

RAINBOW CHICKEN LIMITED

RISK COMMITTEE TERMS OF REFERENCE



RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

TABLE OF CONTENTS

1.	INTRODUCTION.....	3
2.	PURPOSE.....	3
3.	COMPOSITION OF THE COMMITTEE.....	3
4.	ROLE.....	4
5.	RESPONSIBILITIES.....	4
6.	COMPLIANCE GOVERNANCE.....	7
7.	MEETINGS AND PROCEDURES.....	7
8.	REMUNERATION.....	9
9.	MEMBERS SKILLS AND TRAINING.....	9
10.	EVALUATION.....	10
11.	REVIEW OF TERMS OF REFERENCE.....	10
12.	APPROVAL.....	10

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

1. INTRODUCTION

- 1.1. The Risk Committee ("**Committee**") is constituted as (i) a statutory committee in respect of its statutory duties in terms of the Companies Act No. 71 of 2008 ("**Companies Act**"), and (ii) a committee of the board of directors ("**the Board**") of Rainbow Chicken Limited ("**the Company**").
- 1.2. The Committee's charter extends to the Company and to all subsidiaries of the Company who are required to have a Risk 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, affiliate and/or joint venture.
- 1.3. The duties and responsibilities of the members of the Committee are in addition to those 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 (statutory and otherwise).
- 1.5. These Terms of Reference ("**TOR**") are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation ("**MOI**"), recommendations of the King V Code of Corporate Governance, the listing requirements of the Johannesburg Stock Exchange ("**JSE Listings 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 the TOR is to outline the Committee's role and responsibilities, as well as the requirements for its composition and meeting procedures.

3. COMPOSITION OF THE COMMITTEE

- 3.1. The Committee shall consist of a minimum of three non-executive directors, appointed by the Board.
- 3.2. The majority of the members of the Committee shall be non-executive directors and at least one shall also be a member of the Audit Committee.
- 3.3. The Board shall appoint a non-executive director as the Committee chairperson, 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 chairperson of the Board may not be a member of the Committee.
- 3.5. The members of the Committee are appointed for a specified term as determined by the Board.
- 3.6. The members of the Committee must, collectively, have the necessary qualifications, financial literacy, skills, and experience required to execute their duties effectively.
- 3.7. The Committee members must keep up to date with developments affecting the required skill set.
- 3.8. The Board shall fill vacancies on the Committee within forty business days after the vacancy arises.
- 3.9. The office of a member of the Committee shall be vacated if:

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

- 3.9.1. he or she resigns his or her office by written notice to the Board and to the Committee; or
 - 3.9.2. 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.
- 3.10. The Committee's composition shall be reviewed annually by the Board.
- 3.11. The following shall be in attendance and invitees at meetings:
- 3.11.1. chief executive officer;
 - 3.11.2. chief financial officer;
 - 3.11.3. risk and sustainability director;
 - 3.11.4. designated external audit partner;
 - 3.11.5. internal audit director;
 - 3.11.6. head of legal; and
 - 3.11.7. head of IT.
- 3.12. 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.
- 3.13. 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 to ensure that:
- 4.1.1. the Company has implemented an effective policy and plan for risk and sustainability management that will enhance the Company's ability to achieve its strategic objectives.
 - 4.1.2. the disclosure regarding risk and sustainability is comprehensive, timely, and relevant.

5. RESPONSIBILITIES

The Committee performs all the functions as are necessary to fulfil its role as stated above, including the following:

Statutory Oversight Areas:

5.1. Risk Management

The Committee is responsible for overseeing the external audit process and in this regard the Committee shall:

- 5.1.1. oversee the development and annual review of a policy and plan for risk management to recommend to the Board for approval;

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

- 5.1.2. monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
- 5.1.3. review the Company's risk profile to ensure alignment with Group strategic objectives and to the changing operating context of the Group;
- 5.1.4. make recommendations to the Board concerning the levels of tolerance and appetite against the Company's key risks, and monitor how those risks are managed within the levels of tolerance and appetite as approved by the Board;
- 5.1.5. oversee that the risk management plan is widely disseminated through the Company and integrated into the day-to-day activities of the Company;
- 5.1.6. ensure that risk and opportunity assessments are performed on a continuous basis;
- 5.1.7. ensure the Company's dependencies on resources and relationships in the context of the various capitals used, are assessed;
- 5.1.8. ensure that business continuity arrangements are assessed;
- 5.1.9. ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- 5.1.10. ensure that management considers and implements appropriate risk responses;
- 5.1.11. ensure that continuous risk monitoring by management takes place;
- 5.1.12. liaise closely with the audit committee to exchange information relevant to risk;
- 5.1.13. express the Committee's formal opinion to the Board on the effectiveness of the system and process of risk management;
- 5.1.14. review reporting concerning risk management that is to be included in the integrated report, ensuring that it is timely, comprehensive and relevant;
- 5.1.15. oversee that risk and sustainability reporting reflects integrated thinking, demonstrating the connectivity between risk, strategy, performance, and sustainability;
- 5.1.16. review, together with the Company's legal advisor, any legal matters that could have a significant impact on the Company's business;
- 5.1.17. assess any significant risk control findings or weaknesses identified and their potential impact, and confirm that appropriate action has been or is being taken;
- 5.1.18. review the adequacy of insurance coverage;
- 5.1.19. monitor procedures to deal with, and review the disclosure of information to customers, and the resolution of major customer complaints;
- 5.1.20. review the need to receive periodic independent assurance of the effectiveness of risk management within the Company ;

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

- 5.1.21. periodically review and, where appropriate, obtain independent assurance on the effectiveness of the combined assurance model;

5.2. Sustainability

- 5.2.1. recommend key policies and strategies for Board approval;
- 5.2.2. recommend targets and key performance indicators on performance for Board approval;
- 5.2.3. recommend the Company position and/or policy on all sustainability issues;
- 5.2.4. provide appropriate guidance and strategic direction on sustainability issues affecting or which may affect the Company;
- 5.2.5. approve group sustainability indicators (key performance indicators or KPIs);
- 5.2.6. review trends and issues of relevance for sustainability practices in the Group;
- 5.2.7. recommend to the Board the engagement of an external assurance provider on material sustainability issues;
- 5.2.8. review the Group's annual sustainability report for submission to the Board for approval;
- 5.2.9. carry out such other duties or functions as may be delegated to the Committee by the Board; and
- 5.2.10. retain oversight of sustainability matters to the extent that such matters relate to risk. This includes monitoring sustainability-related risks, ensuring that sustainability considerations are embedded within the Company's risk management framework, and reviewing any material sustainability issues that may impact the Company's risk profile.

5.3. IT Governance

- 5.3.1. ensure that IT principles, policies, procedures and standards are defined in terms of the law and implemented in terms thereof;
- 5.3.2. ensure that the IT strategy is aligned with the performance and sustainability objectives of the Company;
- 5.3.3. ensure that management is responsible for the implementation of the IT governance framework;
- 5.3.4. monitor and evaluate significant IT investments and expenditure;
- 5.3.5. ensure that appropriate processes are followed for the identification, assessment and management of IT risks as part of the enterprise-wide risk management framework (including third parties and out-sourced service providers);
- 5.3.6. ensure that information assets are effectively managed and safeguarded;
- 5.3.7. obtaining assurance on the IT governance and controls supporting significant IT process;
- 5.3.8. monitor managements implementation and execution of the IT governance framework to

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

ensure the effectiveness of technology and information management within the Company;

- 5.3.9. ensure that there is appropriate oversight of risks from cybersecurity threats, including security assessments;
- 5.3.10. ensure that appropriate processes and mechanisms are established to proactively identify and assess new emerging technological risks (this includes disruptive technologies, AI, cyber security vulnerabilities & emerging threats); and
- 5.3.11. the Committee shall oversee the identification and management of emerging risks, including those arising from disruptive technologies, artificial intelligence, and climate change.

6. COMPLIANCE GOVERNANCE

- 6.1. The Committee shall oversee the development, implementation and annual review of a policy and plan for compliance management to recommend to the Board for approval.
- 6.2. The Committee shall:
 - 6.2.1. review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance;
 - 6.2.2. review the significant findings of any examinations by regulatory bodies, and any audit observations; and
 - 6.2.3. obtain regular updates regarding compliance matters, including tax compliance, litigation, disputes and claims.

7. MEETINGS AND PROCEDURES

7.1. Frequency

- 7.1.1. The Committee shall hold sufficient scheduled meetings to discharge all its duties as set out in these TOR and the annual work plan but subject to a minimum of three meetings per year.
- 7.1.2. The Chairperson of the Committee may meet with the chief executive officer, chief financial officer, chief operating officer, internal audit, external audit partner and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.
- 7.1.3. The Committee shall meet annually with the internal and external auditors, respectively; without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.

7.2. Attendance

- 7.2.1. Representatives from the internal and external auditors, professional advisors and management may be in attendance at Committee meetings at the discretion of the chairperson, but by invitation only and they may not vote on matters before the Committee. In addition, the chairperson may request such invitees to leave the meeting at any time should

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

there be matters on the agenda that are confidential and which they may not be present for.

- 7.2.2. Any other members of the Board shall be entitled to attend the Committee meetings as an observer.
- 7.2.3. Committee members should 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.
- 7.2.4. Where the elected chairperson on of the Committee is absent from a meeting, the members present shall elect one of the members present to act as chairperson for the duration of that meeting.
- 7.2.5. Committee members must be fully prepared for meetings in order to provide appropriate and constructive input on matters discussed.

7.3. **Agenda and Minutes**

- 7.3.1. The Committee shall 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. 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 agendas, are to be determined in accordance with the annual plan.
- 7.3.2. Unless agreed otherwise, notice of each meeting confirming the venue, time and date together with an agenda and supporting documents shall be forwarded to each member of the Committee, and any other person required/invited to attend, at least one week prior to the date of the meeting, i.e., not less than seven calendar days prior to the date of the meeting.
- 7.3.3. Resolutions of the Committee shall be by majority vote. Should any disagreement arise, the issue shall be referred to the Board for decision.
- 7.3.4. The chairperson may exclude any person from a specific meeting or item under consideration before the Committee, if in his/her opinion, good cause to do so exists.
- 7.3.5. Minutes of meetings must be completed as soon as possible after the meeting and circulated to the chairperson for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.
- 7.3.6. The meetings of the Committee may be held in person, by telephone or other form of long-distance conference facility as circumstances may require (such a person shall be deemed to be present at the meeting) provided that the quorum is met.
- 7.3.7. The minutes of a meeting should include an accurate record of member attendance, the proceedings, key discussion items and all resolutions made.
- 7.3.8. The minutes must be formally approved by the Board at its next scheduled meeting or via email communication.
- 7.3.9. The company secretary shall attend and minute all meetings.
- 7.3.10. Minutes of meetings signed by the chairperson are sufficient evidence that the matters

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

- 7.3.11. A resolution in writing signed by a majority of the Board shall be as valid and effectual as if it had been passed at a duly constituted meeting of the Board, provided each member had been afforded a reasonable opportunity to express an opinion on the resolution.

7.4. Declaration of Interest

- 7.4.1. At the commencement of each meeting, all Committee members should declare whether they have any conflict of interest in respect of any matter on the agenda.
- 7.4.2. Such conflict should be recorded in the minutes and conflict of interest register (where applicable).
- 7.4.3. The Committee should discuss the conflict and decide upon its severity, impact and determine the appropriate management of such.
- 7.4.4. Depending on the outcome of clause 7.4.3, when that agenda item arises the member should be recused from the meeting for the duration of that matter being discussed and shall not have a vote on the matter.

7.5. Quorum and Voting

- 7.5.1. A quorum required for a meeting shall be a majority of members present. Meetings should be organised so that attendance is maximised.
- 7.5.2. Individuals in attendance at Committee meetings by invitation, may participate in discussions, but do not form part of the quorum for Committee meetings.
- 7.5.3. A written resolution circulated by round robin and 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 chairperson.

8. REMUNERATION

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 MOI 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.

9. MEMBERS SKILLS AND TRAINING

- 9.1. The Committee's effectiveness in performing its functions depends on its members' knowledge and competence in business matters, financial reporting, internal controls, and auditing.
- 9.2. Every member should have experience in some area pertinent to the business, and at least one member should be familiar with the Company's industry.

RAINBOW CHICKEN LIMITED RISK COMMITTEE TERMS OF REFERENCE

- 9.3. At a minimum, one member should have a solid background in finance, accounting, or auditing, to be able to act as guide for the Committee during technical discussions.
- 9.4. All members should be adept at communicating with management and the auditors, ready to ask probing questions relating to the Company's financial risks and accounting.
- 9.5. New members should receive an orientation that allows them to function effectively.

10. 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.

11. REVIEW OF 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.

12. APPROVAL

- 12.1. These TOR were recommended to the Board for approval by the chairperson of the Committee on 20 November 2025.
- 12.2. These TOR were approved by the Board on 20 November 2025.