



**MASTER DRILLING**

**Master Drilling Group Limited (“the Company”)**

# **Board of Directors Charter 2019**

**1. CHARTER FOR BOARD OF DIRECTORS [“Board”]**

- 1.1 This Charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and all other applicable law or regulatory provisions.
- 1.2 Master Drilling Group Limited is committed to good governance as espoused the King IV report on Corporate Governance for South African 2016 (“King IV”) as ethical and effective leadership in order to achieve the core governance outcomes of an ethical culture, good performance, effective control and legitimacy.

**2. CONSTITUTION**

- 2.1 The constitution of the Board (also referred to as "the board"), is as required by the Company's Memorandum of Incorporation, the Companies Act 71 of 2008 and King IV.
- 2.2 The Board, as the board of the Company, materially subscribes to the 16 principles of King IV. The Board is committed to ensuring that the Company applies good corporate governance throughout its operations taking into account the six capitals (financial, manufactured, human, intellectual, natural and social and relationship) within the *triple context* (economy, society and environment).

**3. PRIMARY ROLE AND RESPONSIBILITIES**

- 3.1 The Board shall serve as a focal point and custodian of sound corporate governance in the Company.
- 3.2 The Board is the guardian of the values and ethics of the Company.
- 3.3 The Board retains full and effective control of the Company.
- 3.4 The Board will at all times act in the best interests of the Company, taking cognisance of the interests of all stakeholders.
- 3.5 The Board, as the board, has the following responsibilities, which include application of the principles as espoused in King IV:

King IV Principle	Board Responsibility <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i>	Board responsibility delegated to the Board Committees as follows <i>(where delegation is applicable)</i> :
1.	<p><u>The board shall lead ethically and effectively.</u></p> <ul style="list-style-type: none"> <li>• The Board should ensure that the company’s ethics are managed effectively; and</li> </ul>	

<p><b>King IV Principle</b></p>	<p><b>Board Responsibility</b>  <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i></p>	<p><b>Board responsibility delegated to the Board Committees as follows (where delegation is applicable):</b></p>
<p>1.(cont.)</p>	<ul style="list-style-type: none"> <li>The Board determines ethical standards and ensure that management takes measures in order to achieve them in all aspects of the business.</li> </ul>	
<p>2.</p>	<p><u>The Board shall govern the ethics of the Company in a way that supports the establishment of an ethical culture.</u></p> <ul style="list-style-type: none"> <li>The Board is responsible for providing effective leadership based on an ethical foundation and has in terms of the Companies Act 2008 constituted the Social, Ethics and Sustainability committee to deal with these matters;</li> </ul> <p>The Board should:</p> <ul style="list-style-type: none"> <li>Be responsible for the strategic direction of the company and for the control of the company;</li> <li>Set the values to which the company will adhere formulated in its code of conduct;</li> <li>Ensure that its conduct and that of management aligns to the values and is adhered to in all aspects of its business; and</li> <li>Promote the stakeholder-inclusive approach of governance.</li> </ul>	<p>The Social, Ethics and Sustainability Committee shall assist the Board with the governance of ethics within the Company</p>
<p>3.</p>	<p><u>The Board should ensure that the Company is and is seen to be a responsible corporate citizen.</u></p> <p>The Board should:</p> <ul style="list-style-type: none"> <li>Consider the financial performance as well as the impact on society and the environment;</li> <li>Protect, enhance and invest in the well-being of the economy, society and the environment;</li> <li>Ensure that the company's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights;</li> <li>Ensure that management develops and implements corporate citizenship policies.</li> </ul>	<p>The Social, Ethics and Sustainability Committee shall assist the Board.</p>

<p>King IV Principle</p>	<p><b>Board Responsibility</b>  <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i></p>	<p>Board responsibility delegated to the Board Committees as follows (where delegation is applicable):</p>
<p>4.</p>	<p><u>The Board appreciates that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</u></p> <ul style="list-style-type: none"> <li>• The Board is responsible for approving the strategic direction of the Company and the budgets necessary for the implementation thereof. Targets for key business areas and identification of key performance indicators shall be included in this process.</li> <li>• The Board is responsible for approving the policies and operational plans developed by management to give effect to the approved strategy.</li> <li>• The board should ensure the strategy will result in sustainable outcomes taking into account, people, profits and the planet.</li> <li>• The Board is responsible for exercising ongoing oversight of strategy implementation.</li> </ul>	<p>The Risk and Social, Ethics and Sustainability committee shall assist the board.</p>
<p>5.</p>	<p><u>The Board shall ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</u></p> <ul style="list-style-type: none"> <li>• Ensuring accountability for Company performance by means of, among others, reporting and disclosure.</li> <li>• The Board shall ensure that the Company publishes the reports and disclosures required in terms of King IV.</li> <li>• Ensuring integrity of external reports, including the integrated report and annual financial statements.</li> </ul>	<p>Board committees shall be responsible for reviewing and recommending approval of their respective committee reports to the Board for consideration and, where applicable, inclusion in the integrated report.</p>
<p>6.</p>	<p><u>The Board shall serve as a focal point and custodian of corporate governance in the organisation.</u></p> <p><u>The board should:</u></p> <ul style="list-style-type: none"> <li>• Ensure that a charter exists that sets out its responsibilities;</li> <li>• Meets at least four times per year;</li> <li>• Monitor the relationship between management and the stakeholders of the company;</li> <li>• Ensures that the company strives and survives.</li> </ul>	<p>The Corporate Governance Committee shall assist the Board.</p>

King IV Principle	<p><b>Board Responsibility</b>  <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i></p>	<p>Board responsibility delegated to the Board Committees as follows (where delegation is applicable):</p>
7.	<p><u>The Board shall comprise of the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively.</u></p> <ul style="list-style-type: none"> <li>• The board should consist of the majority of non-executive members, most of whom should be independent.</li> <li>• Independence is determined if the governing body concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed 3<sup>rd</sup> party, is likely to influence unusually or cause bias in decision-making in the best interest of the company.</li> <li>• The term of office for non-executive members is 9 years. Thereafter non-executive members may be re-elected subject to rotation guidelines in the MOI.</li> <li>• The board should establish arrangements for periodic, staggered rotation of its members.</li> <li>• The board should establish appropriate succession plans for its membership.</li> <li>• Subject to legal provisions, each member of the board should submit to the board a declaration of interest, and update such declaration as and when required.</li> <li>• financial, economic and other interest held by the member and related parties at least annually, or whenever there are significant changes.</li> </ul>	<p>The Nominations Committee shall assist the Board.</p>
8.	<p><u>The Board shall ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</u></p>	<p>The Corporate Governance, Remuneration and Nominations Committees shall assist the Board.</p>
9.	<p><u>The Board shall ensure that the evaluation of its performance and that of its committees, its chairman and its individual members, its company secretary, support continued improvement in its performance and effectiveness.</u></p>	<p>Each of the Board Committees shall be responsible for ensuring that the evaluation of its performance, its chairman and its individual members, support continued improvement in its performance and effectiveness.</p>
10.	<p><u>The Board shall ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.</u></p> <ul style="list-style-type: none"> <li>• The Board is responsible for appointing the Chief Executive Officer and Chief Financial Officer.</li> <li>• The Board shall oversee and monitor implementation and execution by management.</li> <li>• The Board is responsible for the appointment and removal of the Company secretary. The Company</li> </ul>	<p>The Nominations Committee shall assist the Board.</p>

King IV Principle	<p><b>Board Responsibility</b>  <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i></p>	<p>Board responsibility delegated to the Board Committees as follows (where delegation is applicable):</p>
10.(cont.)	<ul style="list-style-type: none"> <li>secretary shall have unfettered access to the Board but, for reasons of independence, should maintain an arms-length relationship with the Board and its members; accordingly, the Company secretary shall not be a member of the board.</li> </ul>	
11.	<p><u>The Board shall ensure that risk is governed in a way that supports the Company in setting and achieving its strategic objectives.</u></p> <ul style="list-style-type: none"> <li>The Board is responsible for the total process of risk management, as well as for forming its own opinion on the effectiveness of the process. It will identify and fully appreciate the business risk issues and key performance indicators affecting the ability of the Company to achieve its strategic purpose and objectives.</li> <li>The Board will ensure that appropriate systems are in place to manage the identified risks, measure the impact and proactively manage it, so that the Company's assets and reputation are suitably protected.</li> <li>The Board should delegate to management the responsibility to implement and execute risk management, under the guidance of the Risk Committee.</li> <li>The board should consider the need to receive periodic independent assurance on the effectiveness of risk management.</li> </ul>	<p>The Risk Committee shall assist the Board with the governance of risk.</p>
12.	<p><u>The Board shall govern technology and information in a way that supports the Company setting and achieving its strategic objectives.</u></p> <ul style="list-style-type: none"> <li>The Board shall be responsible for IT governance and shall ensure that an IT charter and policies are established and implemented. The Board has delegated its responsibility in terms of IT governance to the Audit Committee.</li> </ul>	<p>The Audit Committee shall assist the Board with the governance of technology and information. The Board monitors and evaluates significant IT investments and expenditure.</p>
13.	<p><u>The Board shall govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen.</u></p> <ul style="list-style-type: none"> <li>The Board is responsible for considering business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Companies Act, 2008.</li> </ul>	<p>The Board charter confirms that the Board is responsible for ensuring that the group complies with all relevant laws, regulation and codes.</p>

King IV Principle	<p><b>Board Responsibility</b>  <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.</i></p>	<p>Board responsibility delegated to the Board Committees as follows (where delegation is applicable):</p>
14.	<p><u>The Board shall ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</u></p> <ul style="list-style-type: none"> <li>• The board should assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organization wide basis.</li> </ul>	<p>The Remuneration Committee shall assist the Board.</p>
15.	<p><u>The Board shall ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports.</u></p> <ul style="list-style-type: none"> <li>• The board should satisfy itself that a combined assurance model is applied which incorporates and optimizes the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.</li> <li>• The Board shall approve the internal audit charter and appoint the Chief Audit Executive.</li> </ul>	<p>The Audit Committee, and where applicable the Risk Committee, shall assist the Board.</p>
16.	<p><u>The Board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time.</u></p> <ul style="list-style-type: none"> <li>• The Board will communicate with shareholders and stakeholders openly and timeously throughout the year, including triple bottom line reporting.</li> <li>• The Board shall oversee that the Company encourages proactive engagement with shareholders, including engagement at the annual general meeting (AGM) of the Company.</li> </ul>	<p>The Social, Ethics and Sustainability Committee shall assist the Board with formulating a stakeholder inclusive approach.</p> <p>The Remuneration Committee shall liaise with the Board in preparation of the annual remuneration report to stakeholders as required and will ensure that the remuneration policy and implementation report are put to a non-binding advisory vote at annual general meetings of shareholders.</p>

King IV Principle	Board Responsibility <i>(Any delegation by the board of its responsibilities to a Committee or a member of the board will not of itself constitute a discharge of the board's accountability. The board shall apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee or the member.)</i>	Board responsibility delegated to the Board Committees as follows (where delegation is applicable):
16.(cont.)	<ul style="list-style-type: none"> <li>• All directors should be available to attend the AGM to respond to shareholders' queries on how the Board executed its governance responsibilities.</li> <li>• The Board shall ensure that the designated partner of the external audit firm attends the AGM.</li> <li>• The Board shall ensure that shareholders are equitably treated, and that the interests of minority shareholders are adequately protected.</li> <li>• The minutes of the AGM will be made publicly available.</li> <li>• The Board of the Company shall assume responsibility for governance across the Master Drilling group by setting the direction of how relationships and exercise of power within the group should be conducted.</li> <li>• The Board should approve a group governance framework that articulates and gives effect to its direction on relationships and exercise of authority across the Master Drilling group. To this end, the Board shall ensure that it applies the recommended practices 11 to 19 under principle 16 of King IV.</li> <li>• The Board shall ensure that the Company applies with the reporting and disclosure requirements and recommended practices as detailed in King IV.</li> </ul>	

3.6 As a rule, whilst the Board may request Committees to assist it and to provide recommendations on the following matters, it will not delegate its responsibilities in respect thereof:

**3.6.1 Financial**

- 3.6.1.1 Adoption of any significant change or departure in the accounting policies and practices of the Company.
- 3.6.1.2 Approval of strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
- 3.6.1.3 Approval of annual financial statements, the approval of interim reports, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends.
- 3.6.1.4 Recommendation to shareowners of any increase, reduction 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 and in accordance with any duly approved share incentive scheme).

**3.6.2 Statutory and administrative**

- 3.6.2.1 Recommending amendments to the Memorandum of Incorporation of the Company.
- 3.6.2.2 Frequency of meetings of the Board.
- 3.6.2.3 Convening of general meetings of shareowners of the Company.
- 3.6.2.4 Approval of recommended policies in relation to industrial relations.
- 3.6.2.5 Prosecution, defence or settlement of legal or arbitration proceedings where material and except in the ordinary course of business.
- 3.6.2.6 Appointment of responsible persons as may be required in terms of any statute in South Africa or elsewhere in respect of the Company.
- 3.6.2.7 Approval of the rule amendments to pension and provident funds having a material effect on the actuarial liabilities of those funds.
- 3.6.2.8 Granting of general signing authorities pursuant to the Memorandum of Incorporation of the Company.
- 3.6.2.9 Appointment and removal of the Company Secretary.
- 3.6.2.10 Establishing any overseas branch or duplicate register of shareowners of the Company.
- 3.6.2.11 Variation of the rights attaching to shares where such powers are vested in the directors.

**3.6.3 Regulatory**

- 3.6.3.1 Approval of terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions.
- 3.6.3.2 Approval of and authority to issue prospectuses, listing particulars, rights offers or take-over or merger documents.
- 3.6.3.3 Recommending to shareowners that they approve any ordinary or special resolutions in respect of the Company.

- 3.6.3.4 Recommending that the shareowners take a particular course of action proposed by the Company.
- 3.6.3.5 Any decision to list the Company's shares on any stock exchange or the termination of any such listing.

**3.6.4 Human Resources**

- 3.6.4.1 Appointments to and removals from the Board [subject to election or re-election by shareholders were required] including the appointment of the Chairman, any deputy Chairman, chief executive, executive directors and non-executive directors, and the approval of nomination of the alternate directors (if any) as recommended by the Nominations Committee.
- 3.6.4.2 Appointment of, and changes in the composition of the various committees of the Board.
- 3.6.4.3 Approval of the terms of reference of such committees as the Board may appoint from time to time.
- 3.6.4.4 Approval of any share or other incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the Remuneration Committee.
- 3.6.4.5 Approval of recommended policies in relation to equal opportunity employment, diversity, environment, health and safety.

**4. COMPOSITION**

- 4.1 Directors are to be appointed through a formal process. The process for nomination, election and appointment of members to the Board shall follow the recommended practices set out in Principle 7 of King IV. The Nominations Committee shall assist with the process of identifying suitable candidates to be proposed for appointment to the Board in terms of a Board approved policy.
- 4.2 At a minimum the Chief Executive Officer (CEO) and at least one other executive shall be appointed to the Board to ensure that it has more than one point of direct interaction with management. The executive other than the CEO appointed to the Board may be the Chief Financial Officer (CFO) or other designated executive as is appropriate for the Company.
- 4.3 The Board will include a Chairman, lead independent director (when required or should the Board so decide) and a CEO. The roles of the Chairman and CEO will be separate. The Chairman shall be an independent non-executive director and shall be elected by the Board.
- 4.4 In order to determine whether the Chairman is able to perform the duties of the office, the Board, together with the Chairman, shall consider the number of outside professional positions that the Chairman is allowed to hold, taking into account the relative size and complexity of the Company. The Nominations Committee shall assist the Board in this determination.
- 4.5 Prior to re-election, the Board and the Chairman are to formally consider the outside Chairmanships held by the Chairman.

- 4.6 A formal induction programme to the affairs of the Company shall be in place for new directors.
- 4.7 The Board shall promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender.
- 4.8 The Board shall establish arrangements for periodic, staggered rotation of its members so as to reinvigorate its capabilities by introducing members with new expertise and perspectives whilst retaining valuable knowledge, skills and experience and maintaining continuity. Where directors require training in respect of their duties as directors, this will be provided by the Company. No single director will be allowed to dominate the Board.
- 4.9 Individual directors or the Board committees as a whole are entitled, at the expense of the Company, to take independent professional advice in connection with their duties, subject to obtaining prior approval from the Chairman (which approval shall not be unreasonably withheld).
- 4.10 In the execution of its duties and responsibilities, the Board is permitted to request documents and set up meetings with members of management.
- 4.11 The Board shall establish a succession plan for its membership which should include the identification, mentorship and development of future candidates.
- 4.12 The Board shall establish a continuing professional development programme, which ensures that the Board members receive regular briefings on changes in risks, laws and the business environment.
- 4.13 The Board should also ensure that there is a succession plan in place for the Chairman role.
- 4.14 The evaluation of the Board, its committees and individual directors, including the Chairman, shall be performed at least every two years. The nomination for the reappointment of a director who is to retire by rotation should only occur after the evaluation of the performance of that director.
- 4.15 The Board shall monitor the independence of directors and manage any conflicts as required by the legislation, King IV and the JSE listing requirements.
- 4.16 The Board should ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term, through the Company's Remuneration Committee.
- 4.17 The Remuneration Committee of the Company shall recommend the remuneration to be paid to Board members who are non-executive directors of the Company for approval by the Board, and, as required by the Act, approval by shareholders of the Company by special resolution. *[Section 66(9) of the Act and King IV, principle 14].*
- 4.18 The Board will, with the assistance of the Remuneration Committee, review the remuneration of Board members annually and submit same for the requisite shareholder approval.

- 4.19 Executive Board members will receive no fees but will be paid as employees of the Company in accordance with their individual contracts of employment.
- 4.20 The Board will, with the assistance of the Remuneration Committee report to the shareholders on remuneration and this should be included in the Company's integrated annual report and financial statements.

## 5. **CHAIRMAN RESPONSIBILITIES**

- 5.1 The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer.
- 5.2 The Chairman has the following responsibilities:
- 5.2.1 Ensuring the effective working of the Board;
  - 5.2.2 The Chairman shall preside over meetings of the Board and shall be responsible for ensuring the integrity and effectiveness of the Board governance process.
  - 5.2.3 The Chairman must ensure that the content and order of the Board agenda is appropriate, that Board members are properly briefed on issues arising at Board meetings and that applicable relevant and available information on an issue is placed before the Board in order that the Board may make informed decisions.
  - 5.2.4 The Chairman shall be responsible for maintaining regular dialogue with the CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him cause for concern.
  - 5.2.5 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 the fees is agreed by the Board and shareholders.
  - 5.2.6 The Company secretary shall report to the Board via the Chairman on all statutory duties and functions performed in connection with the Board.
  - 5.2.7 Maintaining proper shareholder relations, both formally through the Annual General Meeting and reporting procedures;
  - 5.2.8 Ensuring that the Board plays an active role in strategic review and that development proposals and planning issues are referred to the Board for discussion and approval;
  - 5.2.9 Monitoring the Chief Executive's performance against established criteria/measures of financial and operating performance, in conjunction with the Board;
  - 5.2.10 Sometimes and as required acting as the leading representative of the Company in its dealings with the outside world, including the financial markets, regulators, the press, governments, interest groups and the community.

5.3 When determining which of the committees the Chairman of the board should serve on, either as member or chairman, the board should consider how it affects the overall concentration and balance of power on the board. Generally, the following should apply:

- 5.3.1 The Chairman should not be a member of the audit committee
- 5.3.2 The Chairman may be a member of the committee responsible for remuneration but not be its chairman.
- 5.3.3 The Chairman should be a member of the committee responsible for nominations of members of the board and may also be its chairman.
- 5.3.4 The Chairman may be a member of the committee responsible for risk governance and may also be its chairman.
- 5.3.5 The Chairman may be a member of the social and ethics committee but should not be its chairman.

## **6. LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR RESPONSIBILITIES**

6.1 The Lead Independent non-executive director, if appointed by the Board, has the following responsibilities:

- 6.1.1 to Lead in the absence of the Chairman;
- 6.1.2 to serve as a sounding Board for the Chairman;
- 6.1.3 to act as an intermediary between the Chairman and other members of the Board, if necessary;
- 6.1.4 to deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- 6.1.5 to strengthen independence on the Board if the Chairman is not an independent non-executive;
- 6.1.6 to chair discussions and decision-making by the Board on matters where the Chairman has a conflict of interests; and
- 6.1.7 to lead the performance appraisal of the Chairman.

## **7. BOARD MEETINGS**

7.1 To efficiently discharge its duties, the Board meets periodically (at least once per quarter). Additional meetings will be held as and when necessary. Reasonable notice of each meeting and the agenda shall, other than under exceptional circumstances, be given to each member of the Board. The Board committees meet between these meetings as circumstances require. The Board holds, at least once a year, an informal meeting without management and executive directors present. Such meetings can be held, if the Board so wishes, at the end of each meeting of the Board or at other specified times during the year.

7.2 If the nominated Chairman of the Board is absent from a meeting, the Lead Independent presides over the meeting. Should neither the Chairman nor the Lead Independent be present, the members present must elect one of the Board members present to act as Chairman for that meeting.

- 7.3 Comprehensive minutes of board meetings will be kept by the Company Secretary. Minutes of all meetings shall be circulated to all members of the Board. The minutes should be completed as soon as possible after the meeting and circulated to the Chairman and then the Board members for review thereof. The minutes must be formally approved by the Board at its next scheduled meeting or via email communication.
- 7.4 Board papers will be timeously delivered to members so as to ensure that they are properly briefed prior to the meeting.
- 7.5 The Company Secretary will assist the directors in ensuring that they comply with the law and applies good corporate governance practices at all times.
- 7.6 The quorum for Board meetings requires at all times the continued presence of at least four directors, two of whom must be non-executive directors.
- 7.7 Individuals in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings, for purposes of voting at the Board meetings.
- 7.8 The Board, with the assistance of the company secretary, establishes 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. The annual work plan must ensure proper coverage of the matters laid out in this Board Charter. More critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a 3-year period. The number, timing and length of the meetings, and the agendas are to be determined in accordance with the annual work plan.
- 7.9 Notice of the meetings are provided 7 days prior. A detailed agenda and supporting documentation must be circulated, at least 7 days prior to each scheduled Board meeting to the members of the Board and other invitees unless impractical.
- 7.10 Board members should be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 7.11 At the commencement of each meeting, all board members should declare whether they have conflicts of interests in respect of a matter on the agenda.
- 7.12 Minutes of meetings shall be taken by the Group Company Secretary. Information and minutes of any previous meetings of the Committee must be distributed to Committee members within a reasonable time prior to the next meeting of the Committee.
- 7.13 All minutes of meetings of the Committee must be reviewed by the Committee chairman prior to their distribution to the Committee members for review and approval.
- 7.14 Any director may, provided that there is no conflict of interest and with the consent of the chairperson of the Committee, obtain copies of the Committee's minutes.

7.15 Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that Board member is also a member of the Committee, the Board member is not entitled to participate without the consent of the Committee chairman; does not have a vote; and is not entitled to fees for such attendance, unless the shareholders of the Company have approved such fees.

7.16 The members of the committee and invitees, if any, may participate in any meeting of the committee through the use of a conference telephone, video conference or other communication equipment by means of which all person participating in the meeting can hear each other at approximately the same time, provided that only members of the Committee shall be entitled to vote at such meetings. Such participation by members constitutes attendance and presence in person at the meeting and a member who so participates will form part of the quorum necessary for the transaction of the business meeting.

7.17 The Company Secretary shall ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflict of interest exists, the director subject to the conflict shall not participate or vote on the issue giving rise to the conflict.

## **8. GENERAL**

8.1 An executive director may take on other non-executive directorships, provided same are not detrimental to the immediate responsibilities as an executive director of the Company, and only after a consultation process has been conducted with the Chairman of the Board to establish whether or not such non-executive directorships would be appropriate in the circumstances.

**This charter was reviewed and approved by the Board of directors on 25 March 2019 and is reviewable annually.**