



## BOARD CHARTER

The Board of Directors ("Board") of the Compliance Institute Southern Africa ("the Institute") acknowledges the need for a Board charter as recommended in the Code of Governance Principles for South Africa - 2016 ("King IV"). This Board Charter ("Charter") is subject to the provisions of the Companies Act, the Institute's Memorandum of Incorporation ("MoI") and any other applicable law or regulatory provision.

### 1. PURPOSE OF THE BOARD CHARTER

The purpose of this Charter is to set out the Board's role and responsibilities as well as the requirements for its composition and meeting procedures and should be read in conjunction with the Institute's MoI.

### 2. COMPOSITION

The Board comprises a minimum of 4 (four) and a maximum of 20 (twenty) directors. Directors are appointed through a formal process and are elected by the members at the Annual General Meeting.

As provided for in the Institute's MoI, the Chief Executive Officer serves as an ex officio executive director of the Institute. The Board may from time to time in its sole discretion identify one other executive manager to qualify as ex officio member of the Board.

### 3. ELECTION OF DIRECTORS

Directors are appointed for a maximum of three (3) consecutive terms, provided that one third (1/3) of the non-executive directors of the Institute retire from office at every Annual General Meeting. If the number of non-executive directors is not three or a multiple of three, the number nearest to one-third (1/3) retires from office.

Retiring non-executive directors may, subject to recommendation by the Board, stand for re-

election. Pursuant to the aforementioned, retiring non-executive directors shall be eligible for re-election for a maximum of two (2) additional terms, thereafter they must undergo a mandatory break of 1 (one) year, calculated from the Annual General Meeting date, before they may again stand for election. The Chairperson may be co-opted for a further one-year period, for succession planning, at the conclusion of his/her 3<sup>rd</sup> term.

"Non-executive Director" means a director who is ordinarily not involved in the daily management or operations of the Institute and whose role is to provide objective oversight, strategic guidance, and constructive challenge to executive management. Non-executive directors are ordinarily elected by Members at the Annual General Meeting (AGM) of the Institute, provided that the Board may fill interim vacancies subject to subsequent confirmation by the Members at the AGM.

#### **4. ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON**

Only a currently serving director may be nominated for election and elected as Chairperson or Vice Chairperson.

Nominees for the Chairpersonship should have served on the Board for at least two (2) years, and the Vice Chairpersonship one (1) year.

The Chairperson and the Vice-chairperson are elected for a period of three years and may stand for re-election, subject to their tenure of Directorship (maximum 3 (three) consecutive terms).

The Vice Chairperson does not automatically succeed the Chairperson, however, he/she should shadow the chairperson, who will act in a mentoring role as regards the Vice Chairperson's development of relevant skills and competencies.

If a Chairperson is unable to or does not complete his/her term of office, the Vice Chairperson shall serve as the Acting Chairperson, until the Board elects a new chair.

##### **4.1. The role of the Chairperson and Vice Chairperson**

It is the Chairperson's and, in the absence of the Chairperson, the Vice Chairperson's responsibility to:

- i. Ensure the business of the governing body is conducted properly, in accordance with legal requirements.
- ii. Ensure meetings are run effectively, focusing on priorities and making the best use of the time available, and ensuring that all members have an equal opportunity to participate in

discussion and decision making.

- iii. Establish and foster an effective relationship with the CEO based on trust and mutual respect, ensuring that the governing body act as a sounding board to the CEO.
- iv. Provide strategic direction.
- v. Ensure that the Board fulfils its role and responsibilities as detailed in this Board Charter.

Should a Chairperson not fulfil their duties the matter must be referred to the Social, Ethics, Remuneration and Nomination Committee (SERN) which may recommend a suitable course of action.

## 5. BOARD ROLE AND RESPONSIBILITIES

The role and responsibilities of the Board are to: -

- i. act as the focal point for, and custodian of, corporate governance by steering the organisation and setting its strategic direction, approving policy and planning that give effect to that direction, managing its relationship with Institute management, the members and other stakeholders of the Institute along sound corporate governance principles, and ensure accountability for the organisations performance through reporting and disclosures;
- ii. appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
  - contributing to and approving the Institute's strategy;
  - satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
  - approving policies and operational plans developed by management to give effect to the approved strategy and identifying key performance and risk areas;
  - ensuring that the strategy will result in sustainable outcomes; and
  - exercising ongoing oversight of strategy implementation and assessment.
- iii. provide effective leadership on an ethical foundation and ensure that the Institute's ethics are managed effectively;
- iv. ensure that the Institute is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Institute, but also the impact that business operations have on the environment and the society within which it operates;
- v. ensure that the Institute has an effective:

- Audit and Risk Committee (ARC) that is chaired by an independent non-executive director; and
- Social, Ethics, Remuneration and Nomination Committee (SERN) that is chaired by an independent non-executive director;

vi. be responsible for the governance of risk;

vii. be responsible for technology and information (TI) governance;

viii. ensure that the Institute complies with applicable laws and considers adherence to non-binding rules and standards;

ix. Ensures that the Institute remunerates fairly, responsibly and transparently;

x. ensure that assurance providers and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisations external reports;

xi. adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest over time;

xii. act in the best interests of the Institute by ensuring that individual directors:

- adhere to legal standards of conduct
- are permitted to take independent advice in connection with their duties following an agreed procedure
- disclose real or perceived conflicts to the Board and deal with them accordingly by recusing themselves to any decision related to the disclosed conflict of interest;

xiii. commence business rescue proceedings as soon as the Institute is financially distressed;

xiv. elect a chairperson and vice chairperson of the Board with the following responsibilities;

- Chairperson
  - provide leadership to the Board, setting the tone for its performance and undertaking the the management of the Board;
  - play an active role in engaging Boar dmembers and building upon their strengthes and addressing / developing any weaknesses;
  - ensure that focus is maintained by the Board on what is best of the Institute, and that the tone for organizational success is set;
  - be accountable to the Board; and
  - work with fellow Directors in setting the direction and priorities for the execution

of duties by the board and act as the communication channel for Board decisions, where appropriate.

- Vice Chairperson
  - to lead the Board in the absence of the Chairperson;
  - to serve as a sounding board for the Chairperson;
  - to act as an intermediary between the Chair and the other members of the Board, as and when necessary;
  - to deal with member and stakeholder concerns where contact through the normal channels have failed to resolve the concern or where such contact would not be appropriate;
  - to chair discussions and decision-making of the Board where the Chairperson has a conflict of interest; and
  - to meet with the Chair annually about the evaluation of the Chair's performance and meeting their duties and responsibilities.
- xv. ensure that the evaluation of its performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness; and
- xvi. appoint and evaluate the performance of, the Chief Executive Officer, and ensure there is succession planning in place for the position.

The Board should do everything necessary to fulfil its role as set out above.

## 6. DELEGATION

The Board delegates certain functions to well-structured committees, but without abdicating its own responsibilities. Delegation is formal and involves the following:

- formal charters are established and approved for each committee of the Board;
- the committees charters are reviewed at least annually;
- the Committees and Board are appropriately constituted with due regard to the skills required by each committee and the Board; and
- the Board shall approve and review annually a Delegation of Authority Framework that clearly outlines decision rights and financial thresholds for management.

## **7. MEETING PROCEDURES**

### **7.1. Frequency of Board meetings**

The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter, but subject to a minimum of 4 (four) meetings per year. Meetings, in addition to those scheduled, may be held at the instance of a Board member on requisition of at least 25% of the Directors. The Chairperson of the Board may meet with the Chief Executive Officer (who is also the company secretary of the Institute) prior to a Board meeting to discuss important issues and agree on the agenda. The Chief Executive Officer/company secretary is the secretary to the Board.

### **7.2. Attendance of Board meetings**

Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by invitation only and they may not vote. Directors must attend all scheduled meetings of the Board, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson or Chief Executive Officer/company secretary.

Non-attendance of 3 (three) official meetings of the Board during the period between annual general meetings, but excluding special or ad hoc Board meetings, without a written and valid excuse will constitute grounds for removal. The motivation is that Directors are elected by Institute members to represent their interests. Directors are therefore expected to be actively engaged in and contributing to the well-being of the Institute and its members, by representing the Institute's members on the Board.

Directors must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.

If the nominated Chairperson of the Board is absent from a meeting, the Vice Chairperson shall fulfill this role. If both the Chairperson and Vice Chairperson are absent from a meeting, members present must elect one of the members present to act as Chairperson.

### **7.3. Agenda and minutes**

A detailed agenda, together with supporting documentation, must be circulated, at least 5 (five) work days prior to each meeting to the members of the Board and other invitees.

The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and members of the Board for review thereof. The minutes must be formally approved by the Board at its next scheduled meeting.

#### **7.4. Quorum**

A representative quorum for meetings is a majority of the number of Directors in office, provided that the majority of the Directors present are non-executive Directors.

Individuals in attendance at Board meetings by invitation may participate in discussions, but do not form part of the quorum for Board meetings.

### **8. BOARD EVALUATION**

The evaluation of the Board, its committees and individual directors, including their Chairpersons, must be performed every year, whether internally or independently. Based on the results of the performance assessment, the Board may identify necessary training and development needs for the Board, the Committees and individual members.

Informal monitoring of Directors' preparation, attendance of meeting and participation and contribution in meetings shall be monitored and if considered insufficient, the Chair shall address same with the relevant Board member.

### **9. APPROVAL OF BOARD CHARTER**

This Board Charter was approved by the Board of Directors on 27 November 2025 and will be due for review annually.

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Approved by the Board of Directors  
**Chairperson**

## CHARTER REVIEW SCHEDULE

Charter Review Coordinator:	Version Number:	Date reviewed and approved by Board	Date of next review:
Renate van Onselen	V.1	5 October 2017	September 2018
Danie Swart	V.2	8 July 2019	May 2020
Danie Swart	V.3	Sep 2020	Feb 2021
Danie Swart	V.4	Nov 2021	Nov 2022
Sherma Malan	V.5	Nov 2025	Nov 2026

## **Board Chairperson and Vice Chairperson election guide - Annexure A**

### **Nominations**

- i. All directors will be allowed to nominate a Chairperson and Vice Chairperson before the Board meeting where the voting will take place.
- ii. The nominees will be advised of their nomination and asked to accept their candidacy before the meeting.

### **Voting**

Voting will take place at a board meeting where a quorum is present in person and/or virtually:

- Each nominee's candidacy may be motivated by either the proposer or the nominee, or by both.
- The voting should take place in an anonymous format acceptable to the directors present.
- A majority vote in favour of a candidate is required to appoint the Chairperson and a Vice Chairperson .
- The Institute will announce an appointment of a Chairperson and a Vice Chairperson to the Board and Membership.