



Moses Kotane Institute
INNOVATION. THE FUTURE

THE MOSES KOTANE INSTITUTE NPC
REGISTRATION NO. 2007/031250/08

BOARD CHARTER

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1. INTRODUCTION

This Board Charter is subject to the provisions of the PFMA, the Companies Act, 71 of 2008, King III and any other applicable laws or regulatory provisions. It is not intended to replace or amend legislation or regulations in any way whatsoever. References to the male gender are intended to equally reflect as references to the female gender, and vice versa.

2. PURPOSE OF THE BOARD CHARTER

The purpose of the Board Charter is to provide a concise overview of:

- a) The roles, responsibilities, functions and powers of the Board, the member(s) of The Moses Kotane Institute (“the Company”), individual members of the Board and the officials and executives of the Company;
- b) The powers delegated to various Board Committees of the Company;
- c) Relevant principles of the Company’s limits and delegations of authority and matters reserved for final decision-making or pre-approval by the Board; and
- d) The policies and practices of the Board in respect of matters such as corporate governance, trading by members of the Board in the interests of the Company, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation of members of the Board and members of Board Committees.

3. THE BOARD, MEMBER(S) AND OTHER OFFICIALS

3.1 The Member(s)

Matters reserved for decision-making by the Member(s) of the Company are set out in the Memorandum of Incorporation of the Company.

A matter reserved for decision-making by the Member(s) is considered by the Board before it is recommended to the Member(s) for decision-making. The Board will, where appropriate, provide the Member(s) with its recommendation and the relevant material information in respect of resolutions proposed for Member approval.

It is the policy of the Company to accurately disclose Company information to the Member(s) in such a way that the Member(s) is/ (are) apprised of all material aspects of the business of the Company.

The Chairperson, CEO and executives are expected to attend Member meetings. The Chairpersons of all Committees of the Board are expected to be available at the Annual General Meeting of the Member(s) of the Company to respond to relevant questions or queries.

3.2 The Board

3.2.1 General powers of the Board

The role, function and powers of the Board, the members of the Board (“the Directors”) and Committees are determined by the Companies Act and other relevant legislation such as the PFMA, agreements such as any shareholders’ compact(s) entered into (if applicable), corporate governance best practices (King III) and the decisions and policies of the Board.

The Board is responsible for the strategic direction of the Company and for the control of the Company. In managing or directing the affairs of the Company the Board has authority to exercise all of the powers and perform any of the functions of the Company except to the extent that the Act and other relevant legislation provides otherwise.

The Board accordingly has the power to make any decision in respect of the Company which has not been specifically reserved for decision-making by the Member.

The Board exercises its powers responsibly:

- a) In the best interests of the Company with due regard to the interest of stakeholders of the Company; and
- b) In compliance with the requirements of the law, principles of sound corporate governance and the Board's policies and procedures.

3.2.2 The role, functions and responsibilities of the Board

Within the powers conferred upon the Board by the Companies Act, the Board has determined its main function and responsibility as being to add significant value to the Company by, *inter alia*:

- a) Retaining full and effective control over the Company and providing effective leadership in the best interest of the Company;
- b) Informing and approving the strategies and strategic objectives of the Company and ensuring that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced;
- c) Determining and setting the tone of the Company's values including principles of ethical business practice and the requirements of being a responsible corporate citizen;
- d) Bringing independent, informed and effective judgment to bear on material decisions of the Company including material Company policies, the framework of delegated authorities, appointment and removal of the Chief Executive Officer, approval of the appointment or removal of Executive Committee members, capital expenditure, annual budgets and annual reports;
- e) Satisfying itself that the Company is governed effectively in accordance with corporate governance best practices including risk management, legal compliance management, appropriate and relevant non-binding industry rules, codes and standards and internal control systems to:
 - o Maximise sustainable impact;
 - o Safeguard the people, assets and reputation of the Company; and
 - o Ensure compliance with applicable laws and regulations;
- f) Monitoring the implementation by Board Committees and executive management of the Board's strategies, decisions, values and policies with a structured approach to governance, reporting, risk management, information management (including information technology) and risk-based auditing;
- g) Ensuring that the Company has effective Board Committees as required by the Companies Act, and recommended by best corporate governance practice (King III);
- h) Ensuring that there is an effective risk-based internal audit;
- i) Governing the disclosure control processes of the Company including ensuring the integrity of the Company's annual report and reporting on the effectiveness of the Company's system of internal controls;
- j) Ensuring that disputes are resolved as effectively, efficiently and expeditiously as possible; and
- k) Monitoring the relationship between management and stakeholders of the Company.

3.2.3 Matters reserved for decision-making by the Board

Without detracting in any way from the general powers of the Board, the Board from time to time determines, in terms of the framework of delegated authorities, which matters are:

- a) Reserved for final decision-making by the Board; or
- b) Require the Board's consent before a final decision is made.

Matters that have specifically been reserved for Board decision-making or consent prior to final decision-making and the approval authority of the Board Committees in respect of Company matters are summarised in the delegations of authority (attached as Annexure F hereto). All other matters are delegated to the Chief Executive Officer subject to the obligation to report all material matters to the Board.

3.2.4 Composition of the Board, appointment and rotation

- 1) The Board comprises a minimum of 3 (three) Directors.
- 2) Notwithstanding anything to the contrary, for as long as the Company is a Public Benefit Organisation, at least 3 (three) of the Directors will not be connected persons.
- 3) Directors shall be elected by the Members at a general or Annual General Meeting of the Company.
- 4) An election of a Director that could be conducted at a Members' meeting may instead be conducted by written polling of all the Members entitled to exercise voting rights in relation to the election of that Director.
- 5) In any election of Directors –
 - o the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
 - o in each vote to fill a vacancy –
 - each vote entitled to be exercised may be exercised once; and
 - the vacancy is filled only if a majority of the votes exercised support the candidate.
- 6) In addition to the Member elected Directors, there are no appointed or *ex officio* Directors of the Company, as contemplated in section 66(4) of the Act.
- 7) To become or remain a Director or a Prescribed Officer of the Company, a person needs to satisfy the qualifications and eligibility requirements set out in section 69 of the Act. For avoidance of doubt, the following persons will be ineligible or disqualified from serving as Directors:
 - o a Juristic Person;
 - o an unemancipated minor;
 - o a person prohibited by a court from serving as such, or having been declared to be delinquent in terms of the Act;
 - o an unrehabilitated insolvent;
 - o a person prohibited by public regulation from being a Director;
 - o a person removed from an office of trust, on the grounds of misconduct involving dishonesty;
 - o a person convicted of a crime and imprisoned without the option of a fine or fined more than the prescribed amount, for any offence involving theft, fraud, dishonesty, forgery, perjury, or in connection with the formation and management of a company, or in terms of the Insolvency Act, 1936, the Close Corporations Act, 1984, the Competition Act, the Financial Intelligence Centre Act, 2001, the Security Services Act, 2004 or the Prevention and Combating of Corruption Activities Act, 2004.

- 8) One-third of the Directors shall retire each year at the Annual General Meeting. The Directors to retire each year shall be those who have been longest in office since their last election. The Directors who form the Board at date of the Annual General Meeting at which election is to take place, shall automatically be eligible for re-election without nomination being required.
- 9) Despite article 4.1.8 of the MOI, a Director shall cease to hold office as such:
 - o if he/she becomes ineligible or disqualified in terms of the Act or the MOI;
 - o if he/she resigns;
 - o if he/she is removed in terms of an ordinary resolution of the Members as provided for in section 71(1) of the Act;
 - o if he/she is removed in terms of a Board resolution as provided for in section 71(3) of the Act; or
 - o if he/she is absent from meetings of the Directors for 6 (six) consecutive months without leave of the Directors and the Directors resolve that his office be, by reason of such absence, vacated; provided that the Directors shall have the power to grant to any Director not resident in the Republic leave of absence for any or an indefinite period.
- 10) All acts done by any Board meeting or Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Director, or that such Director were disqualified, be valid as every such Director had been duly appointed and was qualified to be a Director.
- 11) Alternate Directors may be appointed when and if required, subject to the provisions of article 4.2 of the Company's MOI.
- 12) In the instance where a Director does not attend meetings of the Board (or Board Committee meetings) for a period of 6 (six) consecutive months without leave, they would be notified that they will no longer qualify to be a member of the Board. The same would apply to non-Board members (independent members) represented on the Committees of the Board.

This Board Charter is considered to be an integral part of the conditions of appointment of all members of the Board. Future letters of appointment should attach the Board Charter and specifically incorporate it by reference.

3.2.5 Board Committees

In terms of clause 14 of the Act the Board is empowered to appoint Board Committees and to delegate powers to such Committees. The Board delegates certain functions to well-structured Committees but without abdicating its own responsibilities.

Delegation is formal and involves the following:-

- a) Formal terms of reference are established and approved for each committee of the Board;
- b) The appointment process of the Committee follows a public process of calling for nominations for specific skill sets in line with a) above;
- c) Nominations received through the public advertisement will be received by the CEO and presented to the Board for consideration;
- d) The Committees' terms of reference are reviewed once a year;
- e) The Committees are appropriately constituted with due regard to the skills required by each Committee;
- f) The Board establishes a framework for the delegation of authority to management;
- g) The Board notes reports from and/ or the minutes of the meetings of each Committee of the Board; and
- h) The Board monitors the activities of Committees and individuals with delegated authority.

The Board has the following committees:

- Audit and Risk Committee
- Finance Committee
- Education and Skills Development Committee
- Human Resources Committee
- Social and Ethics Committee

The Management Committee (“MANCO”) is not a committee of the Board, but supports the Chief Executive Officer, who is the highest executive decision-making functionary of Company and is delegated with authority from, and is accountable to, the Board for the development and successful implementation of the Company’s strategy and the overall management and performance of the Company, within the framework of its policies, reserved powers and routine reporting requirements, consistent with the primary aim of enhancing long-term Member/stakeholder vision. The Company’s delegation of authority framework authorises any member of the MANCO to sign and execute any documents required to implement a decision taken by the Chief Executive Officer, the MANCO or Board, unless specifically indicated otherwise by the Chief Executive Officer, the MANCO or the Board respectively.

3.2.6 Board meetings and Board documentation

3.2.6.1 Frequency

The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter. The Board meets quarterly and at such additional ad hoc times as may be required.

3.2.6.2 Agenda, meeting papers 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.

A detailed agenda, together with supporting documentation, must be circulated approximately 5 (five) business days prior to each meeting to the members of the Board and other invitees. The Chairperson and Chief Executive Officer, with the assistance of the Company Secretary, must ensure that the agenda, as prepared, raises all relevant issues requiring attention in such a way and sequence that effective proceedings are facilitated.

All meeting papers and submissions made at the Board meeting are strictly confidential and members of the Board must under no circumstances circulate them to any other parties. Members of the Board are expected to manage their security passwords providing electronic access to their agenda packs with due care and vigilance. A record of Board submissions shall be maintained and held by the Company Secretary. Members of the Board may arrange with the Company Secretary to obtain access to records of Board documentation and minutes if required by them in the course of discharging their duties as Directors.

The minutes must be completed as soon as possible after the meeting (within 2 weeks following each meeting) and circulated to the Chairman of the Board for review.

3.2.6.3 Attendance

Board members/ Directors must use their best endeavours to attend all meetings of the Board, including meetings called on an ad hoc basis for special matters, unless prior apology with reasons have been submitted to the Chairperson or Company Secretary. Directors must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion. They are expected to participate fully, frankly, and constructively in Board discussions and to bring the benefit of their particular knowledge, experience, skills and abilities to bear in discharging their duties as members of the Board.

The Chairperson may at his or her discretion authorise the use of audio or video conferencing facilities to make participation in a Board meeting possible should attendance in person not be possible.

If the nominated Chairperson of the Board is absent from a meeting, the Deputy Chairperson will act as Chairperson, failing which the members present must elect one of the Directors present to act as Chairperson.

Directors who fail to attend meetings for a period of 6 (six) consecutive months will be disqualified to be members of the Board.

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

3.2.6.4 Quorum

The quorum for a meeting of the Board is a majority of the members of the Board.

3.2.6.5 Written Resolutions

It is the policy of the Board to limit the use of written resolutions to instances where the resolution is a mere formality or where the matter requiring decision by written resolution is of such an urgent nature that it cannot be deferred until the next Board meeting. The Chairperson, with the assistance of the Company Secretary, should consider in respect of each written resolution whether an urgent extraordinary Board meeting would be a more appropriate decision-making procedure than a written resolution. Each member of the Board who is able to receive notice must receive notice of the matter to be decided by written resolution.

Decisions taken by written resolution other than at a meeting are valid decisions of the Board if signed by a majority of members of the Board.

3.3 The Chairperson

The Chairperson is elected by the Member of the Executive Council and is a non-executive member of the Board with no executive or management responsibilities. The Chairperson provides leadership at Board level, represents the Board to the Member(s) and is responsible for ensuring the integrity and effectiveness of the Board and its Committees.

To this end the Chairperson is required to:

- a) Set the ethical tone for the Board and the Company;
- b) Provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Directors;

- c) Oversee the formal succession plan for the Board and Chief Executive Officer;
- d) Maintain regular dialogue with the Chief Executive Officer in respect of all material matters affecting the Company and to consult with the other Directors promptly when considered appropriate;
- e) Identify and participate in selecting Subcommittee board members and oversee succession planning for the Board, and Chief Executive Officer and certain senior management appointments, such as the Chief Financial Officer;
- f) Formulate with the Chief Executive Officer and Company Secretary the yearly work plan for the Board against agreed objectives, and play an active part in setting the agenda for Board meetings; ensure that material matters in respect of the business or governance of the entity that he is aware of, are tabled at Board meetings;
- g) Preside over Board meetings and ensure that material issues for consideration are tabled and interrogated effectively to ensure optimal Board decision-making and governance, manage conflicts of interest and act as a link between the Board and management, particularly the Board and the Chief Executive Officer;
- h) Ensure that members of the Board play a full and constructive role in the affairs of the Company and take a leading role in the process for recommending to the MEC removal of non-performing or unsuitable Director from the Board;
- i) Monitor how the Board works together and how individual members of the Board perform and interact at meetings, and ensure that the performance of the Board, Board Committees and individual Directors is conducted annually;
- j) Ensure that all Directors are appropriately made aware of their responsibilities through a tailored induction programme, and ensuring that a formal programme of continual professional education is adopted at Board level;
- k) Be accessible to the Chief Executive Officer between Board meetings to provide counsel and advice;
- l) Assist the HR Committee and the Board in determining the performance objectives of the Chief Executive Officer and his performance against the objectives; and
- m) Ensure that good relations are maintained with the Company's Member(s) and strategic stakeholders.

The Chairperson:

- a) May not be a member of the Audit Committee;
- b) May be a member but may not chair the Human Resources Committee.

The Chairman's ability to add value to the Company, and the Chairman's actual performance against criteria developed from his/her formalised role and functions should form part of a yearly evaluation by the Board, led by the Deputy Chairperson or Independent person. The evaluation should take into account other external chairmanships to determine whether the Chairperson has the capacity to discharge his/her duties to the Company.

3.4 Deputy Chairperson

The responsible Member of the Executive will appoint a Deputy Chairperson to assist the Chairperson in the execution of his duties and such other functions as the Board may wish to delegate to the Deputy Chairperson. Where the Chairperson is absent or unable to perform his duties or where the independence of the Chairperson is questionable or impaired, the Deputy Chairperson must serve in this capacity for as long as the circumstances that caused the Chairperson's absence, inability or conflict persist.

While the circumstances that caused the Chairperson to be absent, unable to perform his duties or to be conflicted persist, the Deputy Chairperson, as the case may be, is authorised to:

- a) Assist the Board to deal with management of any actual or perceived conflicts of interest that arise on the part of the Chairperson;
- b) Preside at all meetings of the Board at which the Chairperson is not present or where the Chairperson is conflicted, including any sessions of the independent member of the Board;
- c) In consultation with the Company Secretary, call meetings of the independent member of the Board where necessary;
- d) Serve as principal liaison between the independent member of the Board and the Chairperson;
- e) Perform all such functions that cannot be performed by the Chairperson due to his absence or the existence of a conflict of interest;
- f) Liaise with shareholder if requested by the Board in circumstances or transactions in which the Chairperson is conflicted; and
- g) Perform other duties that the Board may from time to time delegate.

3.5 The Chief Executive Officer

The Board must, in consultation with the responsible Member of the Executive Council, appoint a suitably qualified, skilled and experienced person as Chief Executive Officer. The duration of his/her appointment, terms of appointment and compensation are determined by the Board upon recommendation of the Human Resources Committee. The Board is accountable for ensuring, with the assistance of the Human Resources Committee, that succession plans are in place for the Chief Executive Officer and other members of the Executive Committee.

The Chief Executive Officer may not be a member of the Human Resources and Audit and Risk Committees, but may attend on invitation and recuse him/herself when conflicts arise, particularly when his/her performance and remuneration are discussed.

- a) In terms of the Delegations of Authority, the Chief Executive Officer is the highest executive decision-making functionary of the Company and is delegated with authority from, and is accountable to, the Board for the development and successful implementation of the Company's strategy and the overall management and performance of the Company within the framework of its policies, reserved powers and routine reporting requirements, consistent with the primary aim of enhancing long-term stakeholder value;
- b) The Chief Executive Officer must inform the Board of any material matter which may have a significant impact on the financial results or substantially impact the reputation of the Company;
- c) The Chief Executive Officer may exercise power and authority on, or delegate further, any matter necessary for the effective management and performance of the Company, which is not specifically reserved for the Board or the Member(s).

The Chief Executive Officer's role is formalised and his/her performance is evaluated against criteria developed for his role. The Chief Executive Officer is accountable to the Board to, amongst other things:

- a) Agree and recommend for approval to the Board matters specified in the Company's limits and delegation of authority framework;
- b) Recommend the appointment of Executive Management and ensure proper succession planning and performance appraisals of members;

- c) Develop and recommend to the Board the long-term strategy and vision of the Company and its quantified expression by way of critical short-term and long-term performance and sustainability targets;
- d) Keep up to date with developments and trends in STEM education and identify potential future opportunities and challenges facing the Company [with reference to c) above];
- e) Ensure that opportunities for partnership development and potential funders are assessed and planned for accordingly, maximize the interests of the Company through an effective communication and relationship building strategy and maintain relations with key partners and targeted funders;
- f) Develop and recommend to the Board the capital expenditure programme of the Company;
- g) Develop and recommend to the Board the annual business plans and budgets that support the Company's long term strategy;
- h) Ensure that the Company has an effective management team and management structures;
- i) Monitor and report to the Board on the effectiveness of legal compliance controls, processes, systems and resource capacity;
- j) Monitor the performance of the Company against agreed performance and sustainability targets and report appropriately to the Board about such performance;
- k) Establish an organisational structure and operating model for the Company to ensure effective execution of the Company's strategy, sustainability, governance and control imperatives;
- l) Set the tone in providing ethical leadership and creating an ethical environment;
- m) Ensure that effective internal controls, legal compliance and governance measures are deployed;
- n) Ensure adherence to the relevant best practices standards unless there are cogent reasons for not implementing such standards and best practices; and
- o) Serve as the chief information officer of the Company.

The Board shall ensure that a succession plan is in place for the Chief Executive Officer.

3.6 The rights and duties of individual members of the Board

The Board exercises its functions jointly and Director has any authority to severally perform any act on behalf of the Company or the business unless specifically authorised or requested by the Board or authorised nominees of the Board. Members of the Board are jointly accountable for the decisions of the Board.

Members of the Boards' duties, standards of conduct and liabilities are captured in the Company's MOI. Members of the Board have a legal obligation to act in the best interest of the Company, to act with due care, diligence and skill in discharging their duties as members of the Board, to declare and avoid conflicts of interest with the Company and to account to the Company for any advantages gained in discharging their duties on behalf of the Company.

Members of the Board may at any time request a meeting with the Chairperson and will individually meet with the Chairperson on an annual basis to discuss the Board and Committee matters. The Chairperson will invite non-executive members of the Board from time to time to indicate whether they have a need to meet as a group without him/her and/or the executive management.

The Board is of the view that the interests of the Company are better served if the Board functions as a team rather than a fractious, uneasy coalition of executive, non-executive and independent factions.

Members of the Board/ Directors have access to top management and the Company Secretary for advice about the governance of the Company and Board procedures and may, after consultation with the Chairperson, obtain such external advice as they may consider necessary to properly discharge their duties to the Company.

3.7 The Company Secretary

The decision to appoint or remove the Company Secretary is a Board decision. The Board should be assisted by a competent, suitably qualified and experienced Company Secretary, but is not obliged to appoint a Company Secretary in terms of its MOI.

The Company Secretary provides a central source of guidance and support to the Board and within the Company on matters of good governance and changes in legislation. The Board is aware of the duties of the Company Secretary and empowers him/her to fulfil those duties. As gatekeeper of good governance, the Company Secretary maintains an arm's length relationship with the Board and its members as far as is reasonably possible.

The Company Secretary is not a member of the Board of the Company and has a direct channel of communication to the Chairperson.

The Company Secretary is accountable to the Board to:

- a) Ensure that Board procedures are followed and reviewed regularly;
- b) Ensure that the applicable rules and regulations for conduct of the affairs of the Board are complied with;
- c) Maintain statutory records in accordance with legal requirements;
- d) Provide the Board as a whole and individual Board members with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Entity and on good governance;
- e) Keep abreast of, and inform the Board of current corporate governance thinking and practice;
- f) Advise on governance issues;
- g) Assist with member of the Board induction and training programmes;
- h) Ensure that the Board Charter and the terms of reference of Board committees are kept up to date;
- i) Prepare and circulate Board and Board committee papers;
- j) Elicit responses, input, feedback for Board and Board committee meetings;
- k) Assist in drafting annual work plans;
- l) Ensure preparation and circulation of minutes of Board and committee meetings; and
- m) Assist with the evaluation of the Board, committees and individual members of the Board.

3.8 Public Communication

In line with the communication policy of the Company, the CEO is the Chief Information Officer (CIO) of the Company. All media related questions and statements and public statements and engagements will be approved by the CEO. No members of the Board should engage with the public media without consulting the CIO.

3.9 Board Members' Fees

A member of the Board may be paid from the funds of the Company such remuneration and allowances as may be determined by the responsible Member of the Executive Council in consultation with the Member of the Executive Council responsible for finance. The MEC will issue annual circular regulating the amounts to be paid to the Board members.

4. DISCLOSURE AND CONFLICTS OF INTEREST

In terms of the Companies Act a member of the Board who has a personal financial interest in respect of a matter to be considered at a Board meeting, or knows that a related person has a personal financial interest in the matter:

- a) Must disclose the general nature of the interest before the matter is considered;
- b) Must disclose all material information known to the member of the Board to the meeting;
- c) May disclose observations and insights relating to the matter if requested by the other member of the Boards to do so; and
- d) May not be present at the meeting where the matter is discussed, and may not participate in the consideration of the matter.

A member of the Board must disclose any personal financial interest in advance by delivering to the Company Secretary a notice setting out the nature and extent of the financial interest to be used until changed or withdrawn on an annual basis. A member of the Board who acquires a direct personal financial interest after an agreement or other matter has been approved by the Company, must promptly disclose the nature and extent of that interest to the Board.

Failure to make disclosure of interest in compliance with the policy will render decisions, transactions or agreements invalid.

The Company Secretary will submit all disclosures of interest to the Board at the first subsequent meeting. The Board is required to:

- a) Consider all declarations of interest;
- b) Report to the Board any conflicts of interest which require specific action by the Board;
- c) Recommend to the Board which member of the Board should be categorised for governance purposes as an executive member of the Board, non-executive member of the Board and independent non-executive member of the Board.

Enduring material conflicts of interest are regarded by the Board as incompatible with the fiduciary duties of member of the Boards. Members of the Board are appointed on the express understanding and agreement that they may be removed by the Board if and when they develop an actual or prospective material, enduring conflict of interest with the Company.

5. POLICY IN RESPECT OF CORPORATE GOVERNANCE

The Company complies with all applicable corporate governance legislation. It is also the policy of the Company to apply the principles of the King Code of Corporate Governance Principles (2009) to the extent that they advance effective business leadership. In addition, the Company's corporate governance practices are reviewed frequently in view of changes to the Company and national and international developments in respect of corporate governance in order to proactively adapt the corporate governance practices of the Company should it be in the best interests of the Company to do so.

6. PERFORMANCE EVALUATION: BOARD, BOARD COMMITTEES AND INDIVIDUAL MEMBERS OF THE BOARD AND MEMBERS OF COMMITTEES

The evaluation of the Board, its Committees and individual member of the Boards, including the Chairperson, must be performed every year.

The Member(s) is/ (are) responsible for annually reviewing the effectiveness of the Board and Board Committees and its individual members. For this purpose the Member(s) adopts an appropriate methodology to perform the performance evaluations.

An independent company/ person shall ensure that the performance of the Chairperson is evaluated annually and shall chair those portions of meetings at which the Chairperson's performance appraisal is discussed.

7. POLICY IN RESPECT OF DISPUTE RESOLUTION

It is the policy of the Company to ensure that internal and external disputes are resolved as effectively and expeditiously as possible. To this end consideration shall be given in respect of each financial and reputational material dispute whether settlement, litigation, arbitration, mediation or other forms of alternative dispute resolution would be the most effective methodology to resolve a dispute in the best interests of the Company. The merits of claims against the Company or allegations of misconduct or non-compliance against the Company should be investigated thoroughly before a final decision is made to defend the claim or not to act in respect of an allegation of misconduct or non-compliance.

If non-compliances are uncovered, consideration should be given to engage with the relevant authorities or, if relevant, to apply for leniency if it would be in the interests of the Company.

The validity and veracity of reasons for defending a claim against the Company should be confirmed by written external legal advice before the commencement of formal legal proceedings to institute a legal action by way of formal legal proceedings.

The authority to make decisions in respect of dispute resolution and to represent the Company is governed by the delegated authorities as approved by the Board from time to time.