



## **WELGELEGEN ESTATE HOMEOWNERS ASSOCIATION**

### **BOARD CHARTER**

#### **1. INTRODUCTION**

- 1.1 Recommendations for and principles of good corporate governance are set out in the King Report on Governance for South Africa, 2009 ("King IV"), read together with the King Code of Governance for South Africa, 2009 ("the Code").
- 1.2 The Board of trustees of the Welgelegen Estate Home Owners Association (WEOA) ("the Board") aligns itself to the principles of good corporate governance (as contained in King IV ) and regards these as fundamentally important to the business success and sustainability of the Welgelegen Estate.
- 1.3 The Board therefore approved this Board charter ("the charter"), the provisions of which will at all times be subject to all statutory and regulatory requirements, including the WEOA Constitution.
- 1.4 The purpose of the charter is to regulate the parameters within which the Board will operate and to ensure the application of the principles of good corporate governance in all dealings by, in respect and on behalf of, the Welgelegen Estate and furthermore to set out the roles and responsibilities of the Board and individual trustees and relevant procedures of the Board.

#### **2. COMPOSITION OF THE BOARD**

- 2.1 The composition of the Board is prescribed by the WEOA Constitution and in terms of clause 17.1 and 17.2 of the Constitution the trustees of the Association shall comprise a maximum of six Trustees.
- 2.2 Section 17 of the WEOA Constitution provides for the general Trustee measures ensuring that the Board is responsible for the proper and efficient management of the Welgelegen Estate and its Association.

### **3. POWERS OF THE BOARD**

- 3.1 In terms of Section 17 of the WHOA Constitution the Trustees resolved that the management body of the WHOA shall be a Board of Trustees and it will be known as the “Board”. The main objective of such a Board is to ensure good governance of the WHOA and that the affairs of the Board be executed in terms of clauses 17, 18 and 19 of the WHOA Constitution.

### **4. ROLE AND RESPONSIBILITIES OF THE BOARD**

- 4.1 Taking the powers of the Board indicated above into consideration the following specific role and responsibilities should be executed by the Board:

4.1.1 As its primary function, the Board is responsible for the effective and efficient administration of the WHOA. The Board must therefore determine the WHOA strategic direction and exercise prudent control over the WHOA and its affairs;

4.1.2 The Board and the individual trustees will at all times act in the best interests of the WHOA and adhere to all relevant legal standards of conduct;

4.1.3 In fulfilling its function, the Board will at all times:

4.1.3.1 provide effective leadership based on an ethical foundation;

4.1.3.2 act as ultimate custodian of the WHOA system of corporate governance by managing its relationship with members, and other stakeholders based on sound corporate governance principles;

4.1.3.3 appreciate that business plans, risk, performance and sustainability are inseparable and give effect to this by:

contributing to and approving the business plan of the WHOA;

satisfying itself that all material risks in the annual business plan have been duly considered and addressed; and

identifying the key performance and risk areas in the business plan.

4.1.4 Monitor the performance of the WHOA against agreed objectives and review the performance of the Estate Manager against defined objectives and other applicable performance standards.

4.1.5 The Board will be responsible to appoint the Estate Manager and ensure a proper process of performance management and succession planning in respect of the position.

4.1.6 The Board will implement a formal delegation of authority framework for the Estate Manager which will be reviewed on an annual basis.

- 4.1.7 The Board will not delegate the application of the Architectural and Building guidelines and deviation approvals from such guidelines to any Board Committee.

## **5. DUTIES OF THE CHAIRPERSON**

The Chairperson of the Board is responsible for the following core functions on behalf of the Board:

- 5.1 Setting the ethical tone for the Board and the WHOA;
- 5.2 Providing overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Board members;
- 5.3 Formulating (with other Board members) the yearly work plan for the Board against agreed objectives, and playing an active part in setting the agenda for Board meetings;
- 5.4 Presiding over Board meetings and ensuring that the time in meetings is used productively. The chairperson should encourage collegiality among Board members without inhibiting debate and creating tension among Board members;
- 5.5 Managing conflicts of interest of Trustees;
- 5.6 Acting as the link between the Board and the Estate Manager;
- 5.7 Ensuring that trustees play a full and constructive role in the affairs of the WHO and engaging with trustees who do not play a constructive role in the affairs of the WHOA;
- 5.8 Consulting with chairpersons of Board committees to ensure that Committee members play a full and constructive role in the affairs of the different Committees;
- 5.9 Ensuring that complete, timely, relevant, accurate, honest and accessible information to the Board to enable trustees to reach an informed decision;
- 5.10 Ensuring that good relations are maintained with the WHOA's major stakeholders;
- 5.11 Upholding rigorous standards of preparation for meetings; and
- 5.12 Ensuring that decisions by the Board are executed.

## **6. RESPONSIBILITIES OF INDIVIDUAL TRUSTEE**

- 6.1. In fulfilling his/her responsibility to the WHOA, a trustee will at all times:

- 6.1.1 take all reasonable steps to ensure that the interests of members and WHOA in terms of the WHOA Constitution are protected;
- 6.1.2 act in the best interest of the WHOA, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- 6.1.3 act with impartiality in respect of all members;
- 6.1.4 conduct himself/herself in a professional manner;
- 6.1.5 avoid any conflict of interest between his personal affairs and that of the WHOA or, where unavoidable, disclose any such conflict or potential conflict;
- 6.1.6 disclose any information that he may be aware of that is material to the WHOA and which the Board is not aware of, unless such trustee is bound by ethical or contractual obligations of non-disclosure;
- 6.1.7 use only his/her powers for the purposes for which they were conferred upon him and not to gain an advantage for himself/herself or a third party or to harm the WHOA in any way;
- 6.1.8 only act within his powers as formally delegated by the Board;
- 6.1.9 use their best endeavours to attend Board and relevant Board committee meetings where at all possible and devote appropriate preparation times ahead of each meeting to ensure that he/she is in a position to contribute to Board and committee discussions and to make informed decisions on matters placed before the Board or Board committee;
- 6.1.10 exhibit the degree of skill and care as may be reasonably expected from a person of his/her skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs;
- 6.1.11 actively participate in and contribute to Board deliberations in a constructive and frank manner under the leadership and guidance of the chairperson;
- 6.1.12 ensure that adequate and appropriate information is communicated to the members of the WHOA;
- 6.1.13 obtain expert advice on matters where Board members may lack expertise; and
- 6.1.14 trustees who are not able to attend any meetings of the Board will submit a formal apology to the chairperson or secretary.

## **7. MEETING PROCEDURE**

- 7.1 The Board will hold sufficient scheduled meetings to discharge all its duties but subject to a minimum of four meetings a year. It might be necessary to

meet more frequently to take decisions and to advise on operational matters that cannot stand over for formal Board meetings. In such cases the Board can meet in a Daily Management Mode on short notice to discuss and approve urgent matters. This can also be done through a round robin process to all Trustees by the Chairperson or Secretariat of the Board. All decisions taken through such a process (Daily Management Mode) must be ratified at the next formal scheduled Board meeting and be initiated as such.

- 7.2 Any Board member may with the written support of two other trustees request the chairperson in writing to convene a meeting of the Board to deal with the business set out in such a request. The chairperson convenes such a meeting of the Board within 14 days of receiving the request.
- 7.3 Additional Board meetings may also be held as and when deemed appropriate by the chairperson.
- 7.4 The Secretary of the Board will be required to facilitate the process of setting the agenda for each meeting as agreed with the chairperson. Every trustee will be entitled, in consultation with the chairperson, to add any item to the agenda for a particular Board meeting.
- 7.5 Reasonable notice in writing shall be given to all trustees in respect of all Board meetings and processes.
- 7.6 The detailed agenda together with supporting documentation will be circulated prior to the meeting within 5-days prior to the meeting so as to enable the trustees to be properly prepared for the meeting.
- 7.7 The Estate Manager and service providers may be invited by the chairperson to attend meetings of the Board but will not be entitled to vote or be counted for quorum purposes.
- 7.8 In the absence of the chairperson at a meeting, the trustees present at the meeting will elect a chairperson from their ranks.
- 7.9 The Board's discussions shall at all times be open and constructive. The chairperson shall seek a consensus in the Board. Every trustee, including the chairperson has one vote at all meetings of the Board and the decision of the majority of trustees present at a meeting shall constitute a decision of the Board. In the case of an equality of votes for and against a resolution, the chairperson shall have a second or casting vote.
- 7.10 Voting shall take place by the raising of hands. The names of the trustees who had voted against a resolution, dissented or abstained will be recorded in the minutes. The majority of trustees present at the meeting may request that voting takes place by way of secret ballot. The number of trustees who voted for and against a resolution will be recorded.
- 7.11 The minutes of a meeting must be completed as soon as reasonably possible after the meeting and circulated to the chairperson for review. The

minutes will be formally approved by the Board at its next scheduled meeting.

- 7.12 The chairperson of the Board must appoint a trustee to take the minutes should the Board decide to excuse the Secretariat from the meeting in order to discuss highly sensitive issues.
- 7.13 The Board will establish an annual work plan to ensure that all relevant matters are covered by the agendas of meetings planned for the year.
- 7.14 Board meetings may be conducted via telephone or video conference facilities provided that all concerned can actively participate in the meeting. Trustees participating via these facilities will be counted for quorum purposes.

## **8. BOARD PROCEDURES, POLICIES AND GUIDELINES**

- 8.1 The Board will be entitled to adopt and approve such procedures, policies and guidelines as it may deem necessary, to ensure proper governance in the management of its affairs. The policies will form part of the governance charter of the WHOA.

## **9. BOARD COMMITTEES**

- 9.1 In order to ensure efficient and effective Welgelegen Estate Management the Board resolved at its Board meeting dated 14 February 2019 to establish a Welgelegen Estate Management Model consist out of four management committees being the Security Committee, Compliance and Communication Committee, Finance and Audit Committee and Environmental and Landscaping Committee. The Board will delegate certain of its functions to well-structured committees but without abdicating its own responsibilities.
- 9.2 Each Board committee as established by the Board will have formal terms of reference to be approved by the Board and annually reviewed. All committees will report to the Board.
- 9.3 The committees will be appropriately constituted with due regard to the skills required by each committee. At least one trustee will serve on a committee, while a maximum of five Welgelegen Estate members will be invited or/and appointed to serve on the committee. The committee may from time to time co-opt individuals or members with specific skills to serve on the committee.
- 9.4 The committee chairperson will be appointed by the Board and must be a trustee.
- 9.5 The terms of reference for the following committees are attached to this Board Charter;

Security Committee as Annexure A;

Compliance and Governance Committee as Annexure B;

Finance and Audit Committee as Annexure C; and

Environmental and Landscaping Committee as Annexure D.

- 9.6 If required for specific purposes the Chairperson of the Board may call a meeting of Trustees including the members of Board Committees. Such a meeting will be known as the WHOA Board meeting in extended mode. Such a meeting can be used for annual planning purposes and general feedback and reporting. Such a meeting in extended mode will only have recommendation powers to the Board of Trustees.

## **10. REVIEW OF CHARTER**

- 10.1 The charter will be reviewed on an annual basis by the Board.