



Nampak
packaging excellence

Nampak Limited

Board Charter

1. Introduction

The board of directors of Nampak Limited ("the Company") has prepared this Charter in accordance with the recommendations contained in the King Code on Governance Principles for South Africa – 2009 ("King III"). The Charter is subject to the provisions of the Companies Act, 2008, the Company's memorandum of incorporation, the Listings Requirements of the JSE and any other applicable laws or regulations.

2. Purpose

The purpose of the Charter is to record the roles and responsibilities of the board, its composition and meeting procedures.

3. Composition of the board

The board comprises a balance of executive and non-executive directors, with a majority of non-executive directors. A majority of the non-executive directors must be independent.

A non-executive director is an individual who is not:

- Involved in the day-to-day management of the Company; and/ or
- a full-time salaried employee of the Company or its subsidiaries.

Directors are appointed through a formal process and the nomination committee assists with the process of identifying suitable candidates to be proposed to the shareholders.

The chief executive officer and the chief financial officer are *ex officio* members of the board.

A formal induction program is established for new directors.

Inexperienced directors may be developed through mentorship programmes.

Continuing professional development programmes are implemented which ensure that directors receive regular briefings on changes in risks, laws and the environment.

One-third of the directors are required to retire from office at each annual general meeting of the Company, but excluding the chief executive officer and the chief financial officer, who are not required to retire from office by rotation.

Non-executive directors are required to retire at the annual general meeting immediately following reaching the age of 70 years. Executive directors are required to retire when they cease to be full-time employees of the Company for any reason.

4. Roles and responsibilities

The role and responsibilities of the board are to: -

- 4.1 act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- 4.2 appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - contributing to and approving the strategy;
 - satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
 - identifying key performance and risk areas;
 - ensuring that the strategy will result in sustainable outcomes; and
 - considering sustainability as a business opportunity that guides strategy formulation.
- 4.3 provide effective leadership on an ethical foundation;
- 4.4 ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates;
- 4.5 ensure that the Company's ethics are managed effectively;
- 4.6 ensure that the Company has an effective and independent audit committee;
- 4.7 be responsible for the governance of risk;
- 4.8 be responsible for information technology (IT) governance;
- 4.9 monitor the Company's compliance with applicable laws and non-binding rules and standards;
- 4.10 ensure that there is an effective risk-based internal audit;
- 4.11 appreciate that stakeholder's perceptions affect the Company's reputation;
- 4.12 ensure the integrity of the Company's integrated report;

4.13 act in the best interests of the Company by ensuring that individual directors:

- adhere to legal standards of conduct;
- disclose real or perceived conflicts to the board and deal with them accordingly;
- deal in the Company's securities only in accordance with the Listing Requirements of the JSE;

4.14 commence business rescue proceedings as soon as the Company is financially distressed;

4.15 elect a chairman of the board who is an independent non-executive director.

The board should do everything to fulfil its role set out above.

5. Delegation

5.1 The board is authorised to form committees to assist the board in the execution of its duties, power and authorities. Delegating authority to board committees does not discharge the board of its duties and responsibilities.

5.2 There shall be transparency and full disclosure by the board committees to the board, except where the board has mandated the committee otherwise.

5.3 Delegation is formal and involves the following:

- Formal terms of reference are established and approved for each committee of the board;
- The committees' terms of reference are reviewed every three years;
- The committees are appropriately constituted with due regard to the skills required by each committee;
- The board establishes a framework for the delegation of authority to management.

6. Board governance

6.1 The conduct of board members must be consistent with their accountability to the Company and responsibility to all stakeholders.

6.2 The board members are entitled to have access to all relevant Company information and to senior management to assist them in the discharge of their duties and responsibilities to enable them to take informed decisions. The company secretary shall facilitate contact with senior management and ensure access to Company information.

6.3 The board members are required to maintain and protect the confidentiality of information relating to the Company and its business.

6.4 Directors may seek independent professional advice, subject to prior consultation with the chairman or in other appropriate circumstances, the company secretary.

7. Meeting procedures

Attendance and Participation

Board members must prepare thoroughly and then use their best endeavours to attend board meetings. Board members are expected to participate fully, frankly and constructively in board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the board table. Board members who are unable to attend board meetings must advise the chairperson or company secretary at an early date.

Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote.

Frequency

The board must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter but subject to a minimum of four meetings per year at intervals of not more than three calendar months.

Meetings in addition to those scheduled may be held at the instance of a board member.

The chairman of the board may meet with the chief executive officer and the chief financial officer and/or the company secretary prior to a board meeting to discuss important issues and agree on the agenda.

Quorum

A majority of directors must be present at a meeting to form a quorum.

Individuals in attendance at board meetings by invitation may participate in discussions but do not form part of the quorum for board meetings.

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

Agenda and Minutes

The Board 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 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. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the board and other invitees.

The minutes must be completed as soon as possible after the meeting and circulated to the chairman of the board and the chief executive officer for review thereof. The minutes must be formally approved by the board at its next scheduled meeting.

Retention of meeting papers

A record of board submissions and papers, and of material presented to the board, shall be maintained and kept by the company secretary together with the minutes of meetings and will be accessible to directors. Board documentation circulated to directors or tabled at board meetings may be retained by directors on a confidential basis.

8. Disclosure of interest

Each member must make an annual declaration of the Company's interests and changes of which he is a director and must update such declaration as and when any changes occur.

If a member of the board has a personal financial interest in respect of a matter to be considered at a meeting of the board, or knows that a related person has a personal financial interest in the matter, the director:

- 8.1 must disclose the interest and its general nature before the matter is considered at the meeting;
- 8.2 must disclose to the meeting any material information relating to the matter, and known to the director;
- 8.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
- 8.4 if present at the meeting, must leave the meeting immediately after making any disclosure required;
- 8.5 must not take part in the consideration of the matter except to the extent contemplated in 8.2 and 8.3 above;

- 8.6 while absent from the meeting, is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors are present to constitute a quorum for the meeting;
- 8.7 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted;
- 8.8 must not to execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the board.

If a member of the board acquires a personal financial interest in an agreement or other matter in which the Company has a material interest, after agreement or other matter has been approved by the Company, the member must promptly disclose to the board the nature and extent of that interest and the material circumstances relating to the member's acquisition of that interest.

9. Evaluation

Unless determined otherwise by the board, an evaluation of the board, its committees, the chairman and individual directors shall be carried out every second year.

10. Company secretary

The company secretary provides dedicated support for the board, in particular the non-executive directors and is a point of reference and support for all directors. The company secretary will consult regularly with directors to ensure that they receive any necessary information. The board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the company secretary.

The board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The board must confirm such action by reporting to shareholders in their annual report, including details of the steps taken by the board to make the annual assessment and information which demonstrates the actual competence, qualifications and experience of the company secretary.

11. Review of the charter

The Charter shall be reviewed by the board every three years.