

G3 BOARD CHARTER

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1. Purpose

Dube TradePort Corporation (DTPC) is established as a Schedule 3C, provincial public entity through the promulgation of the Dube TradePort Corporation Act 2 of 2010 on 21 October 2010 (DTPC Act).

The Mission of the Dube TradePort Corporation (DTPC) is to stimulate economic development through the provision of integrated world-class air logistics facilities, including a Cargo Terminal, TradeZone, AgriZone, Dube City, Dube AiRoad, an IT Platform and associated services.

In conducting its day-to-day business activities, the Board of Dube TradePort Corporation is mindful of the need to set a good example which will be followed throughout the organisation. This may be achieved by adherence to a clear set of values, which include:

- **Professional Excellence:** Being passionate about value-adding professionalism;
- **Ubuntu:** Creating open, honest relationships built on trust, mutual respect, dignity and fairness;
- **Empowerment:** Actively embracing the economic transformational and developmental agenda of stakeholders;
- **Innovation and Creativity:** Succeeding through innovative, creative and adaptable teams; and
- **Service Excellence:** Providing unsurpassed service excellence of which our clients may be proud.

2. Legal Framework and References

Legislation which is applicable to the policy must be listed in this section of the document. References used to compile the document must also be listed in this section (e.g. guide, standards, forms, checklists, registers), as these all provide detailed information on the policy.

The Board Charter of the DTPC Board is underpinned by the following legislation, regulations, standards and policy documents:

- Constitution of the Republic of South Africa;
- International Accounting Standard 24 Related Party Disclosures;
- KwaZulu-Natal Dube TradePort Corporation Act, 2 of 2010.
- Public Finance Management Act 1 of 1999;
- Promotion of Access to Information Act 2 of 2000;
- Promotion of Administrative Justice Act 3 of 2000

All entities operate in administrative-, legal and regulatory and environments with specific provisions regulating the manner in which the entity operates and is managed. These provisions ensure that the entity is managed in line with the principles of effective risk management and good corporate governance.

The key principles that the DTPC Board subscribes to are:

1. Promotion and maintenance of a high standard of professional ethics.
2. Provision of services impartially, fairly, equitably and without bias.
3. Accountable public administration.
4. Transparency

3. Definitions

Term/ Abbreviation/ Acronym	Definition
"Board"	means the Board of Dube TradePort Corporation (DTPC) as contemplated in section 5 of the Dube TradePort Corporation Act 2 of 2010 on 21 October 2010 (DTPC Act).;
"Executive Authority"	means the Cabinet member or member of the Executive Council of a province in whose portfolio a government component, statutory council, public entity or government enterprise falls;
"MEC"	means a member of a provincial Executive Council;
"Parliament"	also means a provincial legislature;
"PFMA"	means the Public Finance Management Act, 1999
"state controlled institution"	means a national or provincial public entity or government enterprise.

4. Composition of the Board

- 4.1 The Member of the Executive Council (MEC) for Economic Development, Tourism and Environmental Affairs appoints the Board members.
- 4.2 The DTPC Board consists of at least 3 (three), but no more than 8 (eight), members and the Chief Executive Officer, ex officio, as contemplated in section 16 (5) of the DTPC Act.
- 4.3 Members of the DTPC Board must be fit and proper persons to serve the best interests of the Province, collectively possessing skills and expertise in financial management, tourism, transport sector, economic development and property development.
- 4.4 The MEC should nominate one member of the Board as the Chairperson and another as the Deputy Chairperson.
- 4.5 The role description for Board members reflects the following preferences as set out in the King Code:
 - 4.5.1 The Chairperson should preferably be an independent, non-executive member.
 - 4.5.2 The DTPC Board could comprise a mix of executive, non-executive and independent directors.
 - 4.5.3 The DTPC Board should comprise a majority of non-executive directors.
- 4.6 The MEC may remove a member of the DTPC Board from office on the grounds of misconduct, incapacity or incompetence;
- 4.7 A decision to remove a member of the DTPC Board from office must be based on the recommendation of an independent panel appointed by the MEC.
- 4.8 The MEC may dissolve the DTPC Board on reasonable grounds.

5. Terms of Office

- 5.1 The persons appointed to the DTPC Board hold office for a period of 5 (five) years or such lesser period as the MEC may determine and are, subject to section 5 of the DTPC Act, eligible for re-appointment at the expiry of such period, provided that no person may be re-appointed after having served on the Board for a continuous period of 10 (ten) years.

6. Limits on Multiple Memberships of Boards

6.1 An individual serving on the Board of a regulatory entity may not simultaneously serve on the Board of a government enterprise that is regulated by the particular regulatory entity.

7. Remuneration and Reimbursement of Expenditure

7.1 The MEC determines the remuneration of advisory Boards of government components listed in Schedule 3 of the PFMA.

7.2 The Remuneration of the Chairperson and Non-executive Directors Policy sets out the principles of remuneration of the board members.

7.3

8. Responsibilities of Board members

8.1. Although members of the DTPC Board act as a group, each member is individually responsible for being as effective as he/ she can be. Members must ensure that they:

8.1.1. Devote adequate time and attention to their duties;

8.1.2. Have a good working knowledge of DTPC, including its organisational structure, management, internal financial controls and its products or services;

8.1.3. Prepare adequately for Board meetings by working through Board and agenda papers;

8.1.4. Ensure that management reporting is presented in a clear and easily understood format containing all necessary information about the company that Board members need to know;

8.1.5. Actively participate in the Board meetings and decision-making activities of the DTPC Board;

8.1.6. Assign specific areas of responsibility to management to ensure individual accountability of each manager

8.1.7. Oversee the appointment of senior management and appoint only individuals of suitable calibre;

8.1.8. Ensure compliance with relevant legislation and regulations and implement an effective reporting system to monitor such compliance.

8.2. The Board must:

8.2.1. Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the DTPC;

- 8.2.2. Act with fidelity, honesty and integrity and in the best interests of DTPC in managing the affairs of DTPC;
- 8.2.3. On request, disclose to the relevant MEC or legislature all material facts, including those reasonably discoverable, which may in any way influence the decisions of that MEC or legislature:
- 8.3. A Board member may not:
 - 8.3.1. Act in any way that is inconsistent with the responsibilities assigned to the Board by the PFMA.
 - 8.3.2. Use the position of, privileges, or confidential information gained as a Board or member of the Board for personal gain or to improperly benefit another person.
- 8.4. Responsibilities of the Board Chairperson
 - 8.4.1. The Chairperson must lead the Board in the objective and effective discharge of its governance role and responsibility as described by the Charter;
 - 8.4.2. The Chairperson must chair all the meetings of the Board;; and
 - 8.4.3. The Chairperson must strengthen independence of the Board when fulfilling the roles contemplated in the Charter.
- 8.5. Responsibilities if the Board Deputy-Chairperson
 - 8.5.1. The Deputy Chairperson must lead the Board in the absence of the Chairperson;
 - 8.5.2. The Deputy Chairperson must serve as a sounding board for the Chairperson;
 - 8.5.3. The Deputy-Chairperson must act as an intermediary between the Chairperson and other Board members when necessary;
 - 8.5.4. The Deputy-Chairperson must deal with Shareholder's concerns when contact through the normal channels has failed to resolve concerns or when such contact is inappropriate;
 - 8.5.5. The Deputy Chairperson must chair discussion and decision-making on matters where the Chairperson has a conflict of interest; and
 - 8.5.6. The Deputy Chairperson must lead the performance assessment of the Chairperson.

9. Powers, Duties and Functions of Dube TradePort Corporation and the Board

- 9.1 The DTPC must, through the Board:

- 9.1.1 Ensure the strategic planning, establishment design, construction, operation, management and control of the DTPC;
 - 9.1.2 Implement and give effect to the Master Plan for the economic growth of DTPC and the province;
 - 9.1.3 Manage and utilise its resources in accordance with its objects and the requirements of the Master Plan;
 - 9.1.4 Identify, develop, market and promote investment opportunities in the Dube TradePort; and
 - 9.1.5 Develop an investment plan for the Dube TradePort.
- 9.2 Board members' liability is unlimited and they are jointly and severally liable, both in terms of the PFMA and Dube TradePort Corporation Act.
- 9.3 The legal consequences of a breach of a fiduciary duty may include –
- 9.3.1 That the decision is void or voidable;
 - 9.3.2 Personal liability for damages; or
 - 9.3.3 Personal criminal liability.

10. Responsibilities of the Board

- 10.1. The Board should apply the appropriate recommendations as proposed in the King IV report:
 - 10.1.1. Act as the focal point for corporate governance and be aware of the needs, interests perceptions and expectations of material stakeholders;
 - 10.1.2. Contribute to and approve the strategy that will result in sustainable outcomes;
 - 10.1.3. Ensure that risks associated with the strategy have been thoroughly assessed by management;
 - 10.1.4. Identify key performance and risk areas and be responsible for the governance of risk in a way that supports DTPC in setting and achieving its objectives;
 - 10.1.5. Appoint an effective and independent audit committee;
 - 10.1.6. Provide effective leadership on an ethical foundation and ensure that DTPC 's ethics are effectively managed;
 - 10.1.7. Ensure that DTPC is, and is seen to be a good corporate citizen;
 - 10.1.8. Be responsible for the governance of technology and information;
 - 10.1.9. Ensure there is an effective risk-based internal audit;

- 10.1.10. Ensure that the assurance services and functions enable an effective control environment, and these support the integrity of information for internal decision making and of DTPC's external reports.
- 10.1.11. Ensure that DTPC complies with all laws and regulations;
- 10.1.12. Ensure the integrity of the annual report and ensure that all reports issued by DTPC enable stakeholders to make informed assessments of DTPC's performance;
- 10.1.13. Act in DTPC's best interests;
- 10.1.14. Adhere to legal standards of conduct; and
- 10.1.15. Disclose real or perceived conflicts of interest.

11. Meetings and Proceedings of the DTPC Board

- 11.1. All meetings are determined and convened by the Chairperson of the Board;
- 11.2. The DTPC Board will meet quarterly and decide on matters presented to the Board through the adoption of resolutions. Such resolution will be recorded in the minutes of the meetings.
- 11.3. The Chairperson may decide to withdraw a matter before it is put to a vote.
- 11.4. The Chairperson must preside at all meetings provided that in his or her absence the Deputy Chairperson must preside. Should neither be present at the meeting, the members present may elect, from their own number a person to act as the chairperson for the duration of that particular meeting.
- 11.5. The quorum for a meeting of the Board is the majority of the members of the Board.
- 11.6. A decision of the Board must be taken by a majority of the votes of the members present at a meeting and in the event of an equality of votes on any matter; the Chairperson has a casting vote in addition to his or her deliberative vote.
- 11.7. The Board must ensure that minutes for the meetings are kept.
- 11.8. DTPC shall enter minutes of the proceedings at any meeting of the entity in one or more minute books kept for the purpose, within 1 (one) month after the date on which the meeting was held;
- 11.9. Any such minute book shall be kept at the official office of the DTPC or at the office where such minute book is made up.
- 11.10. For the purpose of this section loose leaves of paper shall not be deemed to constitute a minute book unless they are bound together permanently, without means provided for the withdrawn or in section of leaves and the pages are consecutively numbered.

- 11.11. The minutes of any meeting purporting to be signed by the Chairperson of that meeting or by the Chairperson of the next succeeding meeting shall be evidence of the proceedings.
- 11.12. Members have the right to inspect the minute book.
- 11.13. The Chairperson, or the majority of the Board, may call an extra-ordinary meeting of the Board.
- 11.14. The Board may, in its discretion, allow members of the public to attend any meeting of the Board.
- 11.15. The Board may delegate any powers bestowed upon it in terms of the PFMA to an official. All such delegations must be done in writing and recorded in the minutes of the meeting.
- 11.16. The Board may, if deemed appropriate obtain independent, professional advice at the cost of DTPC for the Board, any of its committees or its members. The Board may instruct management to obtain services of such advisors on their behalf. The procurement of such service providers must follow the procurement process as set out in the SCM Policy.
- 11.17. The Board and its Committees have the right to access information. All requests for information in addition to what is contained in the Board and Committee packs should be channeled through the Company Secretary and/or the Chief Executive Officer.

12. Committees of the Board

- 12.1. The Board may establish committees consisting of one or more of its members to assist the DTPC Board in the performance of any powers, duties or functions of the Board or to enquire or conduct research into any matter falling within the mandate of the Board in terms of enabling legislation.
- 12.2. When establishing a committee the Board must determine the terms and reference of such committee including whether or not such a committee ceases to exist once it has completed its task.
- 12.3. The terms of reference of the standing committees should be reviewed at least every two years. However, they may be reviewed earlier should the need for amendment arise.
- 12.4. When establishing a committee the Board must appoint a chairperson of such committee who must be a member of the Board except for the Audit and Risk Committee which must have an independent chairperson.
- 12.5. When establishing a committee the Board must determine whether such committee may co-opt persons who are not members of the Board, and if so, on what terms and conditions.

- 12.6. The Board may at any time terminate the existence of a committee or any mandate given to such a committee.
- 12.7. The Chief Executive Officer may attend and participate in the committees, but may not vote at the meeting of the committee unless he is an elected member of such committee.
- 12.8. The Chairpersons of the committees should report the activities of the committee meetings at the next Board meeting. The report may be verbal or through distribution of draft minutes.

13. Subsidiaries of DTPC

- 13.1. Feedback on the activities of the subsidiary Board should be provided to the Board.

14. Delegations

- 14.1. The Board must establish a framework for delegation of authority to its committees and to management.
- 14.2. The framework should be reviewed at least annually or, as required.

15. Attendance Register

- 15.1. Board members 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 Company Secretary.
- 15.2. Absence of a member, without leave, of two or more consecutive meetings is grounds for automatic removal from the Board.
- 15.3. Every member of the DTPC Board present at any meeting of Board members and shall at the meeting sign his/ her name under the date of the meeting in a book. Loose, separate attendance pages may be used for this purposes, provided they are attached/ pasted in the minute book together with the minutes of the meeting.

16. Recusal of a member from meetings and proceedings of the Board

- 16.1. A member of the Board or a person required to attend a Board meeting must recuse himself/ herself from a matter being investigated, considered or voted upon by the Board is one or more of the following prevail:
 - 16.1.1. If he or she has a direct or indirect interest; or
 - 16.1.2. If there is a possibility that a direct or indirect interest may arise.
- 16.2. All members of the Board and persons required to attend a Board meeting will be required to complete a DIPC Declaration of Interest in Meeting Form before the commencement of the proceedings at every meeting of the members of the Board. Copies of the completed forms must be attached to the minutes of the meeting for record purposes.
- 16.3. If at any stage during the course of proceedings before the Board it appears that a member who is present at that meeting or an attendee has or may have an interest, such member or attendee must forthwith disclose the nature of the interest and leave the meeting.
- 16.4. Any disclosure of an interest must be recorded in the minutes of the meeting.
- 16.5. Any decision taken by the Board on a matter in respect of which a member or attendee has failed to disclose an interest will be invalid.
- 16.6. Indirect interest includes, but is not limited to and interest held by any member or attendee's:
 - 16.7. Business partner, associate or employer, other than the State;
 - 16.8. Spouse and/ or, domestic partner; or
 - 16.9. Child, sibling or parent.

17. Identifying and dealing with conflicts of interest

- 17.1. A conflict of interest may take a number of forms. It may be financial or non-financial. It may be direct or indirect. It may be professional or family related. A conflict of interest may arise from:
 - 17.1.1. Directorships or other employment;
 - 17.1.2. Interests in business enterprises or professional practices;
 - 17.1.3. Share ownership;
 - 17.1.4. Beneficial interests in trusts;
 - 17.1.5. Existing professional or personal associations with the governance body concerned;

- 17.1.6. Professional associations or relationships with other organisations;
 - 17.1.7. Personal associations with other groups or organisations;
 - 17.1.8. Family relationships
- 17.2. A conflict of interest may be more perceived than actual. Perception is a very important factor in the public sector; the processes of government (including institutions in the wider public sector) must be fair and ethical, and must be very clearly seen to be so.
- 17.3. In identifying conflicts of interest, those involved should focus on interests that are specific to the appointee, rather than generic in nature. Generic interests are those held in common with the general public or a significant sector of the general public (e.g. where the appointment relates to a component in the transport sector and the appointee has a car, or the appointment relates to a component in the education sector and the appointee has children of school-going age). Interests that are solely generic are not relevant and should be disregarded.
- 17.4. Having established the existence of a conflict of interest, the next consideration is the seriousness of the conflict. Conflicts can be divided into two categories:
- 17.4.1. Unmanageable conflicts of interest: where a conflict of interest is –
 - 17.4.1.1. Unavoidable (i.e. the appointee cannot or will not divest him or herself of the conflicting interest);
 - 17.4.1.2. Serious (in terms of the significance and/or value of the interest, and the appointee's circumstances);
 - 17.4.1.3. Pervasive (i.e. would affect so many of the Board's decisions that management mechanisms are not practical); and
 - 17.4.1.4. Likely to render the appointee ineligible for the position.
 - 17.4.2. Manageable conflicts of interest: where a conflict of interest has been identified, but –
 - 17.4.2.1 The appointee is prepared to divest him or herself of the interest or sever the connection that is causing the conflict;
 - 17.4.2.2 The conflict of interest is so minor (taking into account the circumstances of the appointee) or so remote that it provides no real incentive to the appointee to act against the best interests of the Board;
 - 17.4.2.3 There is little risk of a negative public perception;
 - 17.4.2.4 The conflict of interest affects a confined area of the Board's operations; or
 - 17.4.2.5 The conflict of interest can probably be avoided, or alternatively managed, through some appropriate mechanism.

18. Cooling off period

Past or retired board members may transact with, or provide goods or services to DTPC after the expiration of a cooling off period of twelve (12) months following the termination of their membership of the DTPC Board. Prior to the conclusion of the cooling off period they may not be involved in the provision of any services to DTPC whether as an independent contractor, sub-contractor or part of a consortium. Their participation may result in the immediate cancellation of the provision of such services.

19. Board evaluation and evaluation of Board members

The Board should ensure that an annual evaluation of the Board, its committees, its chair and its individual members are conducted annually and support continued improvement in its performance and effectiveness.

20. Security of Confidential information held by Dube TradePort Corporation

Subject to the Constitution and PAIA, no person may disclose any information submitted to the DTPC in connection with any legal brief or instruction unless he/ she is ordered to do so by a court of law or unless express written permission has been provided.

21. Annexures

There are no annexures.

22. Records

The records table shall contain the following information:

Record Name	Location	Responsibility	Retention Period	Disposal
Board Charter	Board Store Room; and Dube World	Company Secretary	Indefinite	Indefinite

23. Version History

Indicates the major changes that have been made to the document over its lifetime:

Date	Version No.	Nature of Change
2011	1	New Policy
2012	1	Annual review
2013	1	Annual review
2014	1	Annual review
2015	1	Annual Review
2016	1	Annual Review
2018	1	Annual Review
2019	1	Annual Review
2020	1	Annual Review