

	<b>Policy on Division of Responsibilities</b>	Doc No.	POL-GEN 012
		Rev. No.	00
		Rev. Date	19/02/2018

# **POLICY ON DIVISION OF RESPONSIBILITIES**



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### REVISION & REVIEW TABLE

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			Responsible	Reviewed	Approved
00	19/02/2018	Document Started	Pieter Vorster	Shereen Vally-Kara	M.S. Wylie Chairman – Main Board
					R.W. Gardiner Lead Independent Director (LID)
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					M.S. Wylie Chairman – Main Board
		Pieter Vorster	Shereen Vally-Kara	R.W. Gardiner Lead Independent Director (LID)	
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## 1 PURPOSE

In order to confirm that there is an appropriate balance of power on the board, the reporting lines and key responsibilities of the Chairman of the board, the lead independent director and the chief executive officer are set out below:

## 2 CHAIRMAN

Reporting Lines:

- The chairman is accountable to the board.
- The chairman is an executive chairman and has sight of executive matters regarding the company's business. However, other than the chief executive officer and (in respect of the limited matters set out herein and other matters directly relating to the board) the company secretary, no executive reports to him other than through the board.

Role of the Chair:

- The chair should play an active role in engaging board members and building upon their strengths and addressing / developing any weaknesses.
- Set the tone for the Board performance and undertake the management thereof.
- The Chair ensures focus is maintained by the board on what is best for the organisation; and that the tone for organisational success is set.
- The chair is accountable to the board. Working with fellow members of the board, the chair sets the direction and priorities for the execution of the duties by the board and acts as the communication channel for board decisions where appropriate.

Specific responsibilities of the chair of the board

### 2.1 In Relation To The Organisation

Represent the organisation at:

- The AGM and other shareholder meetings – particularly taking the lead in discussions with shareholders at such meetings or other Interventions.
- Engagements with key stakeholders, where the intervention or engagement at the level of the board is needed in addition or instead of management engagement.
- Other functions or events where necessary and appropriate to represent the organisation.
- Being present /participating in industry conferences and the like where necessary and appropriate to represent the organisation.

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## 2.2 In Relation to the Board Responsibilities

- Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions.
- Overseeing that board leads ethically and effectively and that the
- board conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency.
- Participating in the selection process for board members (via a relevant board committee, if applicable), and overseeing a formal succession plan for the board, Chair, CEO and other executives.
- Taking the lead in the allocation of board members to committees including the appointment of the respective chairs
- Ensuring clarity of mandate and effectiveness of such committees
- Encouraging congeniality, teamwork and collaboration among board members without inhibiting candid debate and creative tension.
- Overseeing that board members contribute fully to the effective and objective discharge of the board's role and duties.
- Taking the lead in ensuring the evaluations of the board, its members, chair and committees and in addressing non-performance by members of the board and if necessary the removal of unsuitable board members from the board.
- Mentoring new/young /less experienced board members to develop skill and enhance confidence.
- Ensuring that new board members are appropriately made aware
- of their responsibilities through an induction programme.
- Ensuring a formal programme for continuing professional education for board members is adopted and implemented.
- Keeping the members of the board suitably informed of significant issues between meetings.
- Ensuring that the board fulfils all its duty for steering and setting strategic direction (including same for the governance structures), approving policy and planning, overseeing the organisation and monitoring and ensuring accountability, which results in ethical culture, good performance, effective control and legitimacy.
- Ensuring that good relations are maintained with the organisation's major shareholders and other material stakeholders and building and maintaining stakeholder trust and confidence in the organisation.

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### 2.3 In Relation to Management

- Acting as the link between the board and the CEO
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- Being collegial with management while at the same time maintaining an arm's length relationship.
- Perform the performance appraisal of the CEO and be informed of performance appraisal findings of other executives.
- Assesses whether the organisation is getting the full value from Executives.
- Act as confidante/sounding board and provide counsel to CEO.
- Offer guidance during times of crisis.
- Overseeing the performance and acting as the contact /reporting point for the company secretary or the professional providing governance services to the board in respect of the discharge of statutory duties and other duties performed for the board.

### 2.4 In Relation to Meetings of the Board

- Presiding over board meetings and ensuring that time in meetings is used productively.
- Exercising judgement as to when additional interventions and or additional meetings of the board may be required and the format thereof.
- Ensuring that complete, timely, relevant, accurate and appropriately assured information is placed before the board to enable governing body members to reach informed decisions.
- Holding rigorous standards of preparation for board meetings, by
- for example, meeting with the Cosec and CEO before meetings and studying the meeting information packs prior to distribution.
- Formulating (with the CEO and company secretary/other professional providing corporate governance services) the yearly work plan for the board against agreed objectives, and playing an active part in setting the agenda for board meetings.
- Ensuring that sufficient time and effort has been devoted to preparation for meetings by members.
- Ensuring that those present constitute a quorum at meetings before decisions are taken.
- Ensuring that an effective Company Secretary or other governance professional is in place to support the board.
- Ensuring that decisions by the board are suitably recorded in the minutes and executed.
- Determining when independent professional advice may be necessary and ensuring that this is procured within the approved protocol.
- Dealing with conflicts of interest which may arise, ensuring compliance with all internal and external legal requirements. In this regard, the chairman must ask the relevant director to recuse themselves from participating in discussions and taking decisions in respect of matters in which they have a conflict of interest.

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### 3 LEAD INDEPENDENT DIRECTOR

Reporting Lines:

- The lead independent director (“LID”) is accountable to the board.
- The LID will be expected to serve in this capacity where the chairman of the board is absent and not able to perform his/her duties for whatsoever reason or where the independence of the chairman of the board is questionable or impaired. The independence of the chairman will be considered to be impaired if the majority of board members resolves as such. The LID actively serves in this capacity for as long as the circumstances that caused the chairman’s absence, inability or conflict exists.
- Aspects of the role that the LI plays are relevant and necessary, not only when the Chair is conflicted, but in general, to perform certain specific duties primarily around strengthening the role of the chair, overseeing evaluation of the chair and being an avenue of communication for the other board members on any issues relating to the Chair.
- Achieve a balance of power and reinforce accountability mechanisms.
- Mediate conflict/dysfunction on the board, where the chair is involved.
- No need for deputy chair, LI could fulfil the duties usually assigned to a deputy chair.

Specific Responsibilities of the LID:

- Presiding at all meetings of the board at which the chairman is not present or where the chairman is conflicted, including any session of the independent directors.
- Calling meetings of the independent directors where necessary.
- Performing all such functions that cannot be performed by the chairman due to his/her absence or the existence of a conflict of interest.
- Performing other duties that the board of directors may from time to time delegate.
- To serve as the sounding board for the chair.
- To act as an intermediary between the chair and other members of the governing body, if necessary.
- To deal with shareholders concerns where contact through the normal channels
- has failed to resolve concerns, where such contact is inappropriate, or where the Chair is conflicted.
- To strengthen independence on the board if the chair is not an independent non-executive member of the board.
- To chair discussions and decision-making by the board on matters where the chair has a conflict of interest.
- To lead the performance appraisal of the chair.

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#### 4 CHIEF EXECUTIVE OFFICER

Reporting Lines:

- The chief executive officer reports to the chairman (acting on behalf of the board) and to the board directly.
- The chief executive officer is responsible for all executive management matters affecting the Group. All members of executive management report, either directly or indirectly, to him.

Key Responsibilities as per King IV:

- Recommending or appointing the executive team and ensuring proper succession planning and performance appraisals.
- Developing the company's strategy for consideration and approval by the board.
- Developing and recommending to the board annual business plans and budgets that support the company's long-term strategy.
- Monitoring and reporting to the board the performance of the company and its conformance with compliance imperatives.
- Establishing an organisational structure for the company which is necessary to enable execution of its strategic planning.
- Setting the tone in providing ethical leadership and creating an ethical environment.
- Ensuring that the company complies with all relevant laws and corporate governance principles.
- Ensuring that the company applies all recommended best practice and, if not, that the failure to do so is justifiably explained.