

SOUTH AFRICAN MONITORING AND EVALUATION ASSOCIATION (SAMEA)

BOARD CHARTER

Approved:

1. INTRODUCTION

This Board Charter is subject to the provisions of the South African Companies Act, 2008 (Act No. 71 of 2008), South African Monitoring and Evaluation's Memorandum of Incorporation (MOI) and any applicable law or regulatory provision. It is not intended to replace or amend the MOI in any way whatsoever. Reference to male gender are intended to equally reflect as references to the female gender.

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, individual directors, officials and members of SAMEA;
- (b) The powers delegated to various Board Committees of SAMEA;
- (c) Relevant principles of SAMEA'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, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation of directors and members of the Board committees.

3. THE BOARD AND MEMBERS OF SAMEA

3.1 Members and Membership

Membership is through subscriptions and open to any individuals, students and institutions committed to furthering the interests of SAMEA.

Dues for membership are set by the Board of Directors and reduced fees will apply to student members.

Membership shall be terminated three months after membership fees are due, in the event of such dues not being paid.

All benefits accruing to members, including, but not limited to the right to participate in the affairs and decision making processes of SAMEA, shall only apply to fully paid up members.

Matters reserved for decision-making by members are set out in the MOI and the Companies Act, 2008.

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

Proceedings at meetings of members are governed by the provisions of the Companies Act, 2008 and the MOI.

3.2 The Board

3.2.1 General Powers of the Board

The role, function and powers of the Board, directors and committees are determined by the law, the MOI and corporate governance best practices and decisions and policies of the Board.

The Board is responsible for the strategic direction of SAMEA and the control of SAMEA.¹ In managing or directing the affairs of SAMEA, the Board has authority to exercise all powers and perform any of the functions of SAMEA except to the extent that the Companies Act and the MOI provide.

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

The Board exercises its powers responsibly:

- (a) In the best interests of SAMEA with due regard to the interest of stakeholders of SAMEA;
- (b) In compliance with the requirement of the law, principles of sound corporate governance and applicable policies and procedures.

All Board members provide their services on a volunteer basis and are not to be remunerated for services provided.

3.2.2 The role, functions and responsibilities of the Board

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

- (a) retaining full and effective control over SAMEA and providing effective leadership in the best interest of SAMEA;
- (b) informing and approving the strategies and strategic objectives of SAMEA and ensuring that strategy, risk, performance and sustainable considerations are effectively integrated and appropriately balanced;
- (c) bringing independent, informed and effective judgement to bear on material decisions, transactions and budgets;
- (d) satisfying itself that SAMEA is governed effectively in accordance with corporate governance best practices including risk management, legal compliance management appropriate and relevant non-binding industry, codes and standards and internal control systems;
- (e) ensuring that SAMEA has an effective Board as required by the Companies Act, the MOI and best governance practices that SAMEA chooses to apply;
- (f) being credible, transparent and ethical in its operations;
- (g) being inclusive of all stakeholders within the monitoring and evaluation community;
- (h) providing opportunities for members to have a voice in the affairs of SAMEA, using a collaborative leadership approach to instil confidence among members that the governing body represents their interests; and
- (i) acting in a manner that will ensure a favourable profile of SAMEA as the official mouthpiece of the South African Monitoring and Evaluation community.

3.2.3 Matters reserved for decision-making by the Board

¹ King Code (2009).

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

- (a) reserved for final decision making by the Board;
- (b) require the Board's consent before a final decision is made.

Matters that have specifically been reserved for decision making or consent prior to final decision-making and the approved committees in respect of SAMEA are summarised in the delegations of authority.

3.2.4 Composition of the Board, appointment and rotation

The Board shall consist of a maximum of ten (10) directors with a minimum of five (5) directors.

Directors are appointed for an initial fixed term of three (3) years, but shall be eligible for re-appointment for two consecutive or non-consecutive terms of three years each.

At least one third of directors should retire by rotation at SAMEA's annual general meeting, unless members have nominated additional candidates for election. The retiring Board member(s) may be re-elected, provided they are eligible.

If there are more than five directors that have been voted in for an additional term or terms then the Board of Directors shall vote who of the five shall continue as a Board member.

SAMEA members will nominate candidates to the Board of Directors via email and will vote for candidates electronically.

The Board is empowered to fill vacancies on the Board.

Directors are appointed through a formal process and the nomination committee assists with the process of identifying suitable candidates to be proposed to the Board and members.

Directors that are considered for nomination should be members in good standing for at least a period of one year.

The Board composition should reflect diversity in respect of gender, geographic location, relevant business and academic backgrounds.

Only individuals with sound ethical reputations and business or professional acumen and who have sufficient time to effectively fulfil their role as Board members, will be considered for appointment to the Board.

Only individuals that possess certain skills sets that are required for the efficient and effective running of the board work should be considered as board members. These skills sets may include financial, marketing, governance and management skills.

3.2.5 Board Committees

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

Delegation is formal and involves the following:

- (a) formal terms of references are established and reviewed once a year;
- (b) the committees terms of reference are reviewed once a year;
- (c) the committees are appropriately constituted with due regard to the skills required by each committee;
- (d) the board establishes a framework for the delegation of authority to management;
- (e) the Board notes reports from and/or minutes of the meetings of each committee of the Board; and
- (f) the Board monitors the activities of committees and individuals with delegated authority.

The Board can establish committees as the need arises. For example a nomination committee that may be required to annually consider and approve the induction and training of directors.

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 once in 6 weeks and as 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 at least three (3) business days prior to each meeting to the directors of the Board and other invitees. The Chairperson with the assistance of the 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.

The task template must be completed and circulated to Board members five (5) working days after a board meeting and the minutes must be completed and circulated three weeks (3 weeks) after a board meeting.

3.2.6.3 Attendance

Board members will use their best endeavours to attend 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. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive inputs on matters for discussion.

Board members shall not miss three (3) consecutive board meetings and if so shall be automatically suspended and removed from the Board.

Board members must be physically present for at least four Board meetings per year. 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 of a board member in person not be possible.

If the nominated Chairperson of the Board is absent from a meeting, the Deputy Chair shall chair the meeting. If both Chairperson and Deputy Chair are not present then present board members must elect one of the members to act as Chairperson.

3.2.6.4 Quorum

A representative quorum for meetings is a minimum of five (5) directors.

3.2.6.5 Written Resolutions

A decision that could be voted on at a meeting of the Board may, instead be adopted by written consent of a majority of directors, given in person or by electronic communication, provided that each director has received notice of the matter to be decided.

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

3.2.6.6 Board Expenditure

The directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company and if any director is required to perform extra services or shall be otherwise specially occupied about the Company's business, he/she shall be entitled to receive expenses to be fixed by the directors.

3.3 Duties of Officers

3.3.1 The Chairperson

The Chairperson is elected by members of the Board. The Chairperson provides leadership at Board level, represents the Board to members and is responsible for ensuring integrity and effectiveness of the Board and its Committees. The Chairperson is also the Chairperson of the annual general meeting of members.

To this end the Chairperson is required to:

- set the ethical tone for the Board and SAMEA;
- provide overall leadership to the Board within the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Board members;
- identify and participate in selecting Board members;
- formulate with the Secretary annual work plans for the Board against agreed objectives, and play an active part in setting agenda for Board meetings; ensure that material matters in respect of the business of SAMEA are tabled at Board meetings;
- preside over Board meetings and the annual general meeting and ensure that material issues are tabled and interrogated effectively to ensure optimal Board decision-making and governance, manage conflicts of interest;
- ensure that directors play a full and constructive role in the affairs of SAMEA and take a leading role in the process for removing non-performing or unsuitable directors from the Board;

- monitor how the Board works together and how individual directors perform and interact at meetings; ensure that the performance of the Board, Board committee and individual directors is conducted annually;
- ensure that all directors are appropriately made aware of their responsibilities through a tailored induction programme; and
- ensure that good relations are maintained with SAMEA's strategic stakeholders and preside over members meetings.

3.3.2. Secretary

The Secretary shall act as the Secretary to the Board of Directors and cause to be prepared, notices, agendas and minutes of the Board. The term of office of the Secretary shall be one (1) year from the date of appointment.

3.3.3 Treasurer

The Treasurer shall have charge and custody and be responsible for all funds of SAMEA from any source whatsoever. The Treasurer shall endorse and deposit all such monies of SAMEA as shall be designated by resolution of the Board; make payments for appropriate and authorized expenditures and accounting records. In general, he/she shall perform all of the duties and exercises such other authority as from time to time may be delegated, or assigned to him or her by the Chairperson or the Board. The term of office shall be for one year from the date of election with an option to renew this on an annual basis.

The Treasurer in discharging his or her obligations shall work closely with the nominated Accountants and Auditors of SAMEA.

3.3.4 Individual directors

The Board exercises its functions jointly and no director has any authority to severally perform any act on behalf of SAMEA unless specifically authorised or requested by the Board. Directors are jointly accountable for the decisions of the Board.

Directors' duties, standards of conduct and liabilities are captured in the Companies Act. Directors have a legal obligation to act in the best interest of SAMEA, to act with due care, diligence and skill in discharging their duties as directors, to declare and avoid conflicts of interest with SAMEA for any advantages gained in discharging their duties on behalf of SAMEA.

The Board is of the view that the interests of SAMEA are better served if the Board functions as a team rather than as fractious, uneasy independent factions.

The Board and Directors may obtain such external advice as they may consider necessary to properly discharge their duties to SAMEA.

4. DISCLOSURE AND CONFLICTS OF INTEREST

In terms of the Companies Act, and the MOI, a director 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 interests before the matter is considered;
- (b) must disclose all material information known to the director to the meeting;

- (c) may disclose observations and insights relating to the matter if requested by the other director to do so;
- (d) may not be present at the meeting where the matter is discussed and may not participate in the consideration of the matter.

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

5. PERFORMANCE EVALUATION: BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS AND MEMBERS OF COMMITTEES

The evaluation of the Board, its committees and individual directors, including the Chairperson, must be performed every year.

The board should agree on how the performance of the Board and Board Committees should be undertaken and this should be reported on annually.

6. POLICY IN RESPECT OF DISPUTE RESOLUTION

It is the policy of SAMEA 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 resolution would be most effective methodology to resolve a dispute in the best interests of SAMEA.

The merits of claims against SAMEA for allegations of misconduct or non-compliance against SAMEA 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-compliance is 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 SAMEA.

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

7. MEMORANDUM OF INCORPORATION

This Board Charter is not intended to replace or amend the MOI in any way whatsoever. In the event of a conflict between the MOI and the Board Charter, the provisions of the MOI shall prevail. The Board Charter is also not intended to contain a comprehensive summary of the applicable legal principles.

LIST OF ATTACHMENTS

MEMORANDUM OF INCORPORATION