

RAINBOW CHICKEN LIMITED

**SOCIAL AND ETHICS COMMITTEE
TERMS OF REFERENCE**



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RAINBOW CHICKEN LIMITED SOCIAL & ETHICS COMMITTEE TERMS OF REFERENCE

1. INTRODUCTION

- 1.1 The Social and Ethics Committee (“the Committee”) is constituted as a statutory committee of the Board of Rainbow Chicken Limited (“the Company”) in terms of section 72(4) of the Companies Act no.71 of 2008 read with Regulation 43 of the Companies Regulations, 2011.
- 1.2 The Committee’s Terms of Reference (TORs) shall extend to the Company and to all subsidiaries, affiliates and/or joint ventures of the Company which are required to have a Social and Ethics Committee and, save where the context requires otherwise, any reference in this TOR to the Company shall be deemed to include a reference to each subsidiary, affiliate and/or joint venture.
- 1.3 The duties and responsibilities of the members of the Committee as set out in these Terms of Reference are in addition to those duties and responsibilities that they have as members of the Board.
- 1.4 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members, in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.
- 1.5 These TORs are subject to the provisions of the South African Companies Act, 2008 (“Companies Act”), the Company’s Memorandum of Incorporation (“MOI”), the recommendations of the King IV Report on Corporate Governance for South Africa 2016 (“King IV”), the JSE Listing requirements and any other applicable laws or regulations.
- 1.6 The Committee will serve until such time as the Board elects to make changes.

2. PURPOSE

The purpose of these TORs is to outline the Committee’s role and responsibilities, as well as the requirements for its composition and meeting procedures.

3. COMPOSITION OF COMMITTEE

- 3.1 The members of the Committee are appointed for a specified term as determined by the Board.
- 3.2 The Committee shall comprise of at least three directors or prescribed officers of the Company, consisting of executive and non-executive directors who are not involved in the day-to-day management of the Company’s business nor have been so involved at any time during the previous three financial years.
- 3.3 The Chairperson of the Board may be a member of the Committee, but may not chair it.
- 3.4 The Board shall elect the Chairperson of the Committee, a non-executive director, from the elected non-executive director members, and determine the period for which he/she shall hold office.
- 3.5 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties; and members are required to keep their knowledge and skillset up to date.
- 3.6 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.
- 3.7 The office of a member of the Committee shall be vacated if:
 - 3.7.1 he or she resigns his or her office by written notice to the Board and to the Committee;
or
 - 3.7.2 he or she is removed by the Board as a member of the Committee, or ceases to be a director or

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prescribed officer of the Company, as the case may be.

- 3.8 The following invitees shall be in attendance at meetings:
 - 3.8.1 Chief Financial Officer;
 - 3.8.2 Chief Operating Officer;
 - 3.8.3 Executive responsible for CSI;
 - 3.8.4 Chief People Officer; and
 - 3.8.5 Sustainability and Risk Director.
- 3.9 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.
- 3.10 The Company Secretary of the Company shall act as the secretary of the Committee.

4. ROLE

- 4.1 The role of the Committee is to assist the Board with creating value in a sustainable manner taking into consideration the triple context of the economy, society, and natural environment within which the Company operates.
- 4.2 The Committee has an independent role with accountability to the Board, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval.
- 4.3 The Committee shall not assume the functions of management, which remain the responsibility of the executive directors, officers, and other members of senior management.

5. RESPONSIBILITIES

- 5.1 The Committee shall perform all the functions as are necessary to fulfill its role as stated above, including the following statutory duties:
 - 5.1.1 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:
 - i. 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.
 - ii. 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.
 - iii. The environment, health, and public safety, including the impact of the Company's activities

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and that of its products or services.

- iv. Consumer relationships, including the company's advertising, public relations, and compliance with consumer protection laws.
 - v. Labour and employment, including:
 - The Company's standing in terms of the International Labour Organisation guidance on decent work and working conditions.
 - The Company's employment relationships and its contribution toward the educational development of its employees.
- 5.1.2 Drawing matters within its mandate to the attention of the Board as occasions requires.
- 5.1.3 Reporting, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.
- 5.1.4 Perform the following non-statutory responsibilities, delegated by the Board:
- i. Organisational Ethics management to support the establishment of an ethical culture.
 - ii. Oversee the implementation of the Company's ethical practices and development of appropriate mechanisms for the prevention, detection and response to fraud and corruption, including whistleblowing mechanisms.
 - iii. Oversee the implementation of Corporate Citizenship efforts and compliance with the Constitution of South Africa (including the Bill of Right), the law, leading standards, and adherence to its own codes of conduct and policies.
 - iv. Oversee and monitor performance against measures and targets agreed with Management in the following areas:
 - Workplace (including promotion of equality, prevention of unfair discrimination, employment equity, fair remuneration, safety, health, dignity, and development of employees.
 - Economy (including economics transformation, prevention, detection and response to fraud and corruption and responsible and transparent tax policy).
 - Society (including public health and safety, consumer protection, community development, and protection of human rights).
 - Environment (including the impact of the Company's activities and of its products and services).
 - v. Monitor the Company's standing and contributions to social, economic, and environmental sustainability in terms of relevant Sustainable Development Goals ("SDGs"), integrated goals.
 - vi. Endorse and record the Company's Corporate Social Investment programs including sponsorships, donations and charitable giving and annually review the programmes.
 - vii. Monitor consumer relations, including the Company's advertising, public relations, and compliance with consumer protection laws.
 - viii. Adopt a stakeholder-inclusive approach to the execution of their governance role and responsibilities.
 - ix. Ensure the Code of Conduct and Ethics Policies encompass the Company's interaction with both internal and external stakeholders and broader society.

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- x. Exercise ongoing oversight of stakeholder relationship management.
 - xi. Oversee that the Company encourages proactive engagement with shareholders including engagement at the Annual General Meeting of the Company.
 - xii. Ensure that shareholders are equitably treated and that the interests of minority shareholders are adequately protected.
- 5.1.5 Report, through one of its members, to the Shareholders at the Company's Annual General Meeting and in the integrated report on the matters within its mandate.
- 5.1.6 Social Responsibilities
- Ensuring that the Company's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies.

6. AUTHORITY

- 6.1 The Committee shall act in accordance with its statutory powers and 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 these terms of reference.
- 6.2 The authority of the Committee will also be subject to the provisions of the Delegation of Authority Framework of the Company as approved by the Board from time to time.
- 6.3 The Committee, in the fulfilment of its duties, may call upon the Chairs of the other Board committees, other board members, executive directors, company officers or assurance providers to provide it with relevant information subject to a Board-approved process.
- 6.4 The Committee shall be entitled to reasonable access to the company's records, facilities and employees as is necessary to discharge its duties and responsibilities.
- 6.5 The Committee may form, and delegate authority to subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf.
- 6.6 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the company's cost, subject to a Board-approved process.
- 6.7 The Committee has the right to be heard at any general shareholders' meeting on any part of the business of the meeting that concerns the committee's statutory responsibilities.
- 6.8 The Committee will make recommendations to the Board that it deems appropriate on any area within the ambit of this TOR where action or improvement is required.

7. MEETINGS

7.1 Frequency

The Committee shall hold sufficient scheduled meetings to discharge all its duties as set out in these TOR and its annual workplan, but subject to a minimum of three (3) meetings per year.

7.2 Attendance

- 7.2.1 Executives of the company, other assurance providers, professional advisors may be invited to attend Committee meetings, at the discretion of the Chair, and such invitees may

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not vote on matters before the Committee.

- 7.2.2 The Chair may request such invitees to leave the meeting at any time should there be matters on the agenda that are confidential and which they should not be present for.
- 7.2.3 Any other member of the Board shall be entitled to attend the Committee meetings as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Chairman; does not have a vote, and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Committee and shareholders.
- 7.2.4 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 Committee Secretary.
- 7.2.5 If the elected Chair of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chair for the duration of that meeting.
- 7.2.6 Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.
- 7.2.7 At the commencement of each meeting, all members must declare whether any of them has any 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.
- 7.2.8 Directors shall at all times observe the legal requirements in respect of the declaration of interests and do everything reasonably possible to avoid a conflict of interest in the execution of their duties and responsibilities to the Company.
- 7.2.9 The Chairperson of the Committee may meet with the Chief Executive Officer, Sustainability and Risk Director and/or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

7.3 **Agenda and minutes**

- 7.3.1 The Committee shall establish an annual workplan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 7.3.2 A detailed agenda together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.
- 7.3.3 Committee members must be fully prepared for Committee meetings in order to provide appropriate and constructive input on matters discussed.
- 7.3.4 The Company Secretary shall take minutes of all meetings. The minutes shall record the issues, the salient features pertaining to the issues and the decisions of the Committee.
- 7.3.5 The minutes must be completed as soon as possible after the meeting and circulated to the Committee members for review.
- 7.3.6 The minutes must be formally approved by the Committee at its next scheduled meeting.
- 7.3.7 Minutes of a meeting, signed by the Chair, are sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

7.4 Written Resolutions

- 7.4.1 A resolution in writing signed by a majority of members of the Committee shall be as valid and effectual as if it has been passed at a duly constituted Committee meeting, provided that each member of the Committee has been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.
- 7.4.2 Resolutions of the Committee shall be by majority vote. Should any disagreement arise, the issue shall be referred to the Board for decision.
- 7.4.3 A round robin resolution in writing adopted by the majority of the Committee members is valid and effective as if it had been passed at a duly called and constituted meeting, provided that each director has received notice of the matter to be decided. Such resolution shall be presented at the next meeting for noting and signature by the Chair.

7.5 Quorum and Voting

- 7.5.1 The quorum for meetings shall be a majority of Committee members present. Meetings should be organised so that attendance is maximised.
- 7.5.2 Individuals in attendance at Committee meetings by invitation (i.e. invitees) may participate in discussions but do not form part of the quorum for Committee meetings.
- 7.5.3 The Chairperson of the Committee or any member of the Board or Committee may request, through the Chairperson, a meeting at any other time.

8. MEMBERS' SKILLS AND TRAINING

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

9. EVALUATION

The Committee shall perform a self-evaluation of its effectiveness every year and report the results thereof to the Board. The Board may elect to conduct an independent evaluation of the Committee's performance from time to time.

10. REVIEW OF THE TERMS OF REFERENCE

These terms of reference shall be updated at least annually, or more frequently as circumstances may necessitate, subject to the approval of the Board.

11. APPROVAL

These terms of reference were recommended to the Board for approval by the Chair of the Committee on 27 May 2024.	These terms of reference were approved by the Board on 27 May 2024.
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