
	REALESTATE GROUP		
	Delegation of Authority Policy		
	Approved on 5 December 2023	Version 2.0	

APPROVAL

Date	5 December 2023
Approved by Board Representative	Federica Giachetti
Reviewed by Executive Chairman	Guido Renato Giachetti
Reviewed by Chief Executive Officer	Jacopo Pari

KEY STAKEHOLDERS

Governing Body	Board of Directors of RDC Properties Limited
Executive Chairman	Guido Renato Giachetti
Chief Executive Officer	Jacopo Pari
The Manager, The Management Company	Property and Asset Management Proprietary 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”	Executives and Management and Staff of the Manager

1. Executive Summary

RDC Properties is a property development and investment company structured as a variable Rate Loan Stock Company (VRLS) and listed on the Botswana Stock Exchange. RDC Properties Limited (“RDC” or “RDC Group”) owns and manages strategic property assets that add value to the communities it serves while creating value to its shareholders. RDC doesn’t employ any management and staff and outsources all its management to The Manager.

One of the fundamental principles of good corporate governance is the clear delineation of the respective roles and responsibilities of the Governing Body, Executive Chairman, Executive Officers and the management team.

In terms of recommended good corporate governance practice, a company’s framework should be designed to:

- 3.1 Enable the Governing Body to set the entity’s strategic objectives and provide effective oversight of management; and
- 3.2 Clarify the respective roles and responsibilities of Governing Body members and senior executives in order to facilitate Governing Body and management accountability to both the company and its stakeholders.

2. Purpose

The Board has delegated authority to the Manager for the day-to-day business and affairs of the Group. The delegation is subject to, and limited by, the terms of the RDC Constitutions, the Board Charter and any specific limitations on authority imposed by the Board from time to time.

The purpose of this document is to formalise the authority delegated by the Board to the Manager in order to:

- 2.1. Enable the Board to set the Group's strategic objectives and provide effective oversight.
- 2.2. Clarify the respective roles and responsibilities of the Board and the Manager in order to facilitate Board and management accountability to both RDC and its unitholders.
- 2.3. Ensure a balance of authority so that no single individual has unfettered powers.
- 2.4. Provide a process for effective and efficient management of RDC.

3. Application of Policy

This policy applies to RDC as the listed company and all its subsidiaries.

- 3.1. The Governing Body has delegated to the Executive Chairman, the strategy implementation, relationship with unit holders, appraisal of investments and/or sale of assets, oversight of the Manager, in particular:
 - 3.1.1. He has overall responsibility for ensuring that the Company achieves a satisfactory return on investment for unit holders.
 - 3.1.2. He oversees the orderly operation of the Board and ensures appropriate interaction between the Board, the Manager and the Company's unit holders.
 - 3.1.3. He consults with the Lead Independent Non-Executive Director on all matters where he might be conflicted.
- 3.2. The Governing Body has delegated to the Manager daily business operations and affairs of the Company, in particular: RDC's assets including all property management, financial reporting, accounting services, and project management of developments. The contractual agreement between RDC and the Manager is formalized with an Asset Management contract.
- 3.3. The delegation to the Manager is subject to and limited by the terms of the Constitutions of the Company, the Governing Body Charter and any specific limitations on authority imposed by the Governing Body from time to time.
- 3.4. The Manager must ensure it exercises the delegated authority in a manner consistent with the law of the business environment it operates, follows laid down company policies and procedures, acts with integrity and upholds substantial ethical values alongside any other terms of reference in line with the delegated authority.
- 3.5. The Governing Body shall delegate assurance responsibilities to the Audit and Risk Committee, which shall ensure compliance and make suitable periodic recommendations to the Governing Body.

4. Delegation Framework

4.1. Matters Reserved for Governing Body

The matters specifically reserved for the Governing Body under the Delegation of Authority Policy shall include:

- a. Decisions about the Company's strategy and policies.
- b. Approval of annual budgets.
- c. Approval of any new Venture or Development Project.
- d. All matters pertaining to acquisition and disposal of assets.
- e. Reviewing and approving financial reports.
- f. Approving matters involving amounts over specified limits (which may vary depending upon the nature of the transaction) which limits are specifically stated in this policy document and reviewed as required, under point 5 hereunder.
- g. The Governing Body also has authority for appointing and conducting succession planning for the Executive Chairman and appointing to the Governing Body officers of the Manager.

4.2. The Governing Body also reserves to itself all matters with the potential to have a material impact on the reputation of the Company.

4.3. Delegation to Management

- a. All matters not specifically reserved for the Board, and which are necessary for the day to day management of the Company, shall be delegated to the Manager.
- b. The Manager can subdelegate authority where appropriate.
- c. When exercising a delegated authority, members must comply with approved policies and procedures.
- d. Members must always ensure they have clear understanding of the responsibilities associated with their delegations and the procedures that are required before approvals are given.

4.4. Reporting to the Governing Body

As part of the enterprise risk management framework set up by the Governing Body, the management team shall be required to report regularly to the Governing Body concerning the authority exercised and matters which come, or may come, within the scope of the matters reserved for the Governing Body. These reports shall cover a range of matters, including periodic financial performance of the organization, risk management framework and activities and details of any litigation activity.

5. Limits Applicable to the Executive Chairman and Executives of the Manager

- 5.1. The Governing Body, by approving the yearly Budget, authorizes the Manager to engage RDC in all operating expenses and capital expenses as defined within an upper limit of 5% higher than the expenses defined in the Budget.
- 5.2. The Manager shall require the Governing Body's approval for all Capital investments during the quarterly meetings.
- 5.3. The Executive Chairman may authorise expenditure of an extraordinary nature, up to a limit of 20% above the Budget, with regards to operating expenditures and shall report to the Board as soon as practicable.
- 5.4. The Executive Chairman may approve extraordinary investments should it be a matter of safety or protection of assets of the Company or the opportunity be limited in time, up to maximum of 2% of the company's Market Capitalisation and shall report to the Board as soon as practicable.

6. Accountability

- 6.1. The Executive Chairman shall be accountable to the Governing Body.
- 6.2. The Manager shall be accountable to the Executive Chairman and to the Governing Body.
- 6.3. In as much as delegated authorities are directed at positions/titles rather than at individuals, the individuals occupying such positions shall be held accountable for their actions during the validity of such delegated authorities while occupying such positions of responsibility.

7. Amendment of the Policy

The effectiveness of this policy will be monitored on an ongoing basis, and its implementation will be reviewed every three years at a minimum, or when the environment or legislation requires changes to be made.


8. Approved, Adopted and Reviewed

This policy was approved and adopted by the Governing Body on 5th December 2023.

Approval Signatures



Governing Body Representative



Executive Chairman



Chief Executive Officer