Corporate governance at a glance

Sound corporate governance creates the systems of rules and practices that determine how the Group operates and aligns with the interests of all its stakeholders.

95% ***Board and Committee meeting attendance***	**308 years** ***Board members' aggregate years of experience***
82% ***Board independence***	**27% female** ***Gender diversity***

Major Board decisions

- Approved the purchase and expansion of the Midrand Campus and adjacent properties.
- Approved the appointment of Nelisiwe Shiluvana as the Group Financial Director-Designate and successor to Deon Fredericks.
- Approved the appointment of Thabo Mosololi as a member of the Board and Audit and Risk Committee.
- Considered and approved the design and an implementation of a new Long-Term Share Incentive Plan for executive management.

Compliance Statement

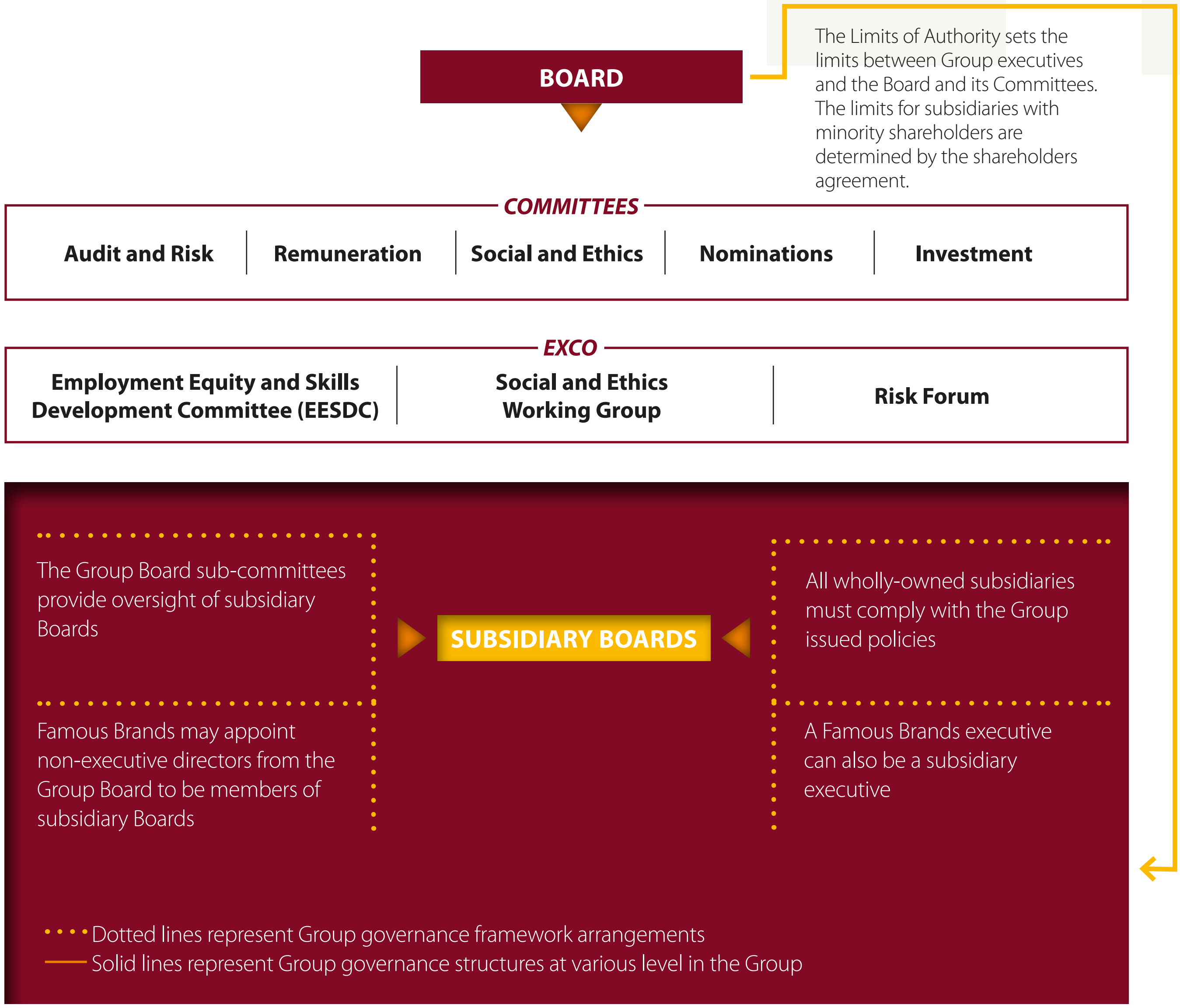
The Board confirms that for the year ended 28 February 2023, the Group complied with the provisions of the Companies Act and operated in conformity with its Memorandum of Incorporation.

The Board further confirms the application of the King IV™ Code of Corporate Governance. The Group's King IV application register is available at https://famousbrands.co.za/governance/king-iv-register/

The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter for 2023.

The Board and its Committees have Charters that are reviewed each year. The latest reviews took place in 2023, and where necessary, the Charters were amended or updated in line with the King IV recommendations and the JSE Listings Requirements.

Governance structure and framework



The Board is satisfied that the Limits of Authority Framework contributes to role clarity, accountability and the effective exercise of authority and responsibilities.

How we approach corporate governance

The Board is responsible for ensuring that sound corporate governance principles are applied across the Group. As defined by the Board Charter, the Board must exemplify the characteristics of integrity, competence, accountability and transparency.

Our seven core values (opening page) shape our governance philosophy, and together with King IV, guide the Board and management in their leadership decisions and behaviour. This results in the four good governance outcomes of ethical and effective leadership, sustainable value creation, effective controls and oversight and trust and confidence in the Group.

Board composition

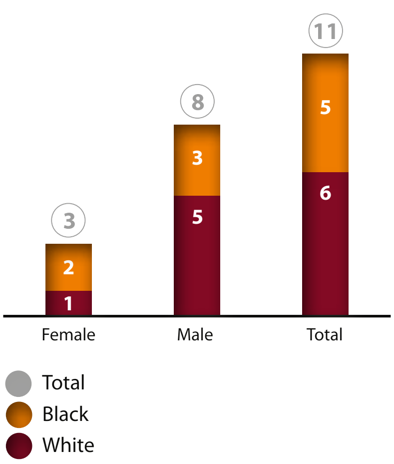
The Board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence.

The Board comprises a majority of independent non-executive directors (7), two non-executive directors and two executive directors, the CEO and Group Financial Director. The Board is adequately sized to meet the needs of the Group. Famous Brands does not have a lead independent non-executive director position.

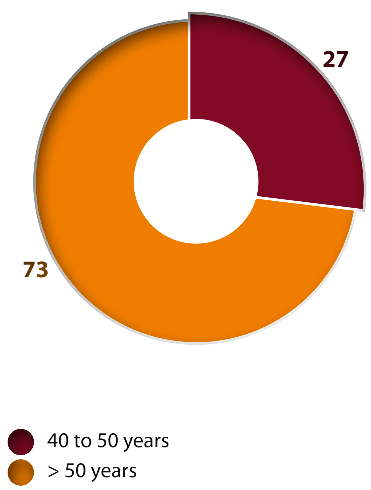
The Board acknowledges the importance of diversity, including gender, race, age, experience and expertise. The Board's Diversity Policy is incorporated into the Nominations Committee Charter. The Board has set a target of 35% for gender representation by 2024 as part of its focus on contributing to SDG 5 (gender equality). There are currently no targets for race representation.

There are succession plans for the CEO and other critical non-executive and executive positions.

Board demographics and gender



Board age (%)



Board skills profile (%)

Rotation and changes to the Board

Norman Adami, John Halamandres and Nic Halamandaris will retire by rotation. Norman and Nic have made themselves available for re-election at the AGM and the Board supports their re-election. John Halamandres will, however, retire at the AGM.

Santie Botha and Chris Boulle have served longer than 9 years on the board of Famous Brands. In terms of good corporate governance, the board has, in accordance with the recommendation of Principle 7 of King IV, conducted an assessment of their independence and is satisfied that notwithstanding their tenure on the board being longer than 9 years, they remain independent.

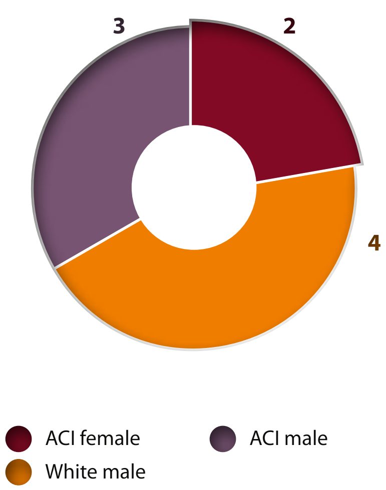
Changes to the Board and its Committees in 2023

We are guided by our Nomination Committee Charter when appointing non-executive directors. The Nomination Committee presents non-executive directors to the Board for approval. The following changes to the composition of the Board took place during the year:

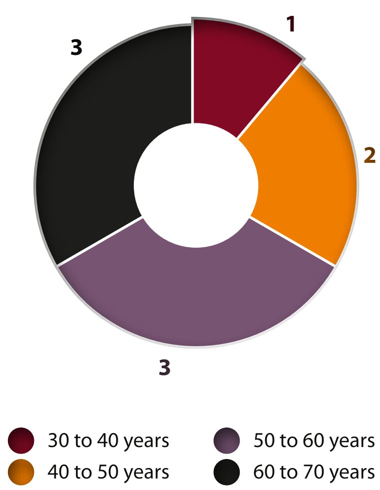
- Busisiwe Mathe was appointed as a member of the Social and Ethics Committee, effective 3 November 2022.
- Thabo Mosololi was appointed as an independent non-executive director and Audit and Risk Committee member. This appointment was effective from 1 February 2023.
- On 8 March 2023, Norman Adami resigned as an Audit and Risk Committee member. He remains a member of the Nomination and Investment Committees.

Exco-composition

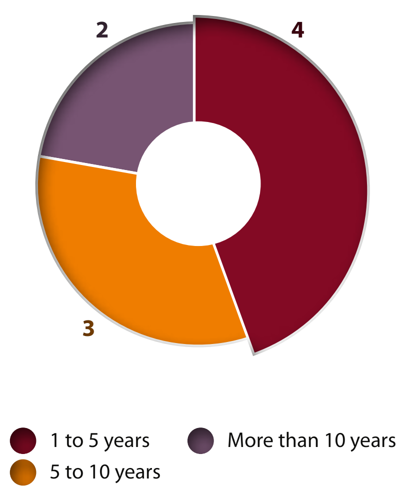
Exco demographics



Exco age



Exco tenure



Board of Directors and Executive Management

as at 28 February 2023

Santie Botha (58)

Independent non-executive Chairman
BEcon (Hons)

Norman Joseph Adami (68)

Independent non-executive director
B.Bus Science (Hons), MBA

Christopher Hardy Boulle (51)

Independent non-executive director
BCom, LLB, LLM

Alexander (Alex) Komape Maditse (60)

Independent non-executive director
BProc, LLB, LM, Dip Company Law

Nicolaos (Nik) Halamandaris (48)

Non-executive director

John Lee Halamandres (69)

Non-executive director

Busisiwe Mathe (42)

Independent non-executive director
BCom (Acc), CA(SA)

Thabo Mosololi (53)

Independent non-executive director
BCom (Hons), MAP, EDP, CA(SA)

Fagmeedah Peterson-Cook (47)

Independent non-executive director
BBusSc (Actuarial Science)

Darren Paul Hele (51)

Chief Executive Officer
BCom

Deon Jeftha Fredericks (62)

Group Financial Director
BCompt (Hons), Business Management (Hons), CA(SA), CIMA

Celeste Appollis (51)

Company Secretary and Head of Legal
BA LLB H.Dip. (Company Law)

Jabulani Mahange (62)

Group HR Executive
BA, BED (Wits), PDM (Wits), MBL (SA)

Andrew Mundell (54)

Group Executive – Supply Chain
BSc Agric (Hons), M.B.A. (UCT)

Derrian Nadauld (49)

Chief Operating Officer – Leading Brands
NDip Catering Management and Certificate Marketing Management

Ntando Ndaba (37)

Group Risk Executive
BTech

Philip Smith (60)

Managing Director – AME
A Levels (UK)

Nelisiwe Shiluvana (43)

Group Financial Director – Designate
CA(SA) with SAICA and ACMA, CGMA with CIMA

Non-executive directors   Executive directors   Exco

Key governance matters addressed during 2023

Operational	– Considered and approved the 2023 Group Budget and Group Business Plan.
Strategy and financing	– Reviewed and approved the 2023 to 2025 corporate strategy, focusing on brand health and drivers of performance such as an IT and digital strategy and related IT and digital structure and initiatives. – Considered the 2024 to 2026 corporate strategy, business plan and financial roadmap. – Approved the acquisition and funding for the acquisition of 37 Richards Drive and 478 James Crescent (Midrand Campus), and the investment into the new KwaZulu-Natal logistics centre.
Risk management, internal control and compliance	– Reviewed compliance of AFS with the JSE's proactive monitoring recommendations. – The Internal Financial Controls Programme was reviewed to support the CEO and Group Financial Director's attestation statement. – Monitored the implementation of POPIA, AARTO and Extended Producer Responsibility compliance. – Monitored the implementation of the General Laws Amendment Act and the consequent changes to the Companies Act.
Succession and talent management	– Approved CEO and Exco scorecards for 2023 with EBITDA and HEPS as short-term incentives (STI) and absolute TSR and ROCE as part of the LTI. – Commissioned an external remuneration consultancy to review the LTI and develop an alternative. – Approved executive director remuneration, including salary increases and STI allocations, and approved Exco LTI allocations. – Approved a 4.5% increase of non-executive director fees, subject to shareholder approval. – Reviewed the CEO and Group Financial Director's performance scorecards. – Reviewed executive succession, including succession of Group Financial Director and Group Executive: Manufacturing & Logistics. – Reviewed Board succession and composition in line with Diversity Policy as well as the ongoing training of Board members. – Approved the Board appointment of Thabo Mosololi. – Approved the appointment of Nelisiwe Shiluvana as Group Financial Director (designate)
Corporate and performance reporting	– Reviewed and approved the annual Board workplan and evaluated Board performance. – Approved the 2022 AFS and IAR and market communications relating to the 2022 annual results and 2023 interim results. – Evaluated Board performance.
Corporate citizenship	– Monitored progress against achieving the Company's selected SDG targets. – Reviewed progress made with transformation and the B-BBEE scorecard. – Reviewed the progress made with the Group's CSI initiatives.

Performance evaluations

The Board is satisfied that its evaluation process is improving its performance and effectiveness. In October 2022, Famous Brands conducted a formal internal evaluation of the Board's overall effectiveness across several categories.

The Board evaluation results show that the Board functions well and allows for robust discussion of important topics and the expression of varied perspectives. Improvements were noted in:

- Strategy development and implementation.
- IAR drafting and approval process.
- Stakeholder management.
- Board succession and diversity at Board level.
- Executive succession.

Key focus areas for improvement in 2023 include:

- Gender diversity at Board and Committee level.
- More regular engagements with shareholders on remuneration report prior to AGM.
- Adoption and implementation of a revised Long-Term Share Incentive Plan for executives.
- Development of ESG strategy and framework.
- Development of a formal legal and regulatory compliance framework.

Meeting attendance

	Board	Audit and Risk Committee	Social and Ethics Committee	Nominations Committee	Remuneration Committee	Investment Committee
Board/Committee members	11	4	4	3	3	4
Number of meetings	5	5	3	4	3	2
Meeting attendance						
NJ Adami	5	4	–	4	–	2
SL Botha	5	5*	–	4	3	2
CH Boulle	5	4	3	–	2	2
DJ Fredericks	5	5*	3*	–	3*	2*
N Halamandaris	5	5*	2	–	–	2*
JL Halamandres	4	–	–	–	–	1*
DP Hele	5	5*	3	4*	3*	2*
AK Maditse	5	–	3	4	–	–
BS Mathe^	5	5	1	–	–	–
TF Mosololi**	–	1**	–	–	–	–
F Petersen-Cook	5	5	–	–	3	2

* By invitation.
** Was appointed to the Board and Audit and Risk Committee on 1 February 2023.
^ Was appointed to the Social and Ethics committee on 3 November 2022.

Ethical and effective leadership

The Board

The Board is held accountable for ethical and effective leadership through a Code of Conduct and annual performance evaluations. At each Board meeting, potential conflicts of interest are noted, and the members' declarations of interests are periodically reviewed and amended. The Nomination Committee assesses potential conflicts of interest. The Committee expresses its concerns to the Board Chairman, or the Chairman of a pertinent Committee tasked with speaking with the director in question.

The Company

Famous Brands has a Code of Ethics that is reviewed each year. Employees must comply with the Code of Ethics. The following policies are in place to foster an ethical culture:

- A Gift Policy.
- A Whistle-blowing policy.
- Conflict of Interest Declaration Policy.

Famous Brands has an Ethics Management Programme facilitated by The Ethics Institute. The programme aims to foster ethical conduct, due care and compliance with our Code of Ethics. In 2023, 43 employees underwent this programme (2022: 46).

Future focus areas for ethics

In 2023, we conducted an ethics assessment by The Ethics Institute. Based on the results we are developing a plan to improve ethical behaviour throughout the Group. This plan includes:

- Measures to entrench the Famous Brands' values.
- Measures to improve ethics commitment and accountability.
- Increased focus on the topic of ethics including channels for employees to ask questions.
- Ethics awareness training for new and existing employees.
- Improving the fairness and perceived fairness of certain people practices.

Famous Brands offers all employees training on ethical behaviour and major workplace issues. Training modules include:

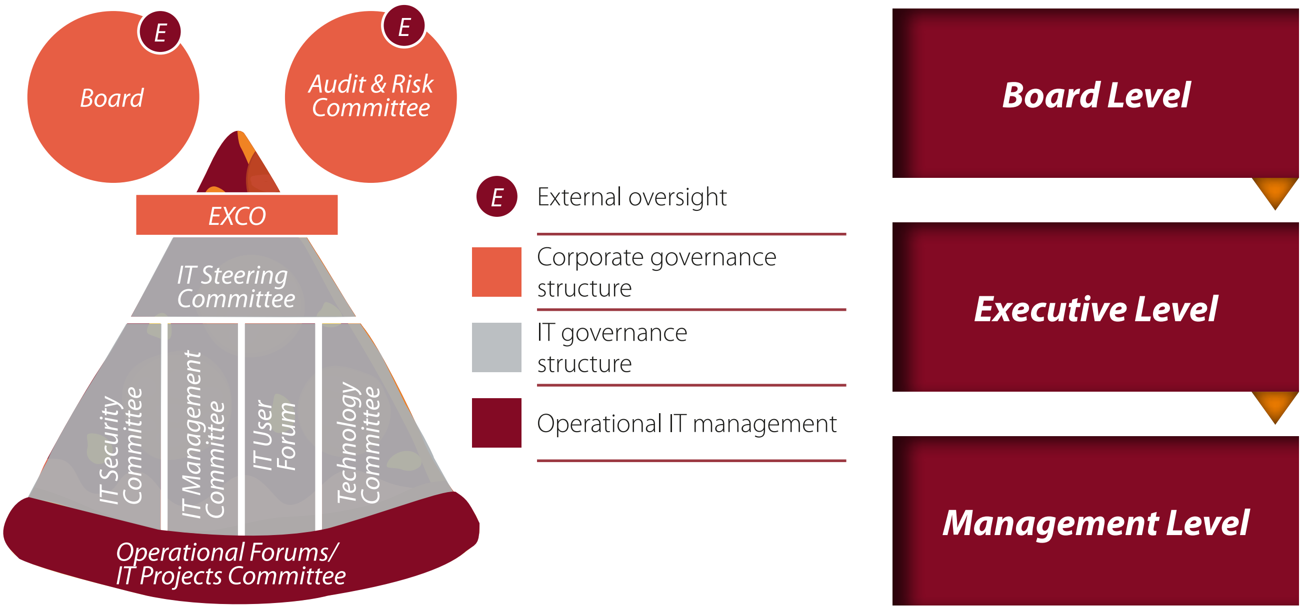
- Meeting etiquette.
- Workplace ethics.
- Workplace professionalism.
- Dealing with bullying.
- Sexual harassment.
- Risk management.
- POPIA.
- The Labour Relations Act.
- The Basic Conditions of Employment Act.
- Occupational health and safety.

Famous Brands has an anonymous ethics hotline in South Africa. In 2023, we received seven disclosures, seven concept queries and 220 dropped or no response calls. All seven disclosures were investigated and closed appropriately. This hotline will be rolled out to selected African markets in 2024.

Technology governance

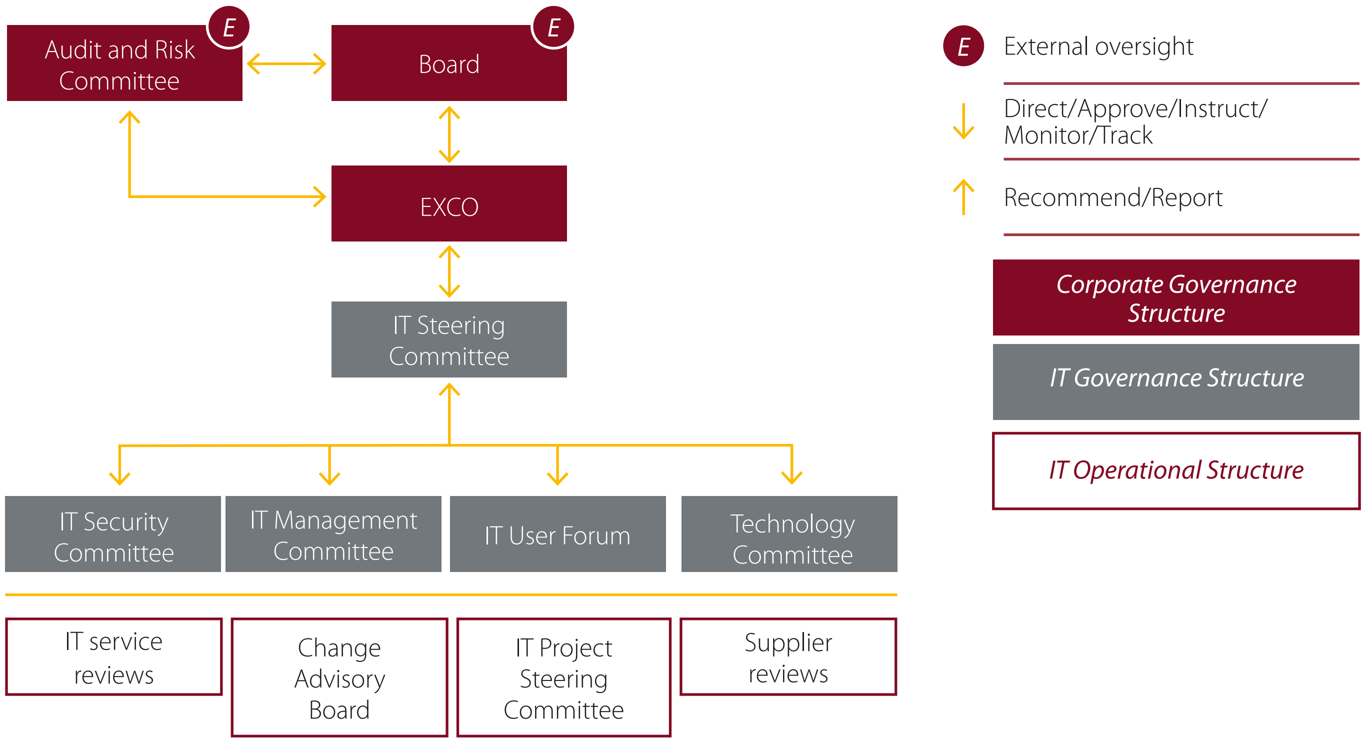
Famous Brands makes use of technology to assist with various aspects of its business.

Read more about our consumer-facing technology on page 82.



Governance Hierarchy Model

This Hierarchy Model is enabled by the IT governance operating structures, as reflected in the diagram below. IT strategic planning, project management, managed security processes and continuity as well as performance and conformance management support the IT Governance Framework.



Processes and procedures

Several policies govern what constitutes the appropriate use of IT resources and infrastructure. They include rules for using the internet, email, company systems, buying and disposing of IT equipment, and creating passwords.

The Famous Brands Group's IT Steering Committee oversees IT governance, with the Board providing direction through the Audit and Risk Committee. This committee meets quarterly to discuss subjects outlined in its Charter document, including alignment of the annual IT strategic objectives to the overall business objectives, prioritisation of projects, IT policy reviews and implementation, the three year IT Security plan among other things. It also performs bi-annual reviews of the disaster recovery plans and business resumption contingencies.

In addition, the IT Steering Committee holds weekly IT feedback sessions with Exco to facilitate better alignment to update them on technology projects the teams are working on, update on the IT security plan including any potential IT matters that can disrupt business operations.

In 2023, the Audit and Risk Committee monitored the implementation of the following critical technology projects:

- Cyber security: Implementation of the second year of the three-year IT security plan, including monitoring the development and implementation of Information and COBIT control objectives.
- System integration platform: Implementation of the system integration platform for the Financial Management system (SAGE X3) and the 3rd party systems that integrate with SAGE X3; Warehouse Management, Truck Delivery Route Planning and Vehicle Tracking.
- Server replacement: Replacement and migration of the old server that had reached end of life, to a new server in the Vodacom Data Centre without any down time to the business.
- Wifi network: Replacement of Wifi at all sites with modern 6th Generation technology, to manage traffic.
- Wide Area Network Architecture: Installed Fortigate Firewalls at each site to enable direct access to internet and cater for remote management of each firewall.

The Audit and Risk Committee will monitor critical technology deployment planned for 2024. These include:

- Server & storage replacement for Sage X3.
- Implementation of the final year of the three year IT security plan to enhance the organisations cybersecurity posture.
- Ongoing implementation of the IT security plan to enhance the organisations Cyber Security profile.
- ERP migration of Botswana Retail Group, Cater Chain Food Services and Venus Solutions Limited to SAGE X3.
- Investigating whether a "tailored" Enterprise Architecture function will benefit the organisation in better managing the investment the business makes in technology.

Compliance

Our Legal Department monitors our compliance with legislation and regulations, including expected regulatory changes. Famous Brands is developing a comprehensive regulatory compliance framework to map the legislation across each geography.

We have processes and procedures to ensure ongoing compliance with POPIA. In this year we reviewed the data protection legislation across all territories in which we operate and updated the POPIA Policy and framework to cater for it. We continued to monitor and ensure POPIA compliance through Data Protection Agreements (DPAs), training and regular reviews.

We further ensured that the appointment of POPIA information officers in all subsidiary entities were completed and registered with the Information Regulator.

In November 2022, Famous Brands received a formal request for information in terms of PAIA from the Animal Law Reform of South Africa (ALRSA) regarding records relating to the supply and distribution of eggs (or chickens) in South Africa. Although Famous Brands is not a supplier nor a distributor of eggs (or chickens), in an effort to assist the ALRSA with its exercise and to promote transparency and accountability, we provided information and records which were already available in the public domain.

South Africa's Extended Producer Responsibility regulations came into effect in May 2021. Famous Brands has registered various producer responsibility organisations. We await clarity from the regulator on certain details on how the levies will be calculated in retrospect (refer page 88).

Famous Brands achieved 100% NOSA compliance for all plants, with no plants receiving less than a three-star rating.

Our planned future focus areas include:

- Monitoring developments regarding the Employment Equity Amendment Bill, which is expected to be effective on 1 September 2023.
- Continue the implementation of data protection activities across all AME entities territories, including training.
- The drafting and implementation of a Retention of Records Policy.
- Review and update the PAIA manual

Combined assurance

The Audit and Risk Committee assists the Board in embedding the combined assurance model across the Group.

The Committee monitors Famous Brands' internal control system, designed to assess, manage, and offer reasonable assurance against significant misstatement and loss. The Audit and Risk Committee works with the Group Risk Executive to ensure that risks and opportunities are accurately recognised, evaluated and quantified. Divisional management supports the Board through the Group Risk Forum.

The Group's combined assurance model enhances the assurance obtained from management and internal and external assurance providers while developing a strong ethical environment and mechanisms to ensure compliance.

The Internal Audit and Risk departments ensure adequate controls are in place. The external auditor, KPMG, evaluates key controls and accounting matters during the annual audit process. In 2024, a GRC tool with a built-in combined assurance reporting module will be implemented across the Group.

Internal audit

In 2023, Famous Brands conducted ten internal assurance audits across the Group (2022: 17). Internal resources were responsible for 70% of these audits (2022: 82%).

The audit approach for the year was narrow and deep with key focus on supply chain, POPIA and subsidiaries with minority shareholding. The scope of work mainly focused on plant operations, distribution, inventory and finance. The strengthened financial control environment and the implementation of the consolidation tool is welcomed.

Company Secretary

Celeste Appollis, the Company Secretary, ensures that the Board is aware of its fiduciary duties and that the Board and management execute their functions per the Limits of Authority Framework. The Board and each director have unfettered access to the Company Secretary. She also facilitates the appointment, induction and ongoing training of all directors.

The Board has evaluated the Company Secretary function as set out by the JSE Listing Requirements and Companies Act. It is satisfied that Celeste has the required experience and expertise to fulfil the role. The Board is confident that there is an arm's length relationship between her and the Board to allow her to execute her role properly. The Board has trust in the arrangement for accessing professional governance services. As the Company Secretary, Celeste can contact the Chairman to express any concerns.

Audit and Risk Committee report

"In 2023, Famous Brands continued to enhance its risk management processes and improve its financial controls. A key project was the continued implementation of the second year of our three-year IT security plan with pleasing improvements in our cyber security maturity."

Chris Boulle
Chairman

Mandate

The purpose of the Audit and Risk Committee is to assist the Board in discharging its oversight responsibilities, including safeguarding the Group's assets, ensuring adequate risk management and control processes, and preparing financial statements in compliance with all applicable legislation and regulations.

Attendance and composition

Members	Invitees	Relevant skills profile of members
Chairman – CH Boulle (4/5) ***Members*** – B Mathe (5/5) – T Mosololi* (1*/5) – F Petersen-Cook (5/5)	– CEO – Group Financial Director – Chairman of the Board – N Halamandaris – Group Risk Executive – Internal Audit Manager – Company Secretary – Representatives from KPMG (external auditors)	Committee members are highly skilled in finance, accounting and risk.

* Thabo Mosololi was appointed as a member of the Audit and Risk Committee on 1 February 2023.

Focus areas for 2023

General
– Reviewed and approved the Committee Charter. – Reviewed and recommended the IAR to the Board for approval. – Provided our input on the suitability of the successor to the Group Financial Director. The Committee believes that the Group Financial Director-designate is appropriately qualified and experienced to lead the finance function at Famous Brands. – Reviewed and approved an updated Limits of Authority Framework.
Annual assessments
In a closed session with the auditors, the Committee reviewed and considered the following assessments: – The Group Financial Director. – The finance structure. – The Head of Internal Audit. Overall, the Committee confirms that it is satisfied with the expertise and competency of the Group Financial Director and the finance function and identified areas for improvement. The Committee found that the Head of Internal Audit was knowledgeable and provided effective leadership to the department. The Chairman of the Committee provided feedback directly to the parties concerned.

Financial statements, accounting practices and other financial matters

- Reviewed the assessment prepared by management of the Group's going concern status and made recommendations to the Board. The Committee concurred that the adoption of the going concern is appropriate for the preparation of the Group AFS.
- Reviewed the financial and general covenants applicable to the Group based on the lending and capital structure, which was found to have been appropriate and complied with.
- Considered matters raised relating to financial reporting and accounting practices, internal audit, contents of the Group's and the Company's financial statements, internal financial controls, and any related matters.
- Reviewed the processes for reporting matters relating to financial reporting and accounting practices, internal audit, contents of the Group's and the Company's AFS, internal financial controls and any related matters and agreed on matters that required improvement. The Committee can confirm that there were no matters of concern noted.
- Reviewed and recommended the short and long-form SENS announcements, interim results and Group AFS to the Board for approval.
- Considered accounting treatments, significant unusual transactions and key accounting judgements.
- Considered the reports of the internal and external auditors on the Group's systems of internal control, including financial controls, business risk management and maintenance of an effective internal control system.
- Received assurance from management that proper and adequate accounting records were maintained and the systems safeguard the assets against unauthorised use or disposal.
- Reviewed the Group tax report.

The Committee is of the opinion that there were no material breakdowns in internal controls, including financial controls, business risk management and the maintenance of effective material control systems.

External audit

- Considered the quality controls and processes of the external auditor and specifically audit quality reviews conducted over the designated auditor, including those performed by the Independent Regulatory Board for Auditors (IRBA) as part of its routine review process in terms of the Auditing Profession Act.
- Considered the appropriateness of the other auditors engaged to perform audits within the Group, being Blick Rothenberg in the UK and PKF Botswana, and deemed them appropriate.
- Reviewed the external auditors' report on the consolidated and Company AFS and the key audit matter.

Our external auditor was appointed in 2020, and the Committee is of the opinion that the firm remains independent. Our lead external audit partner will rotate off the audit in 2025. There were no provision of non-audit services from the external auditor in 2023.

Internal audit and internal financial reporting controls

- Reviewed and approved the internal audit business plan and budget.
- Performed the annual review and approval of the Internal Audit Charter.
- Reviewed the internal audit reports and processes.
- Reviewed the ongoing commitments to ensure that the CEO and Group Financial Director can provide a positive statement on the adequacy and effectiveness of internal financial reporting controls.
- Oversaw the refining and mapping of our critical financial controls, taking into account the changing environment and ensuring that out risk control metrics are appropriate.

Risk management

- Evaluated and reported the effectiveness of risk management controls and governance processes to the Board.
- Reviewed and approved the risk management business plan and budget.
- Performed the annual review and approval of the Risk Management Charter.
- Reviewed the Group risk register, IT governance, and the insurance gap analysis and approved management's steps to close gaps.
- Reviewed and gave input into the formation of a cell captive insurer.
- Monitored the implementation of the second year of the three-year IT security plan.

Guiding risk management at Famous Brands

As global risks increase and economic uncertainty persists, Famous Brands' risk function must evolve to ensure organisational resilience.

We operate in a demanding environment where current and emerging risks can disrupt our business and our ability to create and preserve value. The Board, assisted by the Committee, monitors our greatest risks and the steps to mitigate them per our authorised risk appetite and risk management strategy. We manage and monitor current and emerging risks as part of our routine procedures. We are addressing our cyber risk by implementing our three-year IT security plan that was informed by external technical analysis and is implemented by our internal expert with the support of competent security experts.

In 2023, the Committee considered climate-change-related risks, their materiality on our business, and how to measure and report them. This was relevant in 2023 as the world continues to experience climate-related impacts, including KwaZulu-Natal's devasting April 2022 floods.

Our executives, management, and assurance providers work together to strengthen the risk culture across the entire Group. Our combined assurance methodology includes teams from audit, compliance, risk, and business management to provide a coordinated approach to risk management. The Committee confirms that the Group's risk management and internal control systems are effective based on the review carried out in 2023 and the monitoring and supervision operations carried out.

Read more about our combined assurance model on page 121.

Read more about our top risks and risk management processes on page 48.

Going concern

The Committee has considered the management-prepared going concern assessment and the Group's outlook for trading conditions that will last for the foreseeable future. This evaluation is based on a variety of different scenarios. They include the impact of continued load shedding at expected high stages, the loan service and covenant requirements, and the working capital needs. The Committee is satisfied that the Group is a going concern for the foreseeable future based on the information available at the time of approval of the Group AFS.

Key focus areas for 2024

The key focus areas identified for 2024 are as follows:

- Monitoring the annual budget and additional load shedding-related costs.
- Supporting the incoming Group Financial Director, including ensuring she has the right people and resources to succeed in her new role.
- Reviewing the implementation of the final year of the three-year IT security plan.
- Further alignment of financial systems.

Conclusion

Having considered all the material factors and key audit matter, the Committee recommended the Group AFS for the year ended 28 February 2023 for approval to the Board. The Board has approved the Group AFS, which will be open for discussion at the forthcoming AGM of shareholders.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the year. I will be available at the AGM to answer any questions regarding the activities of the Committee.

Chris Boulle
Chairman

21 June 2023

Social and Ethics Committee report

"The Committee continued to drive transformation, sustainability and ethics initiatives to secure our ongoing licence to operate. We are particularly pleased with the Group's achievement of a Level 2 B-BBEE status for the first time."

Alexander (Alex) Komape Maditse
Independent non-executive director

Mandate

The purpose of the Social and Ethics Committee is to support the Board in discharging its oversight responsibilities regarding how the Group does business according to its values, ethical standards and social responsibility. As per the Companies Act, the Committee's duties include overseeing social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment.

Attendance and composition

Members	Invitees	Relevant skills profile of members
Chairman – AK Maditse (3/3) ***Members*** – CH Boulle (3/3) – DP Hele (3/3) – N Halamandaris (2/3) – B Mathe (1*/3)	– Group HR Executive – Group Executive: Business Development – Group Risk Executive – Group Transformation Manager – Company Secretary – Group Financial Director	Committee members are highly skilled in governance, law and sustainability reporting.

* Busi Mathe was appointed as a member of the Social and Ethics Committee on 3 November 2022.

Oversight areas

The Committee, together with the Social and Ethics Working Group (made up of the executives of the Group), have adopted best practices for this Committee as recommended by the IoDSA. This includes King IV, the Companies Act, the 10 Principles of the UN Global Compact and legislation related to the economy (including fraud and corruption), workplace matters, environment and society (including stakeholder relations).

At Famous Brands, we consider social and ethics matters in five major categories, namely:

- Social, health and the environment.
- Human capital and employment equity.
- Preferential procurement.
- Community development and CSI.
- Governance and compliance.

Reconsidering the SDGs

In 2023, we reconsidered SDGs with the view that not all selected SDGs align with our business. The Committee is considering the appointment of an external consultancy with SDG expertise to help us establish a sustainability framework we can use to select the right SDGs and targets and define achievable and meaningful goals. This consultancy works with a broad range of companies across multiple industries allowing us to leverage their experience and benchmark ourselves against industry leaders. We believe that this is an important step to propel us forward.

Read more about our contributions to the SDGs on page 85.

Ensuring appropriate ethics governance

Famous Brands has implemented the following measures to ensure that we adequately govern and manage ethics within the Group:

- Policies related to ethics were published on the Group intranet.
- Whistle-blowing Policy is in place together with channels to report unethical activity.
- Regular internal communications campaigns on topics related to values and ethics.
- Training for managers and executives.

Focus areas for 2023

The Committee and the Social and Ethics Working Group worked on the following matters:

General
– Reviewed and approved the Committee Charter and annual Committee workplan. – Reviewed and accepted management's feedback (based on relevant legislation and best practice) regarding the Group's activities relating to: o Social and economic development. o Good corporate governance. o ESG matters. o Consumer relationships. o Labour and employment. – Reviewed and recommended the non-financial disclosures contained in the IAR to the Board for approval.
Social, health and the environment
– Monitored progress against the approved targets for the selected SDGs identified. – Monitored our health and safety procedures against globally accepted best practices. – Monitored enhanced food safety measures across the business through the new food safety effectiveness system. – Reviewed safety reports related to injuries and fatalities and agreed on comprehensive management reports to include near-miss incidents. – Evaluated management plans and their progress on projects related to: o Measures to monitor and improve our water and electricity consumption and report this data. o More environmentally friendly packaging options. o Initiative to reduce food waste. o The implementation of a new coffee recycling initiative (read more on page 105).
Governance and compliance *(refer to page 102 for more information)*
– Monitored POPIA compliance and increased POPIA awareness among employees and actions to improve data protection compliance in other markets. – Monitored the implementation of a software tool to support compliance with AARTO and the implications of this tool for disciplinary processes for drivers employed by Famous Brands. – Monitored the Group's compliance with the Extended Producer Responsibility legislation. – Monitored the implementation of the Competition Law Compliance Policy and competition law awareness.

Human capital and employment equity

- Reviewed and reported to the Board on the Group's employment equity performance relative to the Group's Employment Equity Plan, which was set out in the annual Employee Equity Report submitted to the Department of Labour.
- Reviewed and considered the employment equity targets agreed with the Department of Labour in the context of broader diversity objectives for the Group. This included the approach for recruiting people with disabilities and the process to help existing employees identify and report their disabilities.
- Gave input into the revised people with disabilities learnership programme.
- Considered the possible implications of the Employment Equity Amendment Bill, effective 1 September 2023.
- Noted the progress made with wage negotiations and relationships with the various trade unions.
- Noted the report on the Group's Code of Ethics and policies regarding gifts, conflict of interest, fraud and whistle-blowing.
- Noted the results of the ethics assessment and monitored the progress of ethics training across the Group.
- Noted the whistle-blowing cases monitored and investigated.
- Noted the results of the annual employee survey (Voice your View).

Preferential procurement

- Oversaw the implementation of the Group's transformation strategy, including enterprise and supplier development projects and preferential procurement.
- Reviewed and reported to the Board on the Group's detailed B-BBEE strategy, targets and budget, and progress made aligned to the scorecard.

Community development and CSI

- Approved the Group's CSI activities, provided the Board with updates on existing CSI projects and progress achieved, and recommended new proposed projects.

Focus areas for 2024

Famous Brands is active in the communities where we operate. A major improvement area is communicating better regarding our community involvement and contributions to the economic development of our operating territories. As a Committee, we will continue encouraging management to drive regular communications regarding our CSI work, sports sponsorships and community development.

Other key focus areas for the Committee for 2024 are:

- Overseeing wage negotiations with unions.
- Recommending and approving CSI projects for 2024.
- Development of a Sustainability Framework and an Environmental Programme, Strategy and Plan.
- Securing expert assistance with our SDGs selection, goal setting, monitoring and reporting.
- Overseeing our transformation strategy to maintain our Level 2 B-BBEE status.
- Monitoring safe performance with a focus on leading indicators such as training, communications campaigns and compliance with safety protocols.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the year. I will be present at the AGM to answer any questions regarding the statutory obligations of the Committee.

Alex Maditse
Chairman: Social and Ethics Committee

21 June 2023

Investment Committee report

"As the Investment Committee, we interrogate all investments against the overall business strategy. We also consider the difficult operating environment, including present and emerging risks, to make prudent investment choices."

Fagmeedah Petersen-Cook
Chairman: Investment Committee

Mandate

The purpose of the Investment Committee is to assist the Board in discharging its oversight responsibilities regarding the Company's investment strategy and policy. The Committee assists the Board in considering investment opportunities, approving acquisitions, disposals and capex, and reviewing the performance of previous investments.

Attendance and composition

Members	Invitees	Relevant skills profile of members
Chairman – F Petersen-Cook (2/2) ***Members*** – NJ Adami (2/2) – SL Botha (2/2) – CH Boulle (2/2)	– CEO – Group Financial Director – N Halamandaris – Group Risk Executive – Company Secretary	Committee members are highly skilled in actuarial science, business strategy and finance.

South Africa faces serious socio-economic challenges with low growth, high unemployment and an increasingly under-pressure consumer. This environment means that we must look critically at the growth potential of our primary market, assess our current investment and seek opportunities outside our borders. We must grow our brand footprint in the AME region and investing in on-the-ground resources to support this footprint.

As a Committee, we provide oversight on the Group's technology investments. In 2023, we tasked management with charting all the Group's technology touchpoints. This includes where technology currently plays a critical role in the business or could potentially play such a role and how we can improve our technology enablement. Our aim with technology is to improve our service delivery to our franchise partners and consumers.

Read more about our consumer-facing technology on page 82.

Not all our investments are consumer-facing. For example, we have invested in implementing a best-in-class warehousing management system and automating processes in our Logistics division. This has unlocked significant operational efficiencies compared to manual warehousing management or alternative systems. In the new KwaZulu-Natal Distribution Centre, we realised a step change in productivity from implementing the system. While premium systems can be expensive, they are important to unleashing value and ultimately reducing overhead costs.

Evaluating investments in technology demands asking management the right questions.

This includes interrogating whether the investment matches the business need and seeking expert independent technical opinions.

From a business strategy perspective, we must find ways to ensure the business is more resilient. This includes investing to make the business more energy resilient. The escalation of load shedding has meant that investments in own generation are no longer optional. These include investments in more efficient and powerful generators to continue operating effectively. Famous Brands has begun installing solar plants on some operational sites. Increased load shedding expected electricity rate hikes and tax incentives have strengthened the business case for solar.

Focus areas for 2023

The Committee reviewed and approved the annual workplan and Committee Charter. The Committee evaluated key investment projects, including:

- Investments related to the completed relocation of the KwaZulu-Natal Distribution Centre.
- The acquisition of the Midrand Campus with the aim of redeveloping the property (read more on page 18).
- Approving the purchase of a 51% shareholding in the Lexi's Healthy Eatery brand.
- Approving investment in newer, more efficient generators at operational sites and solar installations.
- Approving further investment in PAUL[1] in the form of a flagship restaurant in the Victoria & Alfred Waterfront to open in 2024.
- Evaluating the continued relevance and role of our Signature Brands portfolio.
- Approval of the creation of a cell captive insurance vehicle which Famous Brands will fund smaller and regular claims.
- Reviewed the weighted average cost of capital calculation and impairments.
- Postponed the investment in the new dough plant due to a poor weighted cost of capital calculation.
- Considered and approved the capex for strategic technology projects.
- Considered the current and future investment needs for the Company-owned restaurant portfolio.

Focus areas for 2024

Our focus areas for 2024 include the following:

- Deciding on a path forward for Signature Brands portfolio.
- Investing further in technology enablement at the front end and back end.
- Investing in the redevelopment of the Midrand Campus to unlock greater operational efficiencies.

I confirm that the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the financial year. I will be present at the AGM to answer any questions regarding the activities of the Committee.

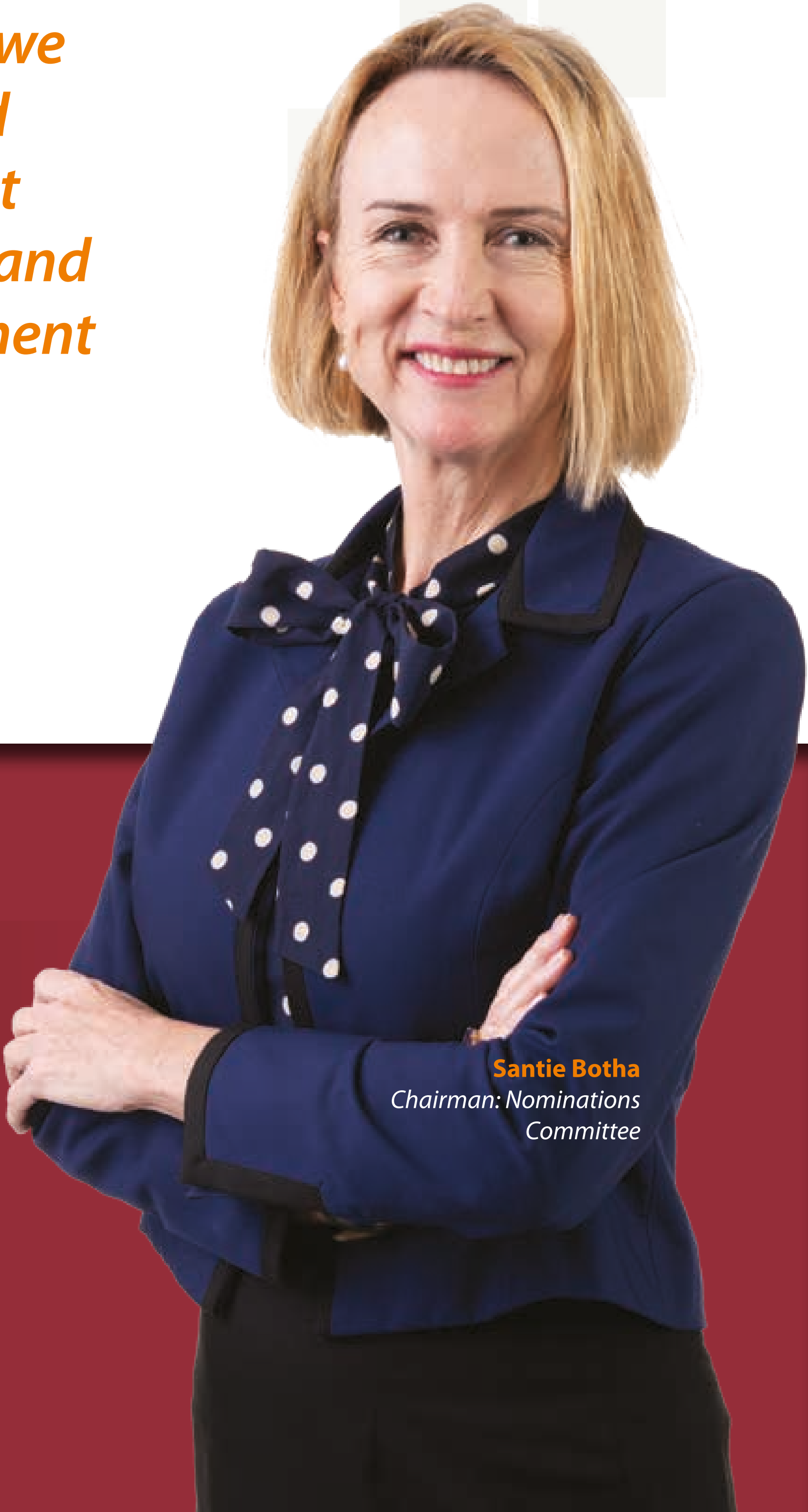
Fagmeedah Petersen-Cook
Chairman: Investment Committee

21 June 2023

[1] Licensed brand by PAUL International.

Nomination Committee report

"Our future success depends on matching the right people with the right opportunities. In 2023, we strengthened the Board with a new independent non-executive director and approved the appointment of the Group Financial Director-designate."



Santie Botha
Chairman: Nominations Committee

Mandate

The purpose of the Nomination Committee is to ensure that the composition and structure of the Board and its Committees and the executive leadership team perform at their best in support of the business and stakeholders. The Committee is also responsible for evaluating the overall performance of the Board and individual Board members and selecting the best candidates for each seat on the Board.

Attendance and composition

Members	Invitees	Relevant skills profile of members
Chairman – SL Botha (4/4) ***Members*** – NJ Adami (4/4) – AK Maditse (4/4)	– CEO – Company Secretary	Committee members are highly skilled in governance, law and business strategy.

Focus areas for 2023

The Committee reviewed and approved the annual workplan and Committee Charter. Our focus areas for 2023 included:

- Evaluated the Exco succession plan and related organogram, particularly focusing on Finance and Supply Chain.
- Considered internal and external candidates to succeed our Group Executive for Manufacturing and Logistics, who resigned in January 2023.
- Nominated the appointment of Thabo Mosololi as an independent non-executive director and member of the Audit and Risk Committee.
- Nominated the appointment of Nelisiwe Shiluvana as Group Financial Director-designate to replace Deon Fredericks as Group Financial Director on 1 August 2023.
- Reviewed the Board composition and was comfortable with the balance between independent non-executive directors, non-executive directors and executive directors.
- Considered the appropriate composition and rotation of Board members and the composition of various Board Committees, particularly the Audit and Risk Committee and Remuneration Committee.
- Considered leadership structures by evaluating a schedule of subsidiary boards and directors.
- Evaluated the Board's performance and effectiveness (page 117).

Focus areas for 2024

The focus areas for 2024 include the following:

- Appointing a successor for the Group Financial Director position.
- Appointing a successor for the Group Executive for Manufacturing and Logistics position.
- Succession planning for long-standing Board members and our Exco.
- Succession planning for the Group, focusing on key digital and data skills.

I confirm that the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the financial year. I will be present at the AGM to answer any questions regarding the activities of the Committee.

Santie Botha
Chairman: Nomination Committee

21 June 2023