



## HUMAN CAPITAL COMMITTEE CHARTER (“the Charter”)

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### 1. PREAMBLE

- 1.1 The Human Capital Committee (“the Committee”) is constituted as a committee of the board of directors (“the Board”) of Pioneer Food Group Limited (“the Company”). The duties and responsibilities of the members of the Committee are in addition to those as members of the Board or prescribed officers, if applicable, contained elsewhere or arising from any applicable laws..
- 1.2 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, who must continue to exercise due care and judgement in accordance with their statutory obligations.
- 1.3 This Charter is subject to the provisions of the Companies Act, No. 71 of 2008, as amended (“the Companies Act”) the Company’s Memorandum of Incorporation, the JSE Listings Requirements, the recommendations outlined in the King IV Code on Corporate Governance for South Africa (2016) (“King IV”) (to the extent that its recommended practices have been adopted by the Company), the Rules of the Company (if any) and any other applicable law or regulatory provision; and may be amended, from time to time, at the discretion of the Committee (subject to obtaining prior Board approval).

### 2. PURPOSE OF THE CHARTER

- 2.1 The purpose of this Charter is to *inter alia* define and describe the Committee’s -
  - 2.1.1 Composition;
  - 2.1.2 Role;
  - 2.1.3 Responsibilities; and
  - 2.1.4 Requirements for meetings and meeting procedures.

### 3. COMPOSITION OF THE COMMITTEE

- 3.1 The Committee should comprises of at least three non-executive directors, a majority of whom are independent non-executive directors. The chairman of the Board may not be the chairman of the Committee.

- 3.2 Members of this Committee and its chairman (who should be an independent, non-executive director of the Company) are nominated by the Board.
- 3.3 The composition of the Committee may be reviewed by the Board from time to time.
- 3.4 The members of the Committee as a whole must have sufficient qualifications, skills and experience to fulfil their duties.
- 3.5 The company secretary of the Company ("**Company Secretary**") is the secretary of this Committee.

#### 4. **ROLE OF THE COMMITTEE**

- 4.1 The Committee has an independent role, operating as an overseer and recommends to the Board, for its consideration and final approval, items and decisions within its mandated responsibilities.
- 4.2 The Committee does not assume the functions of management, which remain the responsibility of the Company's executive management ("**Executive Management**") and other members of senior management.
- 4.3 The role of the Committee is to assist the Board to -
  - 4.3.1 Set the Company's direction on fair, responsible and transparent remuneration;
  - 4.3.2 Ensure that Total Reward-Philosophy, Strategy and Policies are established;
  - 4.3.3 Ensure that the Company's ethical standards are applied to the processes for the evaluation of performance and the reward of employees;
  - 4.3.4 Determine the remuneration packages for:
    - non-executive directors; and
    - Executive Management (including executive directors of the Company);
  - 4.3.5 Make recommendations in respect of mandates for adjustments to the Company's salary and wage bills within an agreed frame of reference;
  - 4.3.6 Ensure that all remuneration packages are fair and reasonable;
  - 4.3.7 Ensure that directors' remuneration is accurately, completely and transparently reported;
  - 4.3.8 Enable the Company to attract, engage and retain talent to drive performance and ensure sustainability;
  - 4.3.9 Enable and recommend succession planning of the Company's chief executive officer ("the CEO") and Executive Management; and
  - 4.3.10 Enable human capital management.
- 4.4 The Committee shall execute its role in a fair and responsible manner all the while ensuring that it discloses all relevant information accurately, completely and transparently.
- 4.5 The Committee guides, oversees and monitors the Company's sustainability practices and performance.

#### 5 **RESPONSIBILITIES OF THE COMMITTEE**

- 5.1 The Committee must perform all the functions necessary to fulfil its role and is responsible to -

- 5.1.1 Establish criteria required to measure the performance of Executive Management (including executive directors of the Company); that supports positive outcomes across the triple context (the economic, the environmental and social context) in which the Company operates and/or all the capitals that the Company uses and effects (being financial, manufactured, human, intellectual, natural and social and relationship capital);
- 5.1.2 Ensure that remuneration awarded to executives of the Company is fair and responsible in the context of overall employee remuneration and disclose the criteria used as a basis for awarding variable remuneration to executives;
- 5.1.3 Enable and monitor the human capital philosophy, strategy, policies and practices, which include, but are not limited to, workforce planning, recruitment and selection, education, training and development, organisational development, employee engagement, talent management, leadership development, succession planning, wellness management, compensation and benefits, employment equity, skills development, performance management, workforce exits, and relevant human resource metrics;
- 5.1.4 Review the succession plans in place for the CEO and Executive Management on an annual basis and provide for succession in both emergency situations and over the long-term;
- 5.1.5 Annually review the Lead Independent Director Charter in respect of the Company, and make appropriate recommendations to the Board;
- 5.1.6 Approve all allocations to qualifying employees with regard to long-term incentivisation by various share schemes and other mechanisms; regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules of the respective schemes; and to satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- 5.1.7 Design the remuneration policy of the Company to achieve the following objectives -
  - 5.1.7.1 to address Company-wide remuneration, and all the elements referred to in King IV;
  - 5.1.7.2 to attract, motivate and retain human capital;
  - 5.1.7.3 to promote the achievement of strategic objectives within the Company's risk appetite;
  - 5.1.7.4 to promote positive outcomes; and
  - 5.1.7.5 to promote an ethical culture and responsible corporate citizenship,
- 5.1.8 Oversee the preparation and recommendation to the Board of the remuneration report, to be included in the annual integrated report of the Company, and confirm whether it -
  - 5.1.8.1 is accurate, complete and transparent;
  - 5.1.8.2 provides a clear explanation of how the remuneration policy has been implemented; and
  - 5.1.8.3 provides sufficient forward-looking information for the shareholders to pass a special resolution in terms of section 66(9) of the Companies Act,
- 5.1.9 Ensure that the remuneration policy is put to a non-binding advisory vote at the annual general meeting of the shareholders, each year, in accordance with the

requirements of the JSE Listings Requirements and King IV, to the extent applicable; and

- 5.1.10 Oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy.

## 6. AUTHORITY

- 6.1 The Committee acts in terms of the delegated authority of the Board as recorded in this Charter. It has the power to investigate any activity within the scope of this Charter.
- 6.2 The Committee, in the fulfilment of its duties, may call upon the chairmen of the other Board committees, any of the executive directors of the Company, the Company's Executive Management, officers, or the Company Secretary to provide it with information.
- 6.3 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to fulfil its role and discharge its duties and responsibilities.
- 6.4 The Committee may form, and delegate authority to sub-committees and to one or more designated members of the Committee.
- 6.5 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.
- 6.6 The Committee makes recommendations to the Board that it deems appropriate on any area within the ambit of its roles and responsibilities where action or improvement is required.

## 7. MEETING PROCEDURES

### 7.1 Frequency

- 7.1.1 The Committee must hold sufficient scheduled meetings to discharge all of its duties as set out in this Charter, but subject to a minimum of two meetings per year.
- 7.1.2 Meetings in addition to those scheduled may be held at the request of the chairman of the Committee ("**Chairman**"), the CEO, the Company's Executive: Human Resources, other members of senior management; or at the instance of the Board.
- 7.1.3 The Chairman may meet with the CEO, Executive: Human Resources and/or the Company Secretary, prior to a Committee meeting to discuss important issues and agree on the agenda.

### 7.2 Attendance

- 7.2.1 The CEO, the Company's finance director, the Company's Executive: Human Resources or other members of senior management, assurance providers, professional advisors and Board members, as may be required, may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 7.2.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless a prior apology, with reasons, has been submitted to the Chairman or the Company Secretary.
- 7.2.3 If the nominated Chairman is absent from a meeting, the members present must elect one of the members present to act as Chairman.

### 7.3 Agenda and Minutes

- 7.3.1 The Committee must establish an Annual Work Plan each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 7.3.2 The Annual Work 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.
- 7.3.3 The number, timing and length of meetings, and the agendas are to be determined in accordance with the Annual Work Plan.
- 7.3.4 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.
- 7.3.5 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 7.3.6 The minutes of meetings must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Committee for review thereof.
- 7.3.7 The minutes of meetings must be formally approved by the Committee at its next scheduled meeting.
- 7.3.8 Feedback on Committee meetings must be provided to the Board at the next scheduled Board meeting following a Committee meeting.

#### 7.4 Quorum

- 7.4.1 A representative quorum for Committee meetings is a majority of members present.
- 7.4.2 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 Evaluation

The Board must perform an evaluation of the effectiveness of this Committee every year.

### 8. APPROVAL OF THIS CHARTER

- 8.1 This Charter was approved by the Board on **15 November 2018**.
- 8.2 This Charter will be reviewed on an annual basis by the Committee, in [November] of each year.
- 8.3 All recommendations and/or proposed amendments will be presented to the Board, for approval.