessment is conducted annually after the nine-year period.
- 3.8. Termination of service / employment contracts of executive directors shall automatically include their resignation from the Board.

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 environment.
- 4.4. The Board has a succession plan in place for its membership, the Chief Executive Officer, and other executive members. The plan provides for identification, mentorship, and development of future candidates.
- 4.5. Executive directors shall not hold any non-executive directorship unless the Board 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 non-executive director may be re-appointed on an annual basis upon unanimous approval of the Board.

6. INDIVIDUAL ROLES AND RESPONSIBILITIES

6.1. The Chairperson

- 6.1.1. The Chairperson is elected annually by the Board and is a non-executive director and the function is separate from that of the Chief Executive Officer. A lead independent director will be appointed where the Chairperson is not independent or is conflicted.
- 6.1.2. Is responsible for representing the Board to the Shareholders and indirectly, other Stakeholders relating to performance.
- 6.1.3. Is responsible to provide leadership to the Board, to set the tone for its performance and undertake the management, and the integrity and effectiveness of the governance processes.
- 6.1.4. Should ensure that Board focuses on what is best for the Company, set the tone for organisational success; be accountable to Board, set the direction and priorities for the execution of the duties of the Board and act as the communication channel for the Board decisions where appropriate.
- 6.1.5. Should preferably not be a member of the Audit and Risk Committee.
- 6.1.6. May be a member of the Committee responsible for remuneration but should not be its Chairperson.
- 6.1.7. Will be a member of the Remuneration and Nominations Committee, responsible for nominations and will act as Chairperson when nomination matters within the Remuneration and Nominations Committee be discussed.
- 6.1.8. May be a member of the Social, and Ethics Committee but should not be its Chairperson.

6.2. The Chief Executive Officer

- 6.2.1. The Chief Executive Officer is appointed by the Board as a whole, in a similar manner to the appointment of directors.
- 6.2.2. The performance of the Chief Executive Officer is appraised on an annual basis by the Remuneration and Nominations Committee.
- 6.2.3. Is responsible for leading the implementation and execution of approved strategy, policy and operational planning and should serve as the link between Management and the Board.

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- 6.2.4. Is responsible to report to the Board and be accountable to the Board.
- 6.2.5. Is responsible for monitoring and managing the day-to-day operational requirements and administration of the Company and submit reports, financial statements, and consolidated budgets for consideration by the Board.
- 6.2.6. Is responsible to develop, recommend business plans, policies, and objectives for consideration by the Board and taking into consideration business, economic and political trends that may affect the operations of the Company; and responsible to implement all approved plans, policies, and programmes.
- 6.2.7. Is responsible to oversee the financial management of the Company including financial planning, cash flow and Management reporting.
- 6.2.8. Will not be a member of the Remuneration and Nominations Committee or Audit and Risk Committee, but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information.

6.3. Individual Directors

- 6.3.1. Directors act jointly when discharging their duties, unless specifically authorized or requested by the Board.
- 6.3.2. Directors are jointly and severally accountable for Board decisions and actions.

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) 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;
 - 7.2.5. ensuring that the strategy will result in sustainable outcomes;
 - 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;

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- 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
- 7.15. 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, with due regard to the skills required by each committee, to which it may delegate certain functions to assist the directors in their duties and responsibilities.
- 8.2. The Board shall as a minimum establish an Audit and Risk Committee, Social and Ethics Committee and a Remuneration and Nominations Committee.
- 8.3. 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 detailed attention to specific areas of their duties and responsibilities in a more comprehensive evaluation of specified issues.
- 8.4. Each committee has a formal charter approved by the Board which covers:
 - 8.4.1. composition;
 - 8.4.2. objectives, purpose, and activities;
 - 8.4.3. delegated authorities including extent of power to make decisions and/or recommendations; and
 - 8.4.4. reporting mechanisms to the Board.
- 8.5. Each committee's terms of reference shall be reviewed annually.
- 8.6. The Board shall, as recommended by the Audit and Risk Committee, approve the Company's listing onto any new or additional stock exchange.

9. REMUNERATION

- 9.1. The remuneration of the Non-executive Directors shall from time to time be approved by the Company at its Annual General Meeting.
- 9.2. Non-executive Directors may receive:
 - 9.2.1. a fee per meeting attended; and
 - 9.2.2. an hourly fee in certain instances for work provided out of the normal scope of a Non-executive Director.
- 9.3. The Chairperson, Non-executive Directors', and Executive Directors' remuneration shall be remuneration appropriate to their office and reviewed annually by the Board through appropriate benchmarking exercises.
- 9.4. No additional fees shall be paid to Executive Directors as Directors other than in accordance with their specific service/employment contracts.

10. COMPANY SECRETARY

- 10.1. 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 her/him to properly fulfil her/his duties.
- 10.2. The company secretary will be evaluated on an annual basis by the Board.
- 10.3. The company secretary reports to the Board via the Chairperson on all statutory duties and functions performed in connection with the Board. Regarding other duties and administrative matters, the company secretary reports to the Chief Executive Officer on matters relating to the Board to ensure a measure of independence and to allow access of all directors and particularly the Chairperson of the Board.
- 10.4. The Board has the responsibility for the removal of the company secretary.
- 10.5. 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.
- 10.6. The core role of the company secretary is as follows:
 - 10.6.1. 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;
 - 10.6.2. 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 regarding their fiduciary and other responsibilities;
 - 10.6.3. to ensure compliance with all relevant statutory and regulatory requirements, having due regard for the specific business interests of the Company;
 - 10.6.4. to compile and circulate Board papers and to filter them to ensure compliance with the required standards of good governance;
 - 10.6.5. to elicit responses, input and feedback for Board and Board Committee meetings;
 - 10.6.6. to assist in drafting yearly work plans;
 - 10.6.7. to ensure preparation and circulation of minutes of Board and Committee meetings;
 - 10.6.8. to assist with the evaluation of the Board Committees and individual directors;

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

11. MEETING PROCEDURES

11.1. *Frequency*

- 11.1.1. 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.
- 11.1.2. Meetings in addition to those scheduled may be held at the instance of a Board member.
- 11.1.3. 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.
- 11.1.4. 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.

11.2. *Attendance*

- 11.2.1. 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.
- 11.2.2. 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 for that meeting.
- 11.2.3. The company secretary is the secretary to the Board.
- 11.2.4. Members of senior management, assurance providers and professional advisors may attend meetings, but by invitation only and they may not vote.

11.3. *Quorum*

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

11.4. *Disclosure of interests*

- 11.4.1. All Board members should declare any possible conflict of interest in respect of a matter on the agenda and shall not participate in a discussion or vote on the subject matter and must follow the provisions of section 75 of the Companies Act and the MOI in this regard.
- 11.4.2. 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.

11.5. *Agenda and minutes*

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- 11.5.1. The Board 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.
- 11.5.2. 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.
- 11.5.3. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual work plan.
- 11.5.4. 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.
- 11.5.5. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 11.5.6. The company secretary shall attend and minute all meetings.
- 11.5.7. 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.
- 11.5.8. The minutes must be formally approved by the Board at its next scheduled meeting or via email communication.

11.6. *Independent professional advice*

- 11.6.1. Board members seeking 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.
- 11.6.2. Board committees are entitled to seek independent professional advice relating to any aspect of the task assigned to them by the Board.
- 11.6.3. The seeking of the advice envisaged above will be coordinated through the company secretary or, if in the view of the directors or committee this is not appropriate, through the Chairperson.

12. EVALUATION

The Board shall consider, reflect, and discuss its performance and that of the committees, its Chairperson, and the members annually. A formal process, either externally facilitated or in accordance with methodology approved by the Board, shall be followed for the evaluation of the performance of the Board, its committees, and individual directors, including the Chairperson.

13. REVIEW OF CHARTER

This charter shall be reviewed annually and more frequently as circumstances may necessitate, subject to the approval of the Board.

14. APPROVAL

This Board Charter was approved by the Board on 27 May 2024.