



ASTRAL FOODS LIMITED

HUMAN RESOURCES, REMUNERATION AND NOMINATIONS COMMITTEE TERMS OF REFERENCE

References to “the Committee” shall mean the Human Resources, Remuneration and Nominations Committee.

References to “the Board” shall mean the Board of directors.

References to “Astral” or “the Company” shall mean Astral Foods Limited and its subsidiary companies as contemplated in the Companies Act, 2008.

1. Introduction

The Committee is a Board committee of Astral in terms of Section 72 (1) of the Companies Act, 2008, (“the Companies Act”) in respect of all mandated duties assigned to it by the Board.

The duties and responsibilities of the members of the Committee as set out in this terms of reference document are in addition to the duties and responsibilities they hold as elected Board members. The decisions taken by the Committee do not diminish the individual and collective responsibilities of the Board and its members in terms of its fiduciary duties and responsibilities which remain applicable.

This mandate and terms of reference are subject to the provisions of the Companies Act, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision.

2. Mandate of the Committee

2.1 The Committee assists the Board in discharging its responsibilities for the development and implementation of the Company’s policy on executive and senior management remuneration in terms of remuneration packages for executive directors and prescribed officers, including but not limited to basic salary, benefits, bonuses, performance-based incentives, share incentives, retirement benefits and other conditions of employment benefits.

2.2 The Committee determines performance criteria to measure the performance of executive directors in discharging their functions and responsibilities.

2.3 The Committee determines the annual salary increase percentages for all employment categories across the Group.

2.4 The Committee makes recommendations to the Board on the remuneration of non-executive directors.

2.5 The Committee assists the Board in discharging its responsibilities for policies on sustained human capital delivery aligned with the Group's strategic plan.

2.6 The Committee ensures that the election and recruitment procedures by its nominations committee section are structured, governed and transparent in terms of;

- New Board appointments and,
- During its October / November meeting each year, recommend to the Board the membership of all Board committees as well as the chairman of the Board for finalisation at the Board's November meeting. This is necessary to fit in with the February annual general meeting where shareholders will vote on the relevant committees. The Chairman will then be appointed at the Board meeting following the annual general meeting.

3. Membership and quorum

The Committee, to be elected by the Board shall comprise a Chairperson and minimum of two other members, all of whom shall be independent non-executive directors. The quorum shall be a majority of the members elected.

The Chairperson of the Board, if he or she is an independent non-executive director, may not be appointed as Chairperson of the Human Resources and Remuneration section of the Committee. The Chairperson of the Board, if he or she is an independent non-executive director, may be appointed as the Chairperson of the Nominations section of the Committee.

A member of the Committee shall in the event that he/she ceases for whatsoever reasons to be a director of the Company resign as a member of the Committee. Notwithstanding anything to the contrary contained herein, the Board have the power to remove any member from the Committee and to fill any vacancies created by such removal. The Board must fill vacancies on the Committee within 40 business days after the vacancy arises.

The Committee shall be entitled to co-opt specialists as invitees on the Committee. This should be an exception rather than the rule and such specialists should comprise a minority at Committee meetings.

4. Role

The Committee has an independent role with accountability to both the Board and the shareholders. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and members of senior management.

5. Attendance at meetings

The company secretary of the Company shall be the secretary of the Committee. The CEO and Group HR Executive will attend meetings as invitees.

If the nominated chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairperson.

6. Frequency of meetings, agenda and minutes

Meetings shall be held not less than three times per annum. These meetings should preferably take place: -

- a) In February / March each year to inter alia review the performance of employee benefit offerings;
- b) In August of each year to approve the remuneration packages for executive directors, prescribed officers and senior management;
- c) In October of each year to inter alia review the Remuneration Policy and Implementation Report; and
- d) In November of each year to conduct a special meeting to approve incentive payments.

Meetings in addition to those scheduled may, with approval of the chairperson, be held at the request of the other members of the Committee or senior management or at the instance of the Board.

The Committee 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. The annual plan must ensure proper coverage of the matters laid out in the Committee's mandate and terms of reference. Critical matters need to be attended to each year while other matters may be dealt with on a rotation basis not exceeding a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual work plan.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee and any other person required to attend at least 7 days prior to each meeting.

Members and/or invitees of the Committee may participate in and act at any meeting of the Committee using a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting by the person or persons so participating.

7. Authority

The Committee has mandated Board authority regarding its decisions, duties and recommendations and is accountable in this respect to report its decisions to the Board and the shareholders. To this end, the chairperson of the Committee must be present at all annual general meetings to answer questions, through the chairman of the Board, on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

On responsibilities delegated to it by the Board outside of its duties, the Committee makes recommendations for approval by the Board.

The Committee, in the fulfilment of its duties, may call upon the chairpersons of other Board Committees, any of the executive directors, Company prescribed officers, the Company secretary, other Company employees or nominated service - specialists to provide it with information, subject to a Board approved process.

The Committee has reasonable access to the Company's records, facilities, employees, and any other resources necessary to discharge its duties and responsibilities subject to following a Board approved process.

The Committee is mandated to obtain independent outside professional advice to assist with the execution of its duties, at the Company's cost, subject to a Board review process being followed.

9. Responsibilities

The responsibilities of the Committee shall include: -

a) Remuneration policies and implementation

- Encourage executive directors to enhance the Company's performance and to ensure that they are fairly and responsibly rewarded for their individual contributions and performance;
- Review (at least annually) the terms and conditions of executive directors' service agreements, considering information from relevant peer companies and market benchmark surveys;
- Determine any reward quantum to executive directors and other senior employees made pursuant to the Company's restricted (FSP) share scheme;
- Keep informed of relevant information for other group executives and senior managers;
- Make recommendations in terms of any consultancy agreement of any non-executive director for Board approval;
- Co-ordinate its activities with the Chairperson of the Board and the Chief Executive Officer to consult with them in formulating the Committee's remuneration policy and considered implementation decisions;
- Recommend the broad framework and cost of executive and senior management remuneration to the Board; and
- Compile a draft report to the Board in relation to the Committee's report to shareholders as required.

As part of achieving and maintaining reasonable, acceptable levels of remuneration, the Committee is encouraged to consider the following guidelines:

Reimbursement of expenses

- Directors should ensure that they are reimbursed for all direct and indirect expenses reasonably and properly incurred (e.g. office, secretarial, accommodation and traveling expenses);
- Accommodation and travelling expenses should include those incurred in attending all meetings of directors and Board committees, shareholders' meetings or otherwise in connection with Company business;
- Where a director uses personal transport, travelling expenses should include a realistic kilometric allowance; and
- Directors should ensure that the Company's Memorandum of Incorporation do not restrict the reimbursement of expenses.

Directors' and prescribed officers' liability insurance

- Directors should, wherever practical, arrange for such insurance to be taken out, and for such insurance to be paid by the Company;
- The cover provided by the insurance should be as extensive as permitted by law, including all risks relating to legal costs; and
- Directors should ensure that the payment of insurance cover is authorised by the Company's Memorandum of Incorporation.

Shareholder acceptance

- Every effort should be made to promote acceptance of the necessity for, and benefits of, a realistic approach to director remuneration;
- Requirements to disclose remuneration in the integrated report is seen as a constructive opportunity to communicate with shareholders on all aspects of remuneration;
- The information disclosed in relation to each director, usefully include such matters as a breakdown of remuneration, into its individual components, the remuneration package as a total cost to the Company and the number of meetings attended; and
- The Company should adopt a formal remuneration policy, encompassing matters such as the philosophy behind remuneration assessments, the criteria for remuneration setting, the remuneration components, the composition and role of the Committee and the disclosure of such policies to shareholders should be included in the integrated report and will be voted on, through a non-binding advisory vote, by shareholders at the Company's annual general meeting.

b) Human Resources Management;

The Committee will provide strategic guidance for the delivery of the Group's integrated human resources strategy in terms of;

- Salary, benefits and compliance administration;
- Human capital optimisation and performance;
- Training and organisational effectiveness;
- Empowerment, diversity and inclusion management;
- Talent attraction, retention and organisational culture improvement;

- Succession planning, once a year review the Company's succession planning document, with specific reference to talent pools for executive directors, prescribed officers and senior managers;
- Employee relations management;
- Oversee employee wellness management and risk mitigation management of Astral health management programmes;
- Positioning Astral as an employer of choice;
- Employee benefit administration; and
- Review and approve the performance of consultants appointed to administrate retirement benefits, investment returns, medical aid cover and insurance conditions annually. Review and approve the appointment of suitable benefit administration consultants as and when required.

c) Nominations section

The Committee's responsibilities include:

- Recommendations to the Board on the appointment of executive and non-executive directors, including alternate directors, making recommendations as to the composition of the Board generally and the balance between executive and non-executive directors;
- Regularly review the combination of skills, competencies, general qualities and experience of individual Board members in order to continuously improve the effectiveness of the Board, its committees and its contributions;
- Regularly review the Board structure, size and composition and make recommendations to the Board with regards to adjustments deemed necessary;
- Perform annual evaluations of Board and Board Committee's effectiveness by way of executive and non-executive director self-performance assessments;
- Establish the retirement age for executive and non-executive directors;
- Investigate the eligibility of new executive and non-executive directors for appointment and their backgrounds along the lines of the approach required for listed companies by the Johannesburg Stock Exchange prior to their appointment; and
- Recommend directors who are retiring by rotation to be put forward for re-election.

10. Reporting

The chairperson of the Committee shall make a brief report of the findings and recommendations of the Committee to the Board after each Committee meeting. Supporting schedules and information reviewed by the Committee will be available for examination by any Board member upon lodging such request with the Company Secretary.

11. Review and assessment

11.1 The Committee's activities and effectiveness should be assessed periodically and reviewed by the Board.

11.2 This mandate and terms of reference may, from time to time, be amended as required and is subject to Board approval.

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CHAIRPERSON

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DATE