
	REALESTATE GROUP		
	BOARD CHARTER		
	Approved on 05 December 2023	Version 3.0	

APPROVAL

Date	05 December 2023 (Update)
Approved by Board Representative	Federica Giachetti
Reviewed by Executive Chairman	Guido R Giachetti
Reviewed by Chief Executive Officer	Jacopo Pari

KEY STAKEHOLDERS

Governing Body	Board of Directors
ESG Committee	Committee delegated to oversee, review and make recommendations for the Group's Governance
Executive Chairman	Guido R Giachetti
The Manager, The Management Company	Property and Asset Management Limited, so long as the current management agreement with RDC continues, and its successor should it be terminated, and /or its subsidiaries or outsourced service providers.
Management Team – "The Manager"	Management and Staff of the Manager

Preamble

RDC Properties Limited (RDCP) is a public company listed on the Botswana Stock Exchange (BSE).

1. Purpose of the Charter

- 1.1 The purpose of this charter (Board Charter) is to:
 - Set out the composition of the board of directors (Board) of RDCP;
 - Confirm the functions and responsibilities of the Board; and
 - Establish the corporate governance structure of RDCP.
- 1.2 The Board must conduct itself within the requirements of the latest *Botswana Companies Act* (Companies Act) and the latest listing rules of the Botswana Stock Exchange (BSE Listing Rules).
- 1.3 The Company has adopted King III as its governance code, in terms of the BSE's Listings Requirements. In circumstances where King IV or any code of governance recommended by the Botswana Accountancy Oversight Authority (BAOA) contains improved recommendations, those may be considered for implementation, where alignment for that specific instance would be more appropriate for the company.
- 1.4 The Board must either comply with the BSE Listing Rules incorporating Corporate Governance Principles and Recommendations (Recommendations) or, where the Board fails to comply with any recommendations, ensure that the reasons for such non-compliance during the relevant period are disclosed in the annual report of RDCP.
- 1.5 The conduct of the Board is also governed by the constitution of RDCP (Constitution) as amended from time to time. All directors must be familiar with the terms of, and ensure that they comply with, each of the above governance documents.

2. Composition of the Board

- 2.1 RDCP subscribes to a unitary Board structure comprising of the Chairman, Non Executive and Executive Directors of RDCP appointed from time to time.
- 2.2 The Non Executive directors are further categorised as Independent and Non Independent.

3. Membership and Term of Board

In accordance with the Constitution:

- 3.1 There will be a minimum of four directors (not counting alternate directors). The maximum number of directors is twelve unless RDCP in general meeting resolves otherwise. The Board may review this requirement from time to time. The Board shall be appointed to ensure that there is a wide range of skills, knowledge, views and experience to achieve the balance necessary to meet RDCP's strategic objectives.
- 3.2 RDCP may appoint a director by a resolution passed in a general meeting. The directors may also appoint a person as a director by resolution of the Board (please refer to clause 23 of The Constitution).
- 3.3 Directors hold office until they die, vacate the office in accordance with the Constitution or their letter of appointment, or the term for which they have been appointed or elected expires, or are removed from the office in accordance with the Companies Act or the Constitution, or become disqualified from being a director pursuant to Section 146 of the Act (please refer to clause 22 of the Constitution).
- 3.4 A director may appoint an alternate director, approved by a majority of the other directors, to attend Board meetings in his or her place, together with any other rights conferred upon an alternate director in accordance with the terms of appointment approved by the other directors (please refer to clause 18 of the Constitution).
- 3.5 The appointed directors are required to maintain high standards of ethics, integrity and values, as exercise their powers and discharge their duties honestly, in good faith and in the best interests of RDCP. The directors shall be accountable to RDCP.

4. Responsibilities

4.1 General Responsibilities

The Board accepts that it is ultimately accountable and responsible for the performance and affairs of RDCP. The Board shall at all times act honestly, fairly, diligently and in accordance with this Board Charter, the Companies Act, the RDCP Constitution, the Company's rules and regulations, adopted principles of good Corporate Governance and the applicable laws of Botswana, in force from time to time. The Board is responsible for:

- 4.1.1 Oversight of the RDCP Group, including its control and accountability systems.
- 4.1.2 Setting the aims, strategies and policies of the RDCP Group, in particular in respect of the direction of the RDCP Group's investment and development business;
- 4.1.3 Without limiting the Board's responsibilities under this clause 4.1.3, the Board is ultimately responsible for:
 - Ratifying the appointment and requesting the removal of managing director, senior executive officers (or equivalent) of The Manager;
 - Providing input into and final approval of management's development of corporate strategy and performance objectives for the RDCP Group;

- Reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance for the RDCP Group;
 - Monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
 - Approving and monitoring the progress of major capital expenditure, financial reporting, capital management and acquisitions and divestitures within the RDCP Group; and
 - Without limiting the Board's responsibilities under clause 4.1.2, approving and monitoring financial and other reporting obligations of entities within the RDCP Group.
 - Ensuring that RDCP complies with the Companies Act, the Constitution, Corporate Governance and Codes of Business Practice.
 - Ensuring that RDCP communicates with the relevant stakeholders transparently and promptly.
 - Assessing the performance of its committees and the executive directors (or equivalent), its individual members on a regular basis; and
 - Preparing an annual report inclusive of audited financial statements and sending them to the Members.
 - Understanding the strategic importance of IT, assuming responsibility for the governance of IT and placing IT governance on the board's agenda.
- 4.1.4 The Board is authorised to form committees to assist it in the execution of its duties, powers and authorities. Each committee will have formal terms of reference which are approved by the Board and reviewed as and when necessary.
- 4.1.5 The Board, in carrying on its duties under this Charter, may obtain relevant external expert advice or other independent professional advice as it considers necessary to carry out its duties. A formal process must be followed.

4.2 Strategy Formulation

The Board shall clearly determine and set out the direction of the Company, and therefore shall periodically:

- 4.2.1 Review and approve the Company's Purpose, Vision, Mission and progress against the Company's strategy.
- 4.2.2 Monitor the Company's performance against strategic plan and annual budgets and take appropriate action, where necessary.

4.3 Audit and Risk Management

- 4.3.1 The Board accepts responsibility for the total process of risk management in respect of the assets and business of RDCP. An effective, ongoing process shall be in place to identify risks, measure their impact and proactively manage these.
- 4.3.2 The Board has delegated the audit and risk management functions to a board sub-committee that oversees, reviews and makes recommendations for the audit and risk aspects of the business as required by the Listing Rules and in terms of best corporate governance practice.

- 4.3.3 The Board shall appoint external auditors and shall ensure that their independence is protected at all times.
- 4.3.4 The Board shall ensure that mechanisms are in place to ensure effective reporting and liaison with the external auditors and that:
- the Audit Partner has unrestricted access to the records and personnel of the Company and that opportunities are in place for them to openly discuss with the Audit Committee or the Board Chair.
 - external Auditors and/or Audit Partners are rotated every five years or such other intervals as many be agreed by the Board.
- 4.3.5 The Board shall ensure that financial statements are fairly stated and prepared in accordance with International Accounting and Reporting Standards and Accounting Policies of the Company and the Companies Act.

4.4 Control Systems

The Board shall ensure that:

- 4.4.1 An effective and sound system of internal control is in place and adequately implemented at all times.
- 4.4.2 Internal control systems and procedures are operating efficiently and effectively to mitigate or eliminate inherent risks that the Company may be exposed to, from time to time.
- 4.4.3 Adequate checks and balances, systems for fraud detection and prevention, money laundering and business continuity management, are in place and effectively managed within the Company.
- 4.4.4 Management regularly performs and reports on risk and control self-assessment.

4.5 Nomination and Remuneration Management

- 4.5.1 The Board accepts responsibility for the nomination and remuneration functions in respect of the entities within the RDCP Group. An effective, ongoing process shall be in place to review nomination and remuneration of the Manager.
- 4.5.2 The Board has delegated the nomination and remuneration functions to a board sub-committee that oversees, reviews and makes recommendations for the Group's remuneration and nomination aspects of the business as required in terms of best corporate governance practice.

4.6 Environmental, Social and Governance Management

- 4.6.1 The Board accepts responsibility for the environmental, social and corporate governance functions in respect of the entities within the RDCP Group. An effective, ongoing process shall be in place to review and measure the impact of environmental and social aspects of the business and proactively coordinate the implementation of best corporate governance practice within the RDCP Group.
- 4.6.2 The Board has delegated the environmental, social and governance functions to a board sub-committee that oversees, reviews and makes recommendations for the Group's sustainability and social responsibility policies as required by the Listing Rules and in terms of best corporate governance practice.

4.7 Investment Management

- 4.7.1 The Board accepts responsibility for the investment functions in respect of the entities within the RDCP Group. An effective, ongoing process shall be in place to review investment policies and investments to be pursued and implemented by The Manager.
- 4.7.2 The Board has delegated the investment management functions to a board sub-committee that oversees, reviews and makes recommendations for the investment aspects of the Group's business as required by the Listing Rules and in terms of best corporate governance practice.

4.8 Property Management

- 4.8.1 The Board accepts responsibility for the property management functions in respect of the entities within the RDCP Group. An effective, ongoing process shall be in place to review property management to be implemented by the Manager.
- 4.8.2 The Board has delegated the property management functions to a board sub-committee that oversees, reviews and makes recommendations for the property management aspects of the Group's business as required by the Listing Rules and in terms of best corporate governance practice.

5. **The Function of the Chairman**

- 5.1 The Chairman is appointed by the Board on a yearly basis following the Annual General Meeting.
- 5.2 The roles of the Chairman and the Chief Executive Officers (or equivalent) must remain separate.
- 5.3 In addition to the Chairman's responsibilities as a director, the Chairman is responsible for:
 - 5.3.1 Leading the Board in discharging its duties to RDCP and the RDCP Group
 - 5.3.2 The efficient organisation and conduct of the Board's functioning
 - 5.3.3 Chairing Board meetings and directing Board discussions so that there is an effective use of time and that critical issues are discussed
 - 5.3.4 Facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management
 - 5.3.5 Ensuring the Board is participating in setting the aims, strategies and policies of the RDCP Group
 - 5.3.6 Ensuring there is adequate monitoring, pursuit and performance of the aims, strategies and policies of the RDCP Group
 - 5.3.7 Briefing all directors in relation to issues arising at meetings of the Board
 - 5.3.8 Ensuring that the Board is kept properly informed of the financial position and performance of RDCP; and
 - 5.3.9 Chairing general meetings of RDCP in accordance with the Constitution.
- 5.4 The Chairman is required to commit sufficient time in order to properly discharge the role of chairman.

6. The Function of the Lead Independent Non Executive Director

- 6.1 The Lead Independent Non Executive Director is appointed by the Board pursuant to the recommendation of the Remuneration and Nomination Committee.
- 6.2 The role of the Lead Independent Non Executive Director is to:
 - 6.2.1 Support the Executive Chairman
 - 6.2.2 Ascertain that the Executive Chairman executes his powers in an independent manner throughout the financial year
 - 6.2.3 Discharge his duties in a consistently independent manner and constructively and appropriately challenge the executive management team and the Board; and
 - 6.2.4 Verify that the Executive Chairman performs objectively and with independence
 - 6.2.5 Monitor the relationship between the Chairman and the Chief Executive Officer and ensures it is a well-functioning working relationship
 - 6.2.6 Lead the performance appraisal of the Chairman
 - 6.2.7 Be recommended for appointment as a non executive and independent board member on The Manager's Board.

7. Company Secretary

- 7.1.1 The Company Secretary of the Board is responsible for providing administrative support in respect of Board policies, procedures, recording of minutes, co-ordinating the timely dispatch of the Board agenda and briefing material, providing advice on any corporate governance matters affecting the Board's decisions or the operation of the business, assisting the Chair with any shareholder communication and maintaining all official Board and Company records and statutory registers.
- 7.1.2 The Company Secretary is accountable to the Board on all governance matters. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

8. Reliance on Advice

- 8.1.1 The Board is expected to exercise a high standard of commercial judgement. In doing so, directors are entitled to rely on the honesty, integrity and advice of RDCP's management team and its external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval.
- 8.1.3 In discharging their respective duties, individual directors may (with the prior approval of the Chair) engage and consult with professional advisors from time to time, with any costs being met by the Company.

9. Professional Development for Directors

- 9.1.1 The Board is committed to continued professional development to enable directors to maintain the knowledge and skill set required for the office of director of an issuer and to provide directors with any new knowledge specific to the industry and to a listed environment.
- 9.1.2 Directors may visit RDCP sites and operations, attend stakeholder and engagement events and attend briefings from senior managers and industry experts.

10. Induction of New Directors

- 10.1.1 Each new director will receive a letter of appointment setting out the key terms and conditions and of their appointment.
- 10.1.2 The Board shall establish an induction programme to familiarise incoming directors with the Company's operations, its business and environment and the sustainability issues relevant to the business.
- 10.1.3 New directors will also be provided with an induction pack containing access to the company directory including and not limited to governance information, key policies and all relevant information necessary to prepare new directors for their role.

11. Directors' Remuneration and Expenses

- 11.1 Directors' remuneration is paid in the form of Directors' fees. Additional fees are paid to the Chair and the Duty Chair, Committee Chairs and Committee Members to reflect the additional responsibilities of these roles. The fees available to be paid to directors are subject to shareholder approval.
- 11.2 Directors will not use for personal gain, opportunities that are discovered through the use of Company property or Company information disclosed to directors by virtue of their position as a director.
- 11.3 Directors will not accept gifts or personal benefits of any value from any external party, if it would or could be perceived that this could compromise or influence any decision of the Company and under no circumstances will they accept cash gifts.
- 11.4 Directors will not offer gratuities or other personal rewards designed to influence business transactions.
- 11.5 All directors' expenses are approved by the Chair and the Chair's expenses are approved by the Chair of the Audit and Risk Committee.

12. Board Meetings

- 12.1 The Board's discussions shall always be open and constructive. The Chairman shall seek a consensus in the Board regarding the matters being discussed but may, where considered necessary, call for a vote in whatever manner the Constitution provides.
- 12.2 Discussions and records shall remain confidential unless the Board decides to the contrary.
- 12.3 Directors are entitled to have access to all relevant company information and records of executive officers and senior management of the Manager. The directors are expected to strictly observe the restrictions relative to the use and confidentiality of company information and records and not to disclose any confidential information received by them on behalf of the company in accordance with the Act.
- 12.4 Meeting proceedings:
 - 12.4.1 Unless varied by this Charter, meetings and proceedings of the Board shall be governed by the Constitution.
 - 12.4.2 Minutes of meetings shall be taken and shall be circulated to all members of the Board and retained by RDCP's Company Secretary and must be lodged in the Company's minute book within reasonable time of each Board meeting being held.

- 12.4.3 Meetings of the Board shall be held at such times and at such venues as the Board deems appropriate, but it shall meet at least four times a year at the request of the Chairman of the Board. Notice of meetings of the Board will be given to directors as soon as is practicable.
- 12.4.4 The Chairman has the authority to determine the agenda for meetings. A director may request the addition of an item on the agenda. Except under exceptional circumstances, an agenda and any supporting papers will be given to directors at least three business days prior to the holding of a meeting of the Board.
- 12.4.5 Directors shall use their best endeavors to attend Board meetings and to prepare thoroughly for such meetings. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to contribute the benefit of their particular knowledge, skills and abilities to the Board. There shall be a full disclosure of all matters affecting RDCP at the Board meetings.
- 12.4.6 Directors who are unable to attend meetings of the Board shall advise the Chairman or the company secretary.

12.5 In accordance with the Constitution:

- 12.5.1 A director may at any time, and the company secretary must upon the request of a director, convene a Board meeting.
- 12.5.2 A quorum for Board meetings is half the number of directors appointed at the time of convening the meeting unless the Board determines otherwise. Each director has one vote.
- 12.5.3 Decisions of the Board are decided by a majority of votes of directors present and entitled to vote. In the case of an equality of votes on a resolution at a Board meeting, the Chairman will have a second or casting vote on that resolution in addition to any vote the Chairman has in his or her capacity as a director in respect of that resolution, other than in the case where there are only two directors competent to vote on the resolution at issue.

13. Legal Duties

- 13.1 The Board shall at all times take cognisance of its legal fiduciary duties and responsibilities.
- 13.2 The Board shall ensure that the legal and regulatory framework specific to the Company, including the BSE Listing requirements, the Companies Act and the Company's policies and Charter must be periodically reviewed to reflect the current business and customer requirements.

14. Delegation of Authority

- 14.1 The Board shall clearly define the authority levels of all functions, positions and processes within the Company in accordance with the Companies Act and the Constitution.
- 14.2 The Board shall ensure that The Manager has in turn set out clear delegation arrangements for its personnel.

15. Indemnities and Insurance

Without contravening the generality of this Charter, the Company shall provide directors with, and shall pay the premiums for, indemnity insurance cover while acting in their capacities as directors, to the fullest extent permitted by the relevant Legislation.

16. Code of Ethics and Declaration of Interests

- 16.1 Directors shall observe and promote the highest standards of ethical conduct in the performance of their responsibilities on the Board.
- 16.2 Directors pledge to accept this code as a minimum guideline for ethical conduct and shall:
 - 16.2.1 Exercise reasonable care, good faith and due diligence in company affairs.
 - 16.2.2 Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest.
 - 16.2.3 Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.
 - 16.2.4 Maintain a professional level of courtesy, respect, and objectivity in all dealings.
 - 16.2.5 Strive to uphold best practices and assist other members of the board in upholding the highest standards of conduct.
 - 16.2.6 Respect the confidentiality of sensitive information known due to serving on the board.
 - 16.2.7 Respect the diversity of opinions as expressed or acted upon by other directors and Committees.
- 16.3 Directors shall at all times observe the legal requirements in respect of the declaration of interests in accordance with the Companies Act and do everything reasonably possible to avoid a conflict of interest in the execution of their duties and responsibilities to RDCP.
- 16.4 Each director must give the other directors notice of any conflict which may arise in respect of matters being considered by the Board; and if the conflict is a material personal interest in the matter (as defined in the Companies Act), that director must not be present while the matter is being considered at a Board meeting; or vote on the matter.
- 16.5 The directors shall in accordance with the relevant statutory rules, legislative or regulatory procedures account to RDCP for any monetary gain, or the value of any other gain or advantage, obtained by them in connection with the exercise of their powers, or by reason of their position as directors of RDCP.

17. Independence of Directors

- 17.1 Details of the membership of the Board will be disclosed in the annual report of RDCP, including whether a director is independent or non independent. If a director's independent status changes, this will be disclosed and explained to the market in a timely manner.
- 17.2 There are several factors the Board should take in to account when determining the independent status of a director.
- 17.3 An independent director is a non executive director and:
 - 17.3.1 is not a substantial shareholder in RDCP or an officer of, or otherwise associated directly with, a substantial shareholder in RDCP; (*In accordance with the Companies Act, a director is a substantial shareholder in RDCP if the director has a relevant interest in at least 5% of the voting shares in RDCP*).

17.3.2 is not employed by RDCP and, if the director has previously been employed in an executive capacity by RDCP or another group member, there has been a period of at least three years since ceasing such employment.

17.3.3 within the last three years has not been a principal of a material professional adviser or a material consultant to RDCP or another group member, or an employee materially associated with the service provided.

17.3.4 is not a material supplier or customer of RDCP or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.

17.3.5 has no material contractual relationship with RDCP or another group member other than as a director, and

17.3.6 is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of RDCP.


18. Review of Board Charter

In line with best practise, it is intended that the Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities. Enhancements to the Charter shall be made when the need is identified and/or when there is a change to the enabling legislation.

19. Approved, Adopted, and Reviewed

This Charter was approved and adopted by the Governing Body on the 5th day of December 2023.

Approval Signatures



Governing Body Representative



Executive Chairman



Chief Executive Officer