



BALWIN PROPERTIES LIMITED
Registration number 2003/028851/06

BOARD CHARTER

1. Constitution and Purpose

- 1.1 The Board of Directors (the Board) of Balwin Properties Limited (the Company) acknowledges the need for a Charter as recommended in the Code of Governance Principles as contained in the Report on Governance for South Africa 2016 ("King IV"). This Charter shall be subject to the provisions of the Companies Act 71 of 2008 as amended, the Company's Memorandum of Incorporation ("Moi") and any other applicable laws or regulatory provisions.
- 1.2 The purpose of this Charter is to set out the Board's role and responsibilities, membership, requirements of procedural conduct. [King IV, Principle 6-2]
- 1.3 The Board will adopt a Policy on the protocol to be followed in the event that it or any of its members or Committees need to obtain independent, external professional advice at the cost of the Company on matters within the scope of their duties (refer to the **Access to Professional Advice Policy**) [King IV, Principle 6-4]
- 1.4 Members of the Board should individually and collectively cultivate the following characteristics and exhibit them in their conduct in terms of integrity, competence, responsibility, accountability fairness and transparency in order to offer effective leadership that results in achieving strategic objectives and positive outcomes over time. [King IV, Principles 1-1 and 1-2]

2. Role

The Board will:

- 2.1 Exercise leadership by:
 - steering the Company and setting its strategic direction;
 - approving policy and planning that give effect to the direction provided;
 - overseeing and monitoring of implementation and execution by Management; and
 - ensuring accountability for Company performance by means of, among others, reporting and disclosure. [King IV, Principle 6-1]
- 2.2 Assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the legitimate interests of the Company and its Shareholders. The Board, at all times,

- shall retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company. [King IV, Principle 6-1]
- 2.3 Be committed to ensuring good corporate governance throughout the Company in line with the following requirements of the King IV Report on Corporate Governance in South Africa 2016.
- 2.4 Act as the focal point for, and custodian of corporate governance by managing its relationship with Management, the Shareholders and other stakeholders of the Company along sound corporate governance principles. [King IV, Principle 6-1]
- 2.5 Be expected to:
- acquire a working knowledge and understanding of the Company's business and the laws, regulations and processes that govern the activities of the business;
 - have an ability to make sound business decisions and recommendations;
 - exercise judgment independently, and
 - exercise stewardship at all times and uphold the highest degree of ethics in all forms of conduct. [King IV, Principle 6-1]
- 2.6 Acknowledge that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
- Steering and setting the direction for the realisation of the Company's core purpose and values through its strategy;
 - Delegate to Management the formulation and development of the short, medium and long-term strategy;
 - Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
 - Identifying key performance and risk areas;
 - Consider legitimate and reasonable needs, interests and expectations of material stakeholders;
 - Ensuring that the strategy will result in sustainable outcomes; and
 - Considering sustainability as a business opportunity that guides strategy formulation. [King IV, Principle 4-1 to 4-3]
- 2.7 Ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the communities within which it operates. [King IV Principle 3-11]
- 2.8 Ensure that there is an effective risk-based internal audit function. [King IV, Principle 15-48]
- 2.9 Be responsible for the governance of risk and technology by setting the direction for how technology and information should be approached and addressed in the Company. [King IV, Principle 12-10]
- 2.10 Ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards.

- 2.11 Acknowledge that stakeholders' perceptions affect the Company's reputation.
- 2.12 Ensure the integrity of the Company's Integrated Annual Report. [King IV, Principle 5-14]
- 2.13 Act in the best interests of the Company by ensuring that individual directors:
- are permitted to take independent advice in connection with their duties following an agreed procedure (*refer to the **Access to Professional Advice Policy***);
 - disclose real or perceived conflicts to the Board and deal with them accordingly (*refer to the **Declaration and Conflict of Interest Policy***); and
 - deal in securities only in accordance with the policy adopted by the Board (*refer to the **Trading in Shares Policy***). [Companies Act 2008 Section 75; King IV, Principle 6-3]
- 2.14 Commence business rescue proceedings as soon as the Company is financially distressed.
- 2.15 Ensure that each Board member shall comply with all relevant legislation and shall be required to maintain strict confidentiality of all information provided relating to the business of the Company.
- 2.16 Have unrestricted access to all Company information, records, documents and property. The Company Secretary shall assist the Board in providing any information or document that may be required.

3. Composition and Membership

- 3.1 The Board shall comprise not less than 4 members, appointed in accordance with the requirements of the Company's Memorandum of Incorporation and the Companies Act, 2008. [Companies Act 2008, Section 66(2)]
- 3.2 The Board shall comprise a balance of Executive and Non-Executive Directors, with the majority being Non-Executive Directors. [King IV, Principle 7-7]
- 3.3 The majority of Non-Executive Directors shall be independent. [King IV, Principle 7-8]
- 3.4 Members of the Board may be categorised by the Board as independent if it concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making in the best interests of the Company. [King IV, Principle 7-27]
- 3.5 The Chief Executive Officer and Chief Financial Officer shall be, *ex officio*, members of the Board. [King IV, Principle 7-9]
- 3.6 The Chairman of the Board shall be an Independent Non-Executive Director. [King IV, Principle 7-31]
- 3.7 Targets for race and gender representation shall be considered when appointing Directors (*refer to the **Gender Diversity Policy***). [King IV, Principle 7-11]

- 3.8 Directors are appointed through a formal process and the Remuneration & Nominations Committee assists with the process of identifying suitable candidates to be proposed to the Shareholders (*refer to **Appointment of Directors Policy***). [King IV, Principle 7-15]
- 3.9 Inexperienced Directors are developed through a mentorship program. [King IV, Principle 7-23]
- 3.10 The Board of Directors shall be individuals of calibre and credibility and have the necessary skills and experience. In this regard, the Human Resources, Remuneration & Nomination Committee shall ensure continuity of directorships and shall undertake succession planning of Directors and other key Personnel. [King IV, Principle 7-7]
- 3.11 The size of the Board shall be sufficiently large to ensure the presence of a wide range of skills, knowledge and experience without compromising common purpose, involvement, participation and a sense of responsibility amongst the members necessary to meet the Company's strategic objectives. [King IV, Principle 7-7]
- 3.12 All Non-Executive Directors shall be subject to retirement by rotation and re-election by Shareholders at least once every three years, consistent with the Memorandum of Incorporation. [King IV, Principle 7-12]
- 3.13 New Non-Executive Directors shall only hold office until the next annual general meeting at which they will retire and become available for re-election. To ensure continuity of experience and knowledge, the Company has adopted a process of staggered continuity and re-election of Directors, in terms of the Memorandum of Incorporation. [Companies Act, 2008 Section 70(3)]
- 3.14 Only Executive Directors shall be engaged by means of service/employment contracts. Termination of service/employment contracts of Executive Directors shall automatically include their resignation from the Board.
- 3.15 A Non-Executive Director of the Board may continue to serve, in an independent capacity, for no longer than nine years if, upon an assessment by the Board conducted every year after nine years, it is concluded that the member exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. [King IV, Principle 7-29]
- 3.16 Any Non-Executive Director is at liberty to accept other Board appointments provided such appointment is not in conflict with the business of the Company and shall not detrimentally affect the Director's contribution. Directors are therefore requested to carefully consider the number of appointments they take in this capacity. [King IV, Principle 7-35]

4. Attendance at meetings

- 4.1 Meetings of the Board shall be held at such time and at such venue as the Board deems appropriate, but it shall normally meet **at least four times a year** or at the instance of a Board member. [King IV, Principle 6-5]

- 4.2 The quorum necessary for the transaction of business of the Directors shall be the majority of directors for the time being in office. [King IV, Principle 7-7]
- 4.3 A meeting may be conducted by way of electronic media such as video or telephone conferencing which shall enable all members necessary to form a quorum to participate simultaneously.
- 4.4 Directors shall use their best endeavours to attend Board meetings and to prepare thoroughly. Directors who are unable to attend shall advise the Company Secretary in advance of scheduled meeting. [King IV, Principle 1-1]
- 4.5 Members of Senior Management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote. [King IV, Principle 8-47]

5. Proceedings at meetings

- 5.1 Unless varied by the Charter, meetings and proceedings of the Board shall be governed by the Company's Memorandum of Incorporation.
- 5.2 If the Chairman of the Board is absent from a meeting, the members present must elect one of the members present to act as Chairman.
- 5.3 The Board must establish an Annual Work Plan for each year to ensure that all relevant matters are addressed in the agendas of the meetings planned for the year.
- 5.4 The Annual Plan must ensure proper coverage of the matters laid out in this Charter. The more critical matters will be attended to each year while other matters may be dealt with on a rotation basis over a three-year period.
- 5.5 The Chairman may meet with the Chief Executive Officer, Managing Director and the Chief Financial Officer and/or the Company Secretary prior to a meeting to discuss important issues and agree the agenda.
- 5.6 Unless under exceptional circumstances, members and other invitees shall be notified at least five (5) working days in advance of a meeting and such notification shall include the venue, time, date and agenda items to be discussed.
- 5.7 The minutes must be completed as soon as possible and an action report must be circulated to the members. The minutes must be formally approved by the Board at its next scheduled meeting. [Companies Act 2008, Principle 73(6)]
- 5.8 The Company Secretary shall attend and minute all meetings and shall record the proceedings and decisions taken, the details of which shall remain confidential.
- 5.9 The Chairman must excuse from the meeting or from any item on the agenda any of the directors/attendees at a meeting who may have or may be considered by the Board to have a conflict of interest. [Companies Act 2008, Section 75]

- 5.10 Directors are expected to participate fully, frankly and constructively in discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the table.
- 5.11 Making a statement in the Integrated Annual Report on its duties and activities, the processes used in discharging its responsibility, the membership of the board, and number of Board meetings and attendance of directors over the course of the year. [King IV, Principle 6-5]

6. Roles and Responsibilities of the Board

Without detracting from the generality of the role of the Board described in paragraph 2, the Board is responsible for the following specific activities, which activities should be carried out in accordance with the Companies Act 2008 as amended, the JSE Listings Requirements and King IV:

Strategic [King IV, Principle 4]

- 6.1 Delegate to management the formulation and development of the Company's **short (1 year), medium (2-5 years) and long-term (5-10 years) strategy** and the approval thereof. [Principle 4-2 and 4-3]
- 6.2 Formulation, approval and monitoring of the strategy, goals, business plans and annual budgets, and of any subsequent material changes in strategic direction or material deviations in business plans. [King IV, Principle 4-4]
- 6.3 Consideration and approval of any material departure from strategic objectives and policies, including significant re-alignment of the businesses in which the Group operates or is invested.
- 6.4 Consideration and approval of any major transactions outside the ordinary course of the Company's business.
- 6.5 Evaluation of all key assumptions and business indicators on which the Company's strategic objectives and policies are based. [King IV, Principle 4-3]
- 6.6 Assesses and responsibly respond to the negative consequences of its activities and outputs on the triple context (economy, society and environment). [King IV, Principle 4-7]
- 6.7 Considers and review all important Group wide policies regulating the Company's relations with its primary stakeholders and significant issues arising from these relationships, including, but not limited to risk management and compliance, investment decisions and others falling within the ambit of the Board Committees' responsibilities. [King IV, Principle 13-1]

Financial, Internal Control and Assurance

- 6.8 Approving the Interim and Annual Financial Statements as well as any other public announcements, ensuring that the financial statements fairly present the financial position and contain proper disclosures and conform to the law. These should present a balanced and understandable assessment of the Company's position

and prospects, and should also report on corporate governance and risk management. [King IV, Principle 5-11]

- 6.9 Reviewing and recording the facts and assumptions on which the Board relies to conclude that the Company will continue as a going concern in the coming financial year. [King IV, Principle 5-13]
- 6.10 Bi-annually assess the Group's solvency and liquidity to ensure the general viability of the group. [Companies Act 2008, Section 4]
- 6.11 Explaining, in the Integrated Annual Report, its responsibility for preparing the accounts and ensuring that it contains a statement by the External Auditors about their reporting responsibilities.
- 6.12 Approving the adoption of any significant change or departure in the accounting policies and practices of the Company.
- 6.13 Approving any material loan facilities from any financial institution or other body.
- 6.14 Granting of financial assistance to any related or inter-related parties. [Companies Act 2008, Section 45]
- 6.15 Recommending to Shareholders of any increase or reduction in or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any share incentive scheme). [Companies Act 2008, Section 36]
- 6.16 Considering, and, if appropriate, declaring or recommending the payment of dividends and any other distributions to shareholders, as may be deemed necessary and appropriate. [Companies Act 2008, Section 46]
- 6.17 Assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The Board delegate to the Audit & Risk Committee the responsibility for overseeing that those arrangements are effective in achieving its objectives. [King IV, Principle 15-40]
- 6.18 Enable an effective internal control environment. [King IV, Principle 15-40]
- 6.19 Satisfy itself that a Combined Assurance Model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objections for assurance. [King IV, Principle 15-41]
- 6.20 Ensure that the appointment of the auditor complies with relevant legislation, including the Companies Act, and the Auditing Professions Act 2005. [Companies Act, 2008 Section 94(7)]

Risk Management [King IV, Principle 11]

- 6.21 Developing clear definitions of the levels of materiality or sensitivity in order to determine the scope and delegation of authority and ensuring that it reserves specific powers and authority for itself. Delegated authority should be in

accordance with the Delegation of Authority Policy and Framework, as amended from time to time. [King IV, Principle 8-41]

6.22 Assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the Company. Risk governance should encompass both:

- the opportunities and associated risks to be considered when developing strategy; and
- the potential positive and negative effects of the same risks on the achievement of Company objectives. [King IV, Principle 11-1]

Technology and Information [King IV, Principle 12]

6.23 Ensuring that technology and systems used in the Company are adequate to run the business properly for it to compete through the efficient use of its assets, processes and resources. [King IV, Principle 12-11]

6.24 Ensuring that key risk areas and key performance indicators of the business are identified and maintained, with particular attention to technology and systems. [King IV, Principle 12-13]

Compliance with Laws, Non-Binding Rules, Codes and Standards [Principle 13]

6.25 Assume responsibility for the governance of compliance with applicable laws and adopted, non-binding rules, codes and standards by setting the direction for how compliance should be approached and addressed in the Company. [King IV, Principle 13-18]

6.26 Directors, both Executives and Non-Executives, carry full fiduciary responsibility and owe a duty of care and skill to the Company in terms of the Companies Act 71 of 2008 as amended and shall, with the assistance of the Company Secretary, ensure full compliance with the Act.

6.27 Prosecution, defence or settlement of legal or arbitration proceedings, where material, excluding those proceedings that are conducted in the ordinary course of business.

Remuneration and Nomination Governance [King IV, Principle 14]

6.28 Approving a Remuneration Policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration and should include the following objectives:

- To attract, motivate, reward and retain human capital.
- To promote the achievement of strategic objectives within the Company's risk appetite.
- To promote positive outcomes.
- To promote an ethical culture and responsible corporate citizenship. [King IV, Principle 14-27 and 28]

- 6.29 To ensure the development and alignment of the Remuneration Policy and Human Resources strategies and policies with the Group's business strategy and the desired culture.
- 6.30 Ensure that the Remuneration Policy and implementation report is put to a non-binding advisory vote at the Annual General Meeting of Shareholders once every year. [King IV, Principle 14-37]
- 6.31 Recommend for Shareholders' approval of Non-Executive Directors' fees. [King IV, Principle 14-30]
- 6.32 Ensure approval of any share incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the Remuneration & Nomination Committee for submission to shareholders. [King IV, Principle 14-30]
- 6.33 To make appointments to the Board, duly assisted by the Human Resources, Remuneration & Nomination Committee, including the appointment of the Chairman, Lead Independent Director, Chief Executive Officer, Executive Directors and Non-Executive Independent Directors, as well as the appointment of the Company Secretary. [King IV, Principle 10-91]
- 6.34 Ensure that the processes for nomination, election and ultimately, the appointment of members to the Board be formal and transparent. [King IV, Principle 7-15]
- 6.35 The Remuneration & Nomination Committee will recommend candidates to the Board for final approval. [King IV, Principle 7-14]
- 6.36 Ensuring that director orientation and induction processes are in place. [King IV, Principle 7-22]
- 6.37 Ensuring that succession plans are in place for the Board as a whole through the Remuneration & Nomination Committee. [King IV, Principle 7-13]

Ethics and Responsible Corporate Citizenship [King IV, Principles 2 and 3]

- 6.38 Ensure that the Company's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies. [King IV, Principle 3-12]
- 6.393 Oversee that the Company's core purpose and values, strategy and conducts are congruent with it being a responsible corporate citizen. [King IV, Principle 3-13]
- 6.40 Oversee and monitor, on an ongoing basis, performance against measures and targets agreed with management in all of the following areas:
- Workplace (including employment equity; fair remuneration; and the safety, health, dignity and development of employees).
 - Economy (including economics transformation; prevention, detection and response to fraud and corruption; and responsible and transparent tax policy).
 - Society (including public health and safety; consumer protection; community development; and protection of human rights). [King IV, Principle 3-14]

- 6.41 Endorse the Company's Code of Ethics (including core values) and submits same to the Board of Directors for approval. [King IV, Principle 2-5]
- 6.42 Apply the Company's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers. [King IV, Principle 2-9]
- 6.43 Having sanctions and remedies in place for when the Company's ethical standards are breached. [King IV, Principle 2-9]
- 6.44 Make use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately. [King IV, Principle 2-9]

Transformation

- 6.45 Ensure that there is full integration and alignment of all transformation processes within the Company in South Africa and to monitor the Company's standing to social and economic development in terms of goals and purposes particularly in respect of:
- the Employment Equity Act;
 - preferential procurement;
 - social investment;
 - community involvement;
 - the Broad-Based Black Economic Empowerment Act, and
 - Skills Development. [King IV, Principle 3-14]

Reporting [King IV, Principle 5]

- 6.46 The Board should assume responsibility for the company's reporting by setting the direction for how it should be approached and conducted. [King IV, Principle 5-9]
- 6.47 The Board should approve management's determination of the reporting frameworks (including reporting standards) to be used, taking into account legal requirements and the intended audience and purpose of each report. [King IV, Principle 5-10]
- 6.48 The Board should oversee that reports such as the annual financial statements, sustainability reports, social and ethics committee reports, or other online or printed information or reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders. [King IV, Principle 5-11]
- 6.49 The Board shall ensure the integrity of the Company's Integrated Annual Report. The Board reports to its Shareholders and other Stakeholders on the Company's 6 capitals (financial, manufacturing, intellectual, human, social and relationships and natural) and triple context (economic, social and environmental) performance. The Board should include commentary on the Company's financial results to enhance the clarity and balance of reporting. [King IV, Principle 5-12]
- 6.50 The Board should ensure the integrity of external reports. [King IV, Principle 5-11]

6.51 The board oversees that the King IV disclosure, integrated annual report and other external reports are published on the Company's website, or on other platforms or through other media as is appropriate for access by Stakeholders. [King IV, Principle 5-15]

Stakeholders [King IV, Principle 16]

6.52 Adopting a stakeholder-inclusive approach in the execution of their governance role and responsibilities. [King IV, Principle 1-1]

4.53 Ensure that Codes of Conduct and Ethics Policies encompass the Company's interaction with both internal and external stakeholder and the broader society. [King IV, Principle 2-6]

4.54 Developing short, medium and long term strategy in terms of the legitimate and reasonable needs, interests and expectations of material stakeholders. [King IV, Principle 4-3]

4.55 Oversee that the Company encourages proactive engagement with shareholders, including engagement at the Annual General Meeting of the Company. [King IV, Principle 6-6]

4.56 The Board should ensure that Shareholders are equitably treated, and that the interests of minority Shareholders are adequately protected. [King IV, Principle 16-9]

Board Committees [King IV, Principle 8]

6.57 The Board delegates certain functions to dedicated Committees but without abdicating its own responsibilities. [King IV, Principle 7-40]

6.58 Delegation is formal by way of Terms of Reference, which the Board will review and approve annually. [King IV, Principle 7-42]

6.59 The Terms of Reference should, at a minimum, deal with the following:

- The composition of the Committee and, if applicable, the process and criteria for the appointment of any Committee members who are not members of the Board.
- The Committee's overall role and associated responsibilities and functions.
- Delegated authority with respect to decision-making.
- The tenure of the Committee.
- When and how the Committee should report to the Board and others.
- The Committee's access to resources and information.
- The meeting procedures to be followed.
- The arrangements for evaluating the Committee's performance. [King IV, Principle 8-43]

6.60 The Board should consider the allocation of roles and associated responsibilities and the composition of membership across Committees holistically. [King IV, Principle 7-44]

- 6.61 The Board should ensure that each Committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively. [King IV, Principle 7-45]
- 6.62 Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Chairman; does not have a vote, and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and Shareholders. [King IV, Principle 7-48]
- 6.63 Any delegation by the Board of its responsibilities to a Committee or a member of the Board will not by or of itself constitute a discharge of the Board's accountability. The Board should apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member. [King IV, Principle 7-49]
- 6.64 The Board shall, as a minimum, establish an Audit & Risk Committee, Social & Ethics Committee and a Remuneration & Nomination Committee. [King IV, Principle 7-51]
- 6.65 The Chairman of each Committee shall report back to the Board on a regular basis, immediately after the Committee's most recent meeting on the general principle of transparency and full disclosure.

7. Individual Roles and Responsibilities

The Chairman:-

- 7.1 Will be an independent non-executive director to lead the Board in the objective and effective discharge of its governance role and responsibilities. [King IV Principle 7-31]
- 7.2 Is responsible for representing the Board to the Shareholders, and indirectly, other Stakeholders relating to performance. [King IV Principle 7-33]
- 7.3 Is responsible for ensuring the integrity and effectiveness of the governance process of the Board. [King IV Principle 7-33]
- 7.4 Must, in collaboration with the Company Secretary, ensure that the contents and order of the agenda are correct, is responsible for maintaining regular dialogue with the Chief Executive Officer over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern. [King IV Principle 7-33]
- 7.5 Will act as facilitator at meetings of the Board to ensure that no Director, whether Executive or Non-Executive, dominates discussion, that appropriate discussion takes place and that the relevant opinion among members is forthcoming and the discussions result in logical and understandable outcomes. [King IV Principle 7-33]
- 7.6 Will play a crucial role in ensuring that the Board is properly led. [King IV Principle 7-33]

- 7.7 Will only hold the number of outside professional positions as the Board may elect, taking account the relative size and complexity of the Company's involved. [King IV Principle 7-35]
- 7.8 Will remain in office not longer than 9 years, subject to rigorous review by the Board. [King IV Principle 7-33]
- 7.9 Will not be a member of the Audit & Risk Committee. [King IV Principle 7-36]
- 7.10 May be a member of the Committee responsible for remuneration, but should not be its Chairman. [King IV Principle 7-36]
- 7.11 Will be a member of the Remuneration & Nominations Committee, responsible for nominations and will act as Chairman when nomination matters within the Remuneration & Nominations Committee be discussed. [King IV Principle 7-36]
- 7.12 May be a member of the Social & Ethics Committee, but should not be its Chairman. [King IV Principle 7-36]

The Lead Independent

- 7.13 The Board will appoint an independent non-executive member as the lead independent to fulfil the following functions:
- to lead in the absence of the Chairman;
 - to serve as a sounding board for the Chairman;
 - To act as an intermediary between the Chairman and other members of the Board, if necessary;
 - To deal with Shareholders' concern where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
 - To strengthen independent on the Board if the Chairman is not an Independent Non-Executive Director;
 - To chair discussions and decision-making by the Board on matters where the Chairman has a conflict of interest; and
 - To lead the performance appraisal of the Chairman. [King IV Principle 7-32]

The Chief Executive Officer:

- 7.14 Is responsible for leading the implementation and execution of approved strategy, policy and operational planning and should serve as the link between Management and the Board. [King IV Principle 7-77]
- 7.15 Is responsible to report to the Board and be accountable to the Board. [King IV Principle 7-78]
- 7.16 Is responsible for monitoring and managing the day-to-day operational requirements and administration of the Company and submit reports, financial statements and consolidated budgets for consideration by the Board.
- 7.17 Is responsible to develop and recommend business plans, policies and objectives for consideration by the Board and taking into consideration business, economic and political trends that may affect the operations of the Company.

- 7.18 Is responsible to implement all approved plans, policies and programmes.
- 7.19 Is responsible to oversee the financial management of the Company including financial planning, cash flow and management reporting.
- 7.20 Is responsible to involve himself in the Group affairs through the mechanism of the Executive Committee and act as Chairman of this Committee.
- 7.21 Not to cause or permit any practice, activity or decision by or within the Company that is contrary to commonly accepted good business practice, good corporate governance or professional ethics.
- 7.22 Will not be a member of the Remuneration & Nomination Committee or Audit & Risk Committee, but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information. [King IV Principle 7-79]
- 7.23 Will not chair the Board, and when retired, may not become the Chairman of the Board until three complete years have passed after the end of his tenure. [King IV Principle 7-34]
- 7.24 May not take up additional professional positions, including membership of other governing bodies outside the Company, prior to pre-approval by the Board. [King IV Principle 7-80]

The Company Secretary

- 7.25 The Board shall recognise the pivotal role to be played by the Company Secretary in the achievement of good corporate governance and empower this individual accordingly. [King IV Principles 7-90 and 7-92]
- 7.26 The Company Secretary is accountable to the Board to:
- Ensure that Board procedures are followed and reviewed regularly;
 - Ensure that applicable rules and regulations for the conduct of the affairs of the Board are complied with;
 - Facilitate a programme for the induction and on-going development of Directors;
 - Maintain statutory records in accordance with legal requirements;
 - Guide the Board as to how their responsibilities should be properly discharged in the best interests of the Group; and
 - Keep abreast of, and inform, the Board of current and new developments regarding corporate governance thinking and practice. [King IV Principle 7-90]
- 7.27 The Company Secretary will be evaluated on an annual basis. [JSE Listings Requirements 3.84(i) and 3.84(j); King IV Principles 7-92 and 7-94]
- 7.28 The Company Secretary have unfettered access to the Board but, for reasons of independence, should maintain an arms-length relationship with it and its members; accordingly, the Company Secretary should not be a member of the Board. [King IV Principle 7-96]

- 7.29 The Company Secretary reports to the Board via the Chairman on all statutory duties and functions performed in connection with the Board. Regarding other duties and administrative matters, the Company Secretary reports to the member of Executive Management designated for this purpose as is appropriate for the Company. [King IV Principle 7-97]
- 7.30 The Board has the responsibility for the removal of the Company Secretary. [King IV Principle 7-95]

Individual Directors

- 7.31 Non-Executive Directors may meet separately with Management, without the attendance of Executive Directors.
- 7.32 Directors act jointly when discharging their duties and no individual director has authority to act on behalf of the Company unless specifically authorised or requested by the Board.
- 7.33 Directors are jointly and severally accountable for Board decisions and actions.
- 7.34 Directors have to declare and avoid conflict of interests with the Company and must account for any advantages gained in discharging their duties on behalf of the Group. [Companies Act 2008, Section 75]
- 7.35 Directors who have a real or prospective interest in any of the business of the Company should declare such interest at a Board meeting as soon as he/she becomes aware of such specific interest.
- 7.36 On first appointment and once every year, or at any time when circumstances change, all Directors shall in good faith, disclose to the Board for recording any business or other interest that is likely to create a potential conflict of interest, including –
- all business interests, direct or indirect in any other company, partnership or business venture;
 - membership to trade, business or other economic companies;
 - shareholding, share options and/or other interests in the Company;
 - any direct or indirect interest in any transaction with the Company, and
 - any gifts, monies, commissions, benefits or other favours extended or received from any party in respect of or in relation to any business dealings with the Company.

8. Corporate Governance

- 8.1 The Board shall be ultimately responsible for ensuring that an adequate and effective process of corporate governance is established and maintained.
- 8.2 The process shall be consistent with the nature, complexity and risk inherent in the Company's activities. The process shall also respond to changes in the Company's environment and conditions. The Board may appoint supporting Committees to assist with its responsibilities, as and when required.

9. Remuneration [King IV, Principle 14]

- 9.1 The remuneration of the Non-Executive Directors shall from time to time be approved by the Company at its Annual General Meeting. [Companies Act 2008 Section 66(9); King IV, Principle 14-36]
- 9.2 Non-Executive Directors may receive:
- a basic fee as ordinary remuneration;
 - a fee per meeting attended; and
 - an hourly fee in certain instances for work provided out of the normal scope of a Non-Executive Director.
- 9.3 The Chairman and Chief Executive Officer's fees shall be fees appropriate to their office and reviewed annually by the Board after taking independent advice and subject to Shareholder approval.
- 9.4 No additional fees shall be paid to Executive Directors as Directors other than in accordance with their specific service/employment contracts.

10. Professional or Business services provided by Directors

- 10.1 Non-executive Directors should, as a general rule, not provide any such services of an on-going nature to the Company.
- 10.2 The Company may, for the purpose of a special assignment, engage the services of a Non-executive Director (specific field of expertise).
- 10.3 The terms of the engagement must be competitive, clearly recorded and all legal requirements with regards to disclosure must be complied with.

11. Declaration of Interests [King IV, Principle 7]

- 11.1 Directors shall at all times observe the legal requirements in respect of the declaration of interests and do everything reasonably possible to avoid a conflict of interest in the execution of their duties and responsibilities to the Company. [Companies Act 2008, Section 75]
- 11.2 Subject to legal provisions, each member of the Board should submit to the Board a declaration of all financial, economic and other interests held by the member and related parties in September of each year, or whenever there are significant changes. [King IV, Principle 7-25]
- 11.3 At the beginning of each meeting of the Board or its Committees, all members should be required to declare whether any of them has any conflict of interest in respect of a matter on the agenda. Any such conflicts should be proactively managed as determined by the Board and subject to legal provisions. [King IV, Principle 7-26]
- 11.4 Any possible conflict of interest shall at all times be declared up front and the Director concerned shall not participate in a discussion, or vote, on the subject matter (*refer to the **Declaration of Conflict of Interest Policy***). [Companies Act 2008, Section 75]

12. Board Evaluations [King IV, Principle 9]

- 12.1 Directors shall receive essential Board and Company information.
- 12.2 Directors shall keep themselves abreast of changes and trends in the business and Company's environment and markets.
- 12.3 Directors shall also keep abreast of changes and trends in the economic, political, social and legal climate in general.
- 12.4 A formal process, either externally facilitated or not in accordance with methodology approved by the Board, should be followed for evaluating the performance of the Board, its Committees, its Chairman and its individual members at least every two years. [King IV, Principle 9-73]
- 12.5 Every alternate year, the Board should schedule in its Annual Work Plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its Chairman and its members as a whole. [King IV, Principle 7-74]
- 12.6 The Board should appoint an independent non-executive member to lead the evaluation of the Chairman's performance if a Lead Independent is not in place. [King IV, Principle 7-72]
- 12.7 The Board shall disclosed a description of the performance evaluation undertaken, the results and remedial actions taken. [King IV, Principle 9-75]

13. General

- 13.1 The Board, in carrying out its tasks under this Charter, may obtain such outside or other independent professional advice, as it considers necessary to carry out its duties.
- 13.2 This Charter will be annually reviewed and amended, if required.
