



# RAINBOW CHICKEN LIMITED 2025 KING PRINCIPLE

for the year ended June 2025

RAINBOW 

# CORPORATE GOVERNANCE

For the year ended 29 June 2025, and following its transition to a standalone entity, Rainbow has now established its own independent governance structures, including a dedicated Board and Board Committees, to ensure effective oversight and alignment with best practices in corporate governance.

As a newly listed entity on the JSE, this past year has marked a significant milestone in our journey toward enhanced transparency, accountability, and stakeholder engagement. Our listing has brought with it a heightened responsibility to uphold the principles of sound corporate governance, and we are committed to embedding these principles into the fabric of our operations.

We recognise that effective governance is fundamental to building trust, driving sustainable performance, and ensuring long-term value creation. Over the past year, we have taken deliberate steps to align our governance practices with the expectations of our Shareholders, regulators, and broader stakeholders.

In this section, we outline our approach to corporate governance, including how we apply the principles of the King IV Report on Corporate Governance for South Africa, with specific reference to each principle and its implementation within our organisation.

King IV Principle	Application of Principle
<b>01</b> The governing body should lead ethically and effectively.	<p>The Board is committed to driving its strategy, operations and performance based on an ethical foundation, acting in the best interest of the Group and all stakeholders. The Board is held accountable for ethical and effective leadership through adherence to the Board Charter and annual performance evaluations administered by the Company Secretary.</p> <p>The Board and its Committees demonstrate ethical and effective leadership through a robust governance framework strongly embedded in the Group's strategy and performance.</p> <p>Detailed reporting to the Board and its Committees further enables a higher level of oversight and effective decision-making by the Board.</p> <p>The Group has established a Code of Ethics framework, along with its culture, behaviours and values, which applies to all employees and to the Board of Directors of Rainbow, to ensure the highest level of corporate governance and ethical behaviour is practiced in the day-to-day activities of the Group.</p>
<b>02</b> The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	<p>The members of the Board hold each other accountable for ethical decision-making and behaviour. The Social and Ethics Committee will assist the Board with monitoring and reporting on social, ethical and transformational practices that support the establishment of an ethical culture. Rainbow conducted ethics training and rolled out a whistleblower hotline.</p> <p>Rainbow monitors adherence to Rainbow's Code of Ethics, which applies to all employees and to the Board, and also forms part of the contractual obligations of parties in the supply chain.</p> <p>Ethical standards are also incorporated into the various functional policies and procedures, whose implementation is monitored via the Audit and Risk Committee.</p>
<b>03</b> The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<p>The Board does, via the Social and Ethics Committee mandate, drive the advancement of economic and social development of our communities through collaborative long-term partnerships.</p> <p>Responsible corporate citizenship is integrated in the Group's strategy, in which Rainbow's Sustainability Strategy is embedded.</p> <p>The Social and Ethics Committee will assist the Board with the monitoring and reporting of social, ethical and transformational practices that are consistent with responsible corporate citizenship. These are described in the Sustainability Report and the report of the Social and Ethics Committee contained in the Corporate Governance Report on page 50 of the Integrated Annual Report.</p>

## CORPORATE GOVERNANCE CONTINUED

### King IV Principle

### Application of Principle

**04** The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board, in accordance with the Board Charter, is responsible for aligning Rainbow's strategic objectives with performance and sustainability considerations. While the formulation and development of the Group's short-, medium- and long-term strategies are delegated to management, the Board oversees the realisation of Rainbow's core purpose and values through this strategy. It also adopts a stakeholder-inclusive approach in its decision-making so that legitimate and reasonable stakeholder needs, interests and expectations are taken into account for sustainable value creation.

The Board reviews and monitors the capital and resources required for the achievement of the Group's strategy.

The Group has a formalised risk management process in place which takes into account the full range of material risks, including strategic and operational risks, which might affect its performance and sustainability.

The Audit and Risk Committee will assist with the governance of risk by continuously monitoring risks and ensuring appropriate controls are in place.

**05** The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

Rainbow provides stakeholders with a holistic, clear, concise and understandable presentation of the organisation's operations in terms of its brands, sustainable value creation in the economic, social and environmental context within which it operates, as well as its operational performance.

Refer to Rainbow's website ([www.rainbowchickens.co.za/investor-relations/](http://www.rainbowchickens.co.za/investor-relations/)) which presents material information in this regard. The Board takes responsibility for the Group's financial and integrated annual reporting, supported by internal and external assurance. The Board has ensured that the following reports: Rainbow Integrated Report, the Sustainability Report and the Annual Financial Statements, which are available at [www.rainbowchicken.co.za](http://www.rainbowchicken.co.za), enable stakeholders to make informed assessments of the Company's performance and its short-, medium- and long-term prospects.

In addition, Rainbow actively participates in activities in the communities in which it operates, creating awareness and a constant stream of communication. This includes numerous social media platforms, which give consumers and the general public an opportunity to communicate interactively with the Group's activities.

As a JSE-listed Company, Rainbow is fully committed to communicating with its stakeholders in a meaningful, transparent and clear manner through the release of an annual report which will be made available on the Rainbow website.

**06** The governing body should serve as the focal point and custodian of the corporate governance in the organisation.

The Board of Rainbow serves as the apex governance structure, holding ultimate accountability for the Group's governance outcomes in accordance with its Board Charter. It ensures ethical and effective leadership, supported by the Audit and Risk Committees and external assurance providers. These structures collectively enhance oversight by monitoring key risks and verifying that robust internal controls are in place.

The Board Charter and the terms of reference of its Committees are reviewed annually to ensure continued relevance and alignment with governance best practices.

**07** The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The Board composition aligns with the relevant King IV principles, and its membership comprises the diversity, expertise, skills and experience to lead the Company. The Board draws from a diverse set of skills and experience to ensure that the Board performs at an optimum level.

Rainbow, with the assistance of the Board and the Remuneration and Nominations Committee, continuously consider its composition in terms of balance of power and skills, experience, diversity, independence, and knowledge and whether this enables it to effectively discharge its role and responsibilities.

Details of the directorate are provided in the Integrated Annual Report on pages 40 and 41. The Board is committed to fostering diversity and inclusion as a strategic advantage. A formal Board Diversity Policy guides nominations and appointments, considering indicators such as gender, race, age, culture, sexual orientation, and gender identity. While merit remains the primary criterion, diversity is factored into Board composition, re-nominations, and annual evaluations. The Board does not set voluntary targets but strives to meet Employment Equity ("EE") objectives and address gaps identified in its skills matrix. Oversight of diversity practices is maintained through ongoing monitoring and the activities of the Social and Ethics Committee.



## CORPORATE GOVERNANCE CONTINUED

### King IV Principle

### Application of Principle

**08** The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

Membership of the Board Committees is as recommended in King IV, except for the Chairman, who is not independent.

A Lead Independent Director has been appointed.

The composition of the Committees of Rainbow and the distribution of authority between the Chairman and other individual members ensures that neither the Chairman nor any other individual(s) are able to dominate decision making within Rainbow's governance structures, nor result in undue dependency on such individual(s).

**09** The governing body should ensure that the evaluation of its own performance and that of its Committees, its Chair and its individual members support continued improvement in its performance and effectiveness.

Formal performance evaluations of the Board and its Committees were facilitated internally during the year by the Company Secretary. No material concerns were identified in respect of the areas assessed. The Board is satisfied that the evaluation process supports its performance and effectiveness and will continue to find ways to improve on the evaluation process in the future.

Rainbow will, with the assistance of the Company Secretary, undertake a holistic review of its Board Charter and the Committee Terms of Reference to ensure integration and a coordinated approach among the Board and all its Committees.

**10** The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.

The Board has a clear Delegation of Authority policy and framework, according to which roles are carried out and authority is exercised, both within the Board structures and the management team. The Board is satisfied that the appointment of, and the delegation to Management contributes to role clarity and the effective exercise of authority and responsibilities.

**11** The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Audit and Risk Committee has been tasked to assist the Board with the governance of risk, and this is documented in the Audit and Risk Committee terms of reference. The Audit and Risk Committee has considered the risk management policy which determines that the Group risk management framework be adopted. As risk management permeates all aspects of the operations of the organisation, risk is overseen at executive level.

In addition, business units are required to identify and manage their individual site or unit risks and are required to maintain their own individual risk registers. These registers ultimately feed into the Group risk register.

**12** The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

IT services continue to be provided by RCL FOODS post unbundling under the terms of the TSA. Rainbow remains a part of RCL FOODS' IT environment and, as such, will continue to apply the IT policy of RCL FOODS until such time as the services are taken in-house by Rainbow. The Chicken Enterprise Resource Planning ("ERP") was successfully migrated to Systems, Applications, and Products in Data Processing ("SAP") SAP Business Suite 4 SAP HANA ("S/4HANA") and remains supported by RCL FOODS IT for the balance of the TSA. The transition of the remaining applications and overall IT environment is progressing in-line with the terms of the TSA. There is currently no material risk anticipated to the full transition of IT services from RCL FOODS to Rainbow at the end of the TSA in June 2026.

The Board is aware of the importance of technology and information as it is inter-related to the strategy, performance and sustainability of Rainbow and, notwithstanding the transitional nature of the TSA, Rainbow is satisfied that it will achieve its objectives in this regard on a sustainable basis. The Board is satisfied to the effectiveness of this outsourced function as well as the progress made to ensure a successful transition from RCL FOODS Limited by 30 June 2026.

## CORPORATE GOVERNANCE CONTINUED

King IV Principle	Application of Principle
<b>13</b> The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.	<p>The Board ensures compliance with laws and regulations by the Company and the Company's own governing documents, codes of conduct and legal standards. The Company Secretary is responsible for providing guidance to the Board collectively and to the Directors with regards to their responsibilities and powers, making them aware of legislation and regulations relevant to the Group and providing Board orientation and training when appropriate.</p> <p>Rainbow keeps up to date with all intended or promulgated legislation through regular interaction with its corporate attorneys who keep the Group informed of changes in the legal landscape.</p>
<b>14</b> The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	<p>The Remuneration and Nomination Committee ("RemNom Com") assists the Board to oversee a formal and transparent procedure for developing and implementing a fair and responsible policy on remuneration that enables the Group to recruit, retain and motivate talent in order to create value for the Company over the long term. The Remuneration Policy sets out arrangements for ensuring that the remuneration of Executive Management is fair and responsible in the context of overall employee remuneration in Rainbow.</p> <p>The RemNom Com is committed to reviewing remuneration at all levels, as well as comparing remuneration between levels, to ensure that progress is made in addressing any inequality identified, whilst at the same time ensuring that key associates and Executives are remunerated competitively, ensuring internal equity and market competitiveness across all levels.</p> <p>Furthermore, Rainbow will table its Remuneration Policy and Implementation Report for non-binding votes at the Annual General Meetings ("AGMs").</p>
<b>15</b> The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	<p>The internal audit function has been outsourced to RCL FOODS under the terms of the TSA to identify, oversee and manage operating and financial risks and to maintain an effective control environment. The Board is satisfied to the effectiveness of this outsourced function as well as the progress made to ensure a successful transition from RCL FOODS Limited by 30 June 2026.</p>
<b>16</b> In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	<p>Management develops a strategy and formulates policies and mechanisms for the management of relationships with each stakeholder grouping. Through regular reporting by management to the Social and Ethics Committee and the Chairperson of that Committee to the Board, the Board is equipped with the necessary information to enable it to take the legitimate interests and expectations of our material stakeholders.</p> <p>Key stakeholder groupings were identified and engagements occur on an ongoing basis throughout the year. Rainbow participates in numerous one-on-one meetings with key stakeholder groupings and undertakes regular engagements and themed discussions with subject matter experts. Rainbow seeks opinion from customers through day-to-day liaison, call centres, online, surveys and social media. Engagement occurs as needed throughout the year. Engagement with associates occurs through regular interactions, performance reviews and career planning discussions, internal communication, town hall meetings and through Scoop (an internal engagement app). Rainbow actively engages trade unions and bargaining councils on industrial and labour relations.</p>

