

**RENERGEN**

FUTURE ENERGY, TODAY

**BOARD CHARTER**

## 1. Introduction

The appointment and constitution of the board of directors (“the Board”) of Renergen Limited (“the Company”) is as required in terms of the Companies Act, Act no. 71 of 2008, as amended (“the Companies Act”).

Reference in this Charter to the Companies Act, shall also refer to any legislation that may supersede or replace it.

## 2. Purpose and Role

The Board is ultimately responsible for ensuring that the Company remains a going concern and that it thrives. The Board’s role is to retain full and effective control over the Company and, therefore, it must ensure that it effectively controls the Company, directs and controls the management of the Company and is involved in all material decisions affecting the Company.

The Board is committed to ensuring good corporate governance throughout the Company in line with the requirements of the King Report on Governance for South Africa and the King Code of Governance Principles (“King IV”) as well as established standards of best governance practice.

## 3. Roles and Responsibilities

The roles and responsibilities of the Board are to –

- 3.1. 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.
- 3.2. 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.
- 3.3. provide effective leadership on an ethical foundation.
- 3.4. 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.
- 3.5. ensure that the Company’s ethics are managed effectively, and ensure that the Company has an effective Social and Ethics Committee.
- 3.6. ensure that the Company has an effective and independent Audit Committee.
- 3.7. be responsible for the governance of risk.
- 3.8. be responsible for information technology (IT) governance.
- 3.9. ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards.
- 3.10. ensure that there is an effective risk-based internal audit.

- 3.11. appreciate that stakeholder's perceptions affect the Company's reputation.
- 3.12. ensure the integrity of the Company's integrated report.
- 3.13. 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 securities only in accordance with the policy adopted by the Board.
- 3.14. commence business rescue proceedings as soon as the Company is financially distressed.
- 3.15. elect a chairperson of the Board that is an independent non-executive director.
- 3.16. appoint and evaluate the performance of the chief executive officer.

The Board should do everything necessary to fulfil its roles and responsibilities set out above.

#### **4. Delegation**

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Delegation is formal and involves the following –

- 4.1. formal charters are established and approved for each committee of the Board;
- 4.2. the committees' charters are reviewed once a year;
- 4.3. the committees are appropriately constituted with due regard to the skills required by each committee; and
- 4.4. the Board establishes a framework for the delegation of authority to management.

#### **5. Powers**

The Board has the following specific powers –

- 5.1. The Board may delegate matters with the necessary written authority to management. These matters should be monitored and evaluated on a regular basis;
- 5.2. The Board has unrestricted access to all Company information, records, documents and property;
- 5.3. Directors may, if necessary, take independent professional advice at the Company's expense in accordance with a procedure developed by the Board for this purpose;
- 5.4. Secure the attendance of outsiders with the relevant experience and expertise where necessary at the Company's expense in accordance with a procedure developed by the Board for this purpose;
- 5.5. Non-executive directors have access to management and may meet separately with management, without the attendance of executive directors; and
- 5.6. Non-executive directors have access to internal and external auditors and may meet with them, without the attendance of management.

#### **6. Composition**

- 6.1. The Board comprises a balance of executive and non-executive directors, with a majority of non-executive directors. The majority of non-executive directors are independent.
- 6.2. Directors must be appointed through a formal process that involves the following –
  - Identifying suitable candidates to be proposed to shareholders
  - performing reference and background checks of candidates prior to nomination; and

- formalising the appointment of directors through an agreement between the Company and the prospective director.
- 6.3. The chief executive officer, the chief operations officer and the chief financial officer are members of the Board.
  - 6.4. A formal induction programme is established for new directors.
  - 6.5. Inexperienced directors are developed through training and mentorship programmes.
  - 6.6. Continuous professional development programmes are implemented which ensure that directors receive regular briefings on changes in risks, laws and the environment.
  - 6.7. Should there be a disagreement at Board level directors have the right, on informing the Board, to seek professional advice at the Company's cost.

## 7. Meeting Procedures

### 7.1. Frequency

The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter, subject to a minimum of four meetings per year. Meetings in addition to those scheduled may be held at the instance of any Board member.

The chairperson of the Board may meet with the chief executive officer, the chief operations officer and the chief financial officer and/or the company secretary at any time to discuss important issues and agree on the agenda.

### 7.2. Attendance

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

Board members must attend all scheduled meetings of the Board, 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. The company secretary is the secretary to the Board.

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

### 7.3. 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 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.

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

Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

The minutes must be completed as soon as possible after the meeting and circulated to the chairperson and members of the Board for review thereof. The minutes must be formally approved by the Board at its next scheduled meeting.

#### 7.4. Quorum

A representative quorum for meetings is as provided for in the Company's memorandum of incorporation.

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

### 8. Evaluation

An evaluation of the Board, its committees and individual directors, including the chairperson, must be performed every year.

### 9. Approval of this Charter



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**Board Chairperson**  
**13 February 2018**