

SEIFSA BOARD CHARTER

1. PURPOSE OF CHARTER

The Board Charter sets out the role, composition and responsibilities of the Board of Directors of the Steel and Engineering Industries Federation of Southern Africa. The conduct of the Board is also governed by the Federation's Memorandum of Incorporation, as approved by the SEIFSA Annual General Meeting on 11 October 2019, a copy of which is located at www.seifsa.co.za.

A number of operational matters relating to the Board – such as the minimum number of meetings per year and the election of Directors – are governed by the Memorandum of Incorporation and are not reproduced here.

2. PURPOSE OF THE BOARD

The Board has two broad purposes, compliance and performance.

COMPLIANCE: conform with or exceed all legal requirements

Legal

- Monitor adherence to the prescripts of the Memorandum of Incorporation
- Comply with Directors' responsibilities
- Comply with laws of the countries where SEIFSA operates

Accountability

- Monitor financial performance
- Compliance audits

PERFORMANCE: assist the organization to perform to its best potential

Strategy and policy

- Uphold the Vision, Mission and Values and ensure that they inform the Federation's approach to its work
- A p p r o v e strategic plan and monitor performance

Accountability

- Overall performance of the organization
- Board evaluation and succession planning
- Report outcomes to the Council
- Oversee the CEO

Public Relations

- Participate in the Federation's activities in support of the CEO
- Keep the Council informed
- Project a strong and positive image of the Federation
- Promote the Federation's Vision, Mission and Values
- Facilitate cohesion
- Speak with one voice regarding Board decisions

Risk management

- Ensure up-to-date and effective risk management strategy
- Monitor critical risks

3. ROLES AND RESPONSIBILITIES

The Board has delegated authority for the operations and administration of the Federation to the Chief Executive Officer (CEO).

The functions of the Board are to:

- 1) Provide effective leadership and collaborate with the Executive Management team in
 - articulating the Federation Values, Vision, Mission and strategies,
 - approving strategic plans and ordering strategic priorities,
 - maintaining open lines of communication with the CEO;
- 2) Monitor the performance of the CEO against agreed performance indicators;
- 3) Review and approve the business plans and annual budget proposed by the CEO and the Executive Management team;
- 4) Monitor the achievement of the strategic and business plans and annual budget outcomes;
- 5) Establish such Committees, policies and procedures as will facilitate a more effective discharge of the Board's roles and responsibilities;
- 6) Ensure, through the Board Committees and others as appropriate, that compliance obligations and functions are effectively discharged;
- 7) Ensure that all significant systems and procedures are in place for the Federation to run effectively, efficiently and meet all legal and contractual requirements;
- 8) Ensure that all significant risks are adequately considered and accounted for by the Executive Management team;
- 9) Ensure that the Federation has appropriate corporate governance structures in place, including standards of ethical behaviour.

The Board has no operational involvement in the conduct of the Federation's business activities and delivery of services.

4. MEMBERSHIP, TERM AND CONFLICT OF INTEREST

The constitution of the Board and the term of office of Non-Executive Directors are spelt out in the Memorandum of Incorporation.

Board Members shall be men and women of good standing and will always be careful to avoid any conflicts of interest or appearance of conflicts of interests. As SEIFSA Directors, their primary fiduciary duty is to the Federation, and not to the Associations to which they belong or the Council that elected them.

Non-Executive Directors may not be a member of the paid staff of the Federation or do remunerative work for the Federation.

Directors are free from any interest and any business or other relationship which could – or could reasonably be perceived to – materially interfere with their ability to act in the best interests of the Federation.

Membership of the Board shall be disclosed in the Annual Report, including their attendance record of Board Meetings in the year under review.

5. BOARD/CEO relationship

The roles of the Chairman and the CEO are strictly separated.

The CEO is responsible for:

- The policy implementation and the operations of the Federation;
- The efficient and effective management of the Federation;
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

As Executive Directors, the CEO, the Deputy CEO and the Operations Director are full members of the Board.

6. BOARD CULTURE

The Board actively seeks to have a culture characterised by respectful, robust and constructive debate and a willingness to challenge.

Agendas

- The agendas of the Board limit presentation time and maximise discussion time.
- There is ample opportunity, outside Board Meetings, for informal interactions among Board members.

Norms

- Board members do not make assumptions, are honest and constructive;
- Members are ready to ask questions and willing to challenge one another;
- Members actively seek out other members' views and contributions;
- Members spend appropriate time on issues of importance to the Federation, rather than those of special interest to them or their Associations.

Beliefs

- Preparation for Board Meetings is paramount;
- Active participation in Board Meetings is important;
- Directors take responsibility for their words and their actions.

Values

- The Board serves the Federation by observing good corporate governance;
- The Board is responsible to the Council and other stakeholders;
- The Board is responsible for maintaining the Federation's stature in the business community in Southern Africa in general and in the metals and engineering sector in particular.
- Board members respect one another and their respective points of view.

7. REPORTING

Minutes of all meetings are signed by the Chairman of the meeting.

Minutes of all Board meetings are circulated to Directors and approved by the Board at the subsequent meeting.

8. REVIEW OF CHARTER

The Board will review this Charter annually to ensure that it remains consistent with the Board's objectives and responsibilities.

9. PUBLICATION OF THE CHARTER

A copy of the Charter is available at www.seifsa.co.za.